

SUMMARY

Analysis Type: Selling
Property Type: Retail
Address: 425 Columbia Ave Castlegar
Age of Property (Completion Year): 1961
Site Area: 14,810 sq ft
Gross Building Area: 6,053 sq ft

PROPERTY INCOME

Property Annual Income: \$88,464
Property Square Footage: 14,810
Property Vacancy: 2%
Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$467,629
Down Payment: \$251,800
Interest Rate: 6.18%
Amortization Period: 20 Year
Monthly Payment: \$3,399
Annual Debt Service: \$40,788
Debt Coverage Ratio: 1.09

PROPERTY EXPENSES

Gross Lease
Property Annual Expenses: \$42,234

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 5 %
Annual Expense Growth Rate: 5 %
Cap Rate at Sale: 6.18 %
Cost of Sale: 1%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$719,429
Property Cap Rate: 6.18%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$88,464
Vacancy Rate: 2%
Cash on Cash Return (Return on Equity): 1.46%

Income Analysis

425 Columbia Ave Castlegar

Report courtesy of Troy Muljat

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Effective Gross Income -Growing @ 5%/yr -With a 2% Vacancy Rate):	\$86,695	\$91,029	\$95,580	\$100,360	\$105,377	\$110,646	\$116,178	\$121,986	\$128,086	\$134,490	\$141,215
Average Rent per Square Foot:	\$5.85	\$6.15	\$6.46	\$6.78	\$7.12	\$7.48	\$7.85	\$8.24	\$8.65	\$9.08	\$9.53
Less Expenses (Growing @ 5%/yr):	(\$ 42,234)	(\$ 44,346)	(\$ 46,563)	(\$ 48,891)	(\$ 51,336)	(\$ 53,903)	(\$ 56,598)	(\$ 59,428)	(\$ 62,399)	(\$ 65,519)	(\$ 68,795)
Net Operating Income (NOI):	\$ 44,461	\$ 46,683	\$ 49,017	\$ 51,469	\$ 54,041	\$ 56,743	\$ 59,580	\$ 62,558	\$ 65,687	\$ 68,971	\$ 72,420
Less Loan Payment 1st Mortgage	(\$40,788)	(\$40,788)	(\$40,788)	(\$40,788)	(\$40,788)	(\$40,788)	(\$40,788)	(\$40,788)	(\$40,788)	(\$40,788)	(\$40,788)
Net Cash Flow	\$ 3,673	\$ 5,895	\$ 8,230	\$ 10,681	\$ 13,254	\$ 15,955	\$ 18,792	\$ 21,771	\$ 24,899	\$ 28,184	\$ 31,632
Cash on Cash Return (Return on Equity):	1.46%	2.34%	3.27%	4.24%	5.26%	6.34%	7.46%	8.65%	9.89%	11.19%	12.56%
Principal Reduction:	\$12,231	\$13,009	\$13,836	\$14,715	\$15,651	\$16,646	\$17,704	\$18,830	\$20,027	\$21,301	\$22,655
Cumulative Principal Reduction:	\$12,231	\$25,239	\$39,075	\$53,790	\$69,441	\$86,087	\$103,792	\$122,622	\$142,649	\$163,950	\$186,604
Cash Flow Plus Principal Reduction:	\$ 15,904	\$ 18,904	\$ 22,066	\$ 25,396	\$ 28,905	\$ 32,601	\$ 36,496	\$ 40,601	\$ 44,926	\$ 49,485	\$ 54,287
Total Return Before Taxes:	6.32%	7.51%	8.76%	10.09%	11.48%	12.95%	14.49%	16.12%	17.84%	19.65%	21.56%

IRR: 19.45%