

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: \$446,173
Down Payment: \$251,800
Interest Rate: 6.18%
Amortization Period: 20 Year
Monthly Payment: \$3,243
Annual Debt Service: \$38,916
Debt Coverage Ratio: 1.11

PROPERTY EXPENSES

Gross Lease
Property Annual Expenses: \$43,560

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 5 %
Annual Expense Growth Rate: 4 %
Cap Rate at Sale: 6.18 %
Cost of Sale: 2%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$697,973
Property Cap Rate: 6.18%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$88,464
Vacancy Rate: 2%
Cash on Cash Return (Return on Equity): 1.68%

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 @ 4%/yr):	(\$ 43,560)	(\$ 45,302)	(\$ 47,114)	(\$ 48,999)	(\$ 50,959)	(\$ 52,997)	(\$ 55,117)	(\$ 57,322)	(\$ 59,615)	(\$ 62,000)	(\$ 64,480)
Net Operating Income (NOI):	\$ 43,135	\$ 45,727	\$ 48,466	\$ 51,361	\$ 54,418	\$ 57,649	\$ 61,061	\$ 64,664	\$ 68,471	\$ 72,490	\$ 76,735
Less Loan Payment 1st Mortgage	(\$38,916)	(\$38,916)	(\$38,916)	(\$38,916)	(\$38,916)	(\$38,916)	(\$38,916)	(\$38,916)	(\$38,916)	(\$38,916)	(\$38,916)
Net Cash Flow	\$ 4,218	\$ 6,811	\$ 9,550	\$ 12,445	\$ 15,502	\$ 18,733	\$ 22,145	\$ 25,748	\$ 29,555	\$ 33,574	\$ 37,819
Cash on Cash Return (Return on Equity):	1.68%	2.70%	3.79%	4.94%	6.16%	7.44%	8.79%	10.23%	11.74%	13.33%	15.02%
Principal Reduction:	\$11,670	\$12,412	\$13,201	\$14,040	\$14,933	\$15,882	\$16,892	\$17,966	\$19,108	\$20,323	\$21,615
Cumulative Principal Reduction:	\$11,670	\$24,081	\$37,282	\$51,322	\$66,255	\$82,137	\$99,029	\$116,995	\$136,104	\$156,427	\$178,042
Cash Flow Plus Principal Reduction:	\$ 15,888	\$ 19,223	\$ 22,751	\$ 26,485	\$ 30,435	\$ 34,615	\$ 39,037	\$ 43,714	\$ 48,663	\$ 53,897	\$ 59,434
Total Return Before Taxes:	6.31%	7.63%	9.04%	10.52%	12.09%	13.75%	15.50%	17.36%	19.33%	21.40%	23.60%

IRR: 19.88%