

## SUMMARY

**Analysis Type: Buying**

**Property Type: Office**

**Address: 451 n dean ave chandler az 85226**

**Age of Property (Completion Year): 1996**

**Site Area: 41,817 sq ft**

**Gross Building Area: 5,061 sq ft**

## PROPERTY INCOME

**Property Annual Income: \$78,991**

**Property Square Footage: 41,817**

**Property Vacancy: 2%**

**Property Additional Income: -**

## LOAN & DEBT ANALYSIS

**Loan Amount: \$1,128,220**

**Down Payment: \$300,000**

**Interest Rate: 5.08%**

**Amortization Period: 30 Year**

**Monthly Payment: \$6,112**

**Annual Debt Service: \$73,342**

**Debt Coverage Ratio: 0.97**

## PROPERTY EXPENSES

**Gross Lease**

**Property Annual Expenses: \$6,000**

## CASH FLOW ASSUMPTIONS

**Annual Income Growth Rate: 2 %**

**Annual Expense Growth Rate: 2 %**

**Cap Rate at Sale: 5.5 %**

**Cost of Sale: 2%**

**Number of Years: 10**

## PROPERTY VALUE & CAP RATE

**Property Value / Sale Price: \$1,428,220**

**Property Cap Rate: 5%**

## 10 YEAR CASH FLOW ANALYSIS

**Potential Income: \$78,990.84**

**Vacancy Rate: 2%**

**Cash on Cash Return (Return on Equity): -0.64%**

# Income Analysis

451 n dean ave chandler az 85226

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
<b>Effective Gross Income</b> -Growing @ 2%/yr -With a 2% Vacancy Rate):	\$77,411	\$78,960	\$80,538	\$82,149	\$83,793	\$85,469	\$87,178	\$88,921	\$90,700	\$92,514	\$94,364
<b>Average Rent per Square Foot:</b>	\$1.85	\$1.89	\$1.93	\$1.97	\$2.01	\$2.05	\$2.09	\$2.13	\$2.17	\$2.21	\$2.25
<b>Less Expenses (Growing @ 2%/yr):</b>	(\$ 6,000)	(\$ 6,120)	(\$ 6,242)	(\$ 6,367)	(\$ 6,494)	(\$ 6,624)	(\$ 6,756)	(\$ 6,891)	(\$ 7,029)	(\$ 7,170)	(\$ 7,313)
<b>Net Operating Income (NOI):</b>	\$ 71,411	\$ 72,840	\$ 74,296	\$ 75,782	\$ 77,299	\$ 78,845	\$ 80,422	\$ 82,030	\$ 83,671	\$ 85,344	\$ 87,051
<b>Less Loan Payment 1st Mortgage</b>	(\$73,342)	(\$73,342)	(\$73,342)	(\$73,342)	(\$73,342)	(\$73,342)	(\$73,342)	(\$73,342)	(\$73,342)	(\$73,342)	(\$73,342)
<b>Net Cash Flow</b>	\$ -1,931	\$ -502	\$ 955	\$ 2,441	\$ 3,957	\$ 5,503	\$ 7,080	\$ 8,689	\$ 10,329	\$ 12,002	\$ 13,709
<b>Cash on Cash Return (Return on Equity):</b>	-0.64%	-0.17%	0.32%	0.81%	1.32%	1.83%	2.36%	2.90%	3.44%	4.00%	4.57%
<b>Principal Reduction:</b>	\$16,407	\$17,260	\$18,157	\$19,101	\$20,095	\$21,140	\$22,239	\$23,395	\$24,612	\$25,892	\$27,238
<b>Cumulative Principal Reduction:</b>	\$16,407	\$33,666	\$51,824	\$70,925	\$91,020	\$112,160	\$134,399	\$157,794	\$182,406	\$208,298	\$235,536
<b>Cash Flow Plus Principal Reduction:</b>	\$ 14,476	\$ 16,758	\$ 19,112	\$ 21,542	\$ 24,052	\$ 26,643	\$ 29,319	\$ 32,084	\$ 34,941	\$ 37,894	\$ 40,947
<b>Total Return Before Taxes:</b>	4.83%	5.59%	6.37%	7.18%	8.02%	8.88%	9.77%	10.69%	11.65%	12.63%	13.65%

IRR: 9.42%