

SUMMARY

Analysis Type: Buying
Property Type: Office
Address: 4510 Wildwood

PROPERTY INCOME

Property Annual Income: \$18,000
Property Square Footage: -
Property Vacancy: -
Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$154,500
Down Payment: \$51,500
Interest Rate: 7%
Amortization Period: 20 Year
Monthly Payment: \$1,198
Annual Debt Service: \$14,374
Debt Coverage Ratio: 0.94

PROPERTY EXPENSES

Gross Lease
Property Annual Expenses: \$4,500

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %
Annual Expense Growth Rate: 2 %
Cap Rate at Sale: 7.05 %
Cost of Sale: 2%
Number of Years: 5

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$206,000
Property Cap Rate: 6.55%

5 YEAR CASH FLOW ANALYSIS

Potential Income: \$18,000
Vacancy Rate: -
Cash on Cash Return (Return on Equity): -1.70%

Income Analysis

4510 Wildwood

Report courtesy of Ola van Zyl

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Gross Income	\$18,000	\$	\$	\$	\$	\$
Vacancy Rate	\$	\$	\$	\$	\$	\$
Effective Gross Income -Growing @ 2%/yr -With a % Vacancy Rate):	\$18,000	\$18,360	\$18,727	\$19,102	\$19,484	\$19,874
Average Rent per Square Foot:						
Less Expenses (Growing @ 2%/yr):	(\$ 4,500)	(\$ 4,590)	(\$ 4,682)	(\$ 4,776)	(\$ 4,872)	(\$ 4,969)
Net Operating Income (NOI):	\$ 13,500	\$ 13,770	\$ 14,045	\$ 14,326	\$ 14,612	\$ 14,905
Less Loan Payment 1st Mortgage	(\$14,374)	(\$14,374)	(\$14,374)	(\$14,374)	(\$14,374)	(\$14,374)
Net Cash Flow	\$ -874	\$ -604	\$ -329	\$ -48	\$ 238	\$ 531
Cash on Cash Return (Return on Equity):	-1.70%	-1.17%	-0.64%	-0.09%	0.46%	1.03%
Principal Reduction:	\$3,675	\$3,941	\$4,226	\$4,532	\$4,859	\$5,210
Cumulative Principal Reduction:	\$3,675	\$7,617	\$11,843	\$16,374	\$21,234	\$26,444
Cash Flow Plus Principal Reduction:	\$ 2,801	\$ 3,337	\$ 3,897	\$ 4,484	\$ 5,097	\$ 5,741
Total Return Before Taxes:	5.44%	6.48%	7.57%	8.71%	9.90%	11.15%

IRR: 12.89%

Future Value in Year 5	Cost of Sale	Loan Balance
\$7,532	\$151	\$103,165