

SUMMARY

Analysis Type: Buying
Property Type: Multi-Family
Address: 4775 Wilson Avenue San Diego 92116 California
Age of Property (Completion Year): 50



PROPERTY INCOME

Property Annual Income: \$162,600
Property Square Footage: -
Property Vacancy: 5%
Property Additional Income: \$480

LOAN & DEBT ANALYSIS

Loan Amount: \$1,099,000
Down Payment: \$1,000,000
Interest Rate: 5%
Amortization Period: 30 Year
Monthly Payment: \$5,900
Annual Debt Service: \$70,796
Debt Coverage Ratio: 1.48

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$50,000

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 5 %
Annual Expense Growth Rate: 3 %
Cap Rate at Sale: 5.5 %
Cost of Sale: 2%
Number of Years: 7

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$2,099,000
Property Cap Rate: 5%

7 YEAR CASH FLOW ANALYSIS

Potential Income: \$162,600
Vacancy Rate: 5%
Cash on Cash Return (Return on Equity): 3.42%

Income Analysis

4775 Wilson Avenue San Diego 92116 California

Report courtesy of Troy Muljat

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Effective Gross Income -Growing @ 5%/yr -With a 5% Vacancy Rate:	\$154,470	\$162,194	\$170,304	\$178,819	\$187,760	\$197,148	\$207,005	\$217,355
Average Rent per Square Foot:								
Less Expenses (Growing @ 3%/yr):	(\$ 50,000)	(\$ 51,500)	(\$ 53,045)	(\$ 54,636)	(\$ 56,275)	(\$ 57,963)	(\$ 59,702)	(\$ 61,493)
Net Operating Income (NOI):	\$ 104,950	\$ 111,174	\$ 117,739	\$ 124,663	\$ 131,965	\$ 139,665	\$ 147,783	\$ 156,342
Less Loan Payment 1st Mortgage	(\$70,796)	(\$70,796)	(\$70,796)	(\$70,796)	(\$70,796)	(\$70,796)	(\$70,796)	(\$70,796)
Net Cash Flow	\$ 33,674	\$ 39,897	\$ 46,463	\$ 53,386	\$ 60,689	\$ 68,389	\$ 76,507	\$ 85,066
Cash on Cash Return (Return on Equity):	3.37%	3.99%	4.65%	5.34%	6.07%	6.84%	7.65%	8.51%
Principal Reduction:	\$16,214	\$17,044	\$17,916	\$18,832	\$19,796	\$20,809	\$21,873	\$22,992
Cumulative Principal Reduction:	\$16,214	\$33,258	\$51,174	\$70,006	\$89,802	\$110,611	\$132,484	\$155,477
Cash Flow Plus Principal Reduction:	\$ 49,888	\$ 56,941	\$ 64,379	\$ 72,218	\$ 80,485	\$ 89,198	\$ 98,380	\$ 108,058
Total Return Before Taxes:	4.99%	5.69%	6.44%	7.22%	8.05%	8.92%	9.84%	10.81%

IRR: 19.22%