

SUMMARY

Analysis Type: Buying**Property Type: Retail****Address: 4891 S Redwood Rd****Age of Property (Completion Year): 1985****Site Area: 53,000 sq ft****Gross Building Area: 10,800 sq ft**

PROPERTY INCOME

Property Annual Income: \$105,000**Property Square Footage: 53,000****Property Vacancy: 2%****Property Additional Income: -**

LOAN & DEBT ANALYSIS

Loan Amount: \$1,298,333**Down Payment: \$0****Interest Rate: 6%****Amortization Period: 1000 Year****Monthly Payment: \$6,492****Annual Debt Service: \$77,900****Debt Coverage Ratio: 1**

PROPERTY EXPENSES

Gross Lease**Property Annual Expenses: \$25,000**

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 15 %**Annual Expense Growth Rate: 2 %****Cap Rate at Sale: 6.5 %****Cost of Sale: 4%****Number of Years: 5**

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$1,298,333**Property Cap Rate: 6.00%**

5 YEAR CASH FLOW ANALYSIS

Potential Income: \$105,000**Vacancy Rate: 2%****Cash on Cash Return (Return on Equity): 6.00%**

Income Analysis

4891 S Redwood Rd

Report courtesy of Troy Muljat

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Gross Income	\$105,000	\$107,100	\$109,242	\$111,427	\$113,656	\$115,929
Vacancy Rate (2%)	\$2,100	\$2,142	\$2,185	\$2,229	\$2,273	\$2,319
Effective Gross Income -Growing @ 15%/yr -With a 2% Vacancy Rate):	\$102,900	\$118,335	\$136,086	\$156,498	\$179,973	\$206,969
Average Rent per Square Foot:	\$1.94	\$2.23	\$2.56	\$2.94	\$3.38	\$3.89
Less Expenses (Growing @ 2%/yr):	(\$ 25,000)	(\$ 25,500)	(\$ 26,010)	(\$ 26,530)	(\$ 27,061)	(\$ 27,602)
Net Operating Income (NOI):	\$ 77,900	\$ 92,835	\$ 110,076	\$ 129,968	\$ 152,912	\$ 179,367
Less Loan Payment 1st Mortgage	(\$77,900)	(\$77,900)	(\$77,900)	(\$77,900)	(\$77,900)	(\$77,900)
Net Cash Flow	\$ 0	\$ 14,935	\$ 32,176	\$ 52,068	\$ 75,012	\$ 101,467
Cash on Cash Return (Return on Equity):	%	4,480,500.00%	9,652,800.00%	15,620,399.99%	22,503,599.99%	30,440,099.99%
Principal Reduction:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Cumulative Principal Reduction:	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow Plus Principal Reduction:	\$	\$	\$	\$	\$	\$
Total Return Before Taxes:	%	%	%	%	%	%

IRR: -99.99%

Future Value in Year 5	Cost of Sale	Loan Balance
\$1,561,031	\$62,441	\$1,298,333