

SUMMARY

Analysis Type: Existing Property (hold)

Property Type: Mixed-Use

Address: 5165 MacArthur Blvd, NW Washington, DC 20016

Age of Property (Completion Year): 16

Site Area: 5,600 sq ft

Gross Building Area: 8,800 sq ft

PROPERTY INCOME

Property Annual Income: \$360,000

Property Square Footage: 5,600

Property Vacancy: -

Property Additional Income: \$60,000

LOAN & DEBT ANALYSIS

Loan Amount: \$3,960,000

Down Payment: \$3,000,000

Interest Rate: 4%

Amortization Period: 20 Year

Monthly Payment: \$23,997

Annual Debt Service: \$287,962

Debt Coverage Ratio: 1.21

PROPERTY EXPENSES

Gross Lease

Property Annual Expenses: \$72,000

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: \$6,960,000

Property Cap Rate: 5.00%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$360,000

Vacancy Rate: -

Cash on Cash Return (Return on Equity): 2.00%



Income Analysis

5165 MacArthur Blvd, NW Washington, DC 20016

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 @ 2%/yr -With a % Vacancy Rate):	\$360,000	\$367,200	\$374,544	\$382,035	\$389,676	\$397,470	\$405,419	\$413,527	\$421,798	\$430,234	\$438,839
Average Rent per Square Foot:	\$64.29	\$65.57	\$66.88	\$68.22	\$69.58	\$70.97	\$72.39	\$73.84	\$75.32	\$76.83	\$78.37
Less Expenses (Growing @ 2%/yr):	(\$ 72,000)	(\$ 73,440)	(\$ 74,909)	(\$ 76,407)	(\$ 77,935)	(\$ 79,494)	(\$ 81,084)	(\$ 82,706)	(\$ 84,360)	(\$ 86,047)	(\$ 87,768)
Net Operating Income (NOI):	\$ 348,000	\$ 353,760	\$ 359,635	\$ 365,628	\$ 371,741	\$ 377,976	\$ 384,335	\$ 390,821	\$ 397,438	\$ 404,187	\$ 411,071
Less Loan Payment 1st Mortgage	(\$287,962)	(\$287,962)	(\$287,962)	(\$287,962)	(\$287,962)	(\$287,962)	(\$287,962)	(\$287,962)	(\$287,962)	(\$287,962)	(\$287,962)
Net Cash Flow	\$ 38	\$ 5,798	\$ 11,673	\$ 17,666	\$ 23,779	\$ 30,014	\$ 36,373	\$ 42,859	\$ 49,476	\$ 56,225	\$ 63,109
Cash on Cash Return (Return on Equity):	0.00%	0.19%	0.39%	0.59%	0.79%	1.00%	1.21%	1.43%	1.65%	1.87%	2.10%
Principal Reduction:	\$131,964	\$137,340	\$142,936	\$148,759	\$154,820	\$161,127	\$167,692	\$174,524	\$181,634	\$189,034	\$196,736
Cumulative Principal Reduction:	\$131,964	\$269,304	\$412,240	\$560,999	\$715,818	\$876,945	\$1,044,637	\$1,219,161	\$1,400,795	\$1,589,830	\$1,786,566
Cash Flow Plus Principal Reduction:	\$ 132,002	\$ 143,138	\$ 154,609	\$ 166,425	\$ 178,599	\$ 191,141	\$ 204,065	\$ 217,383	\$ 231,110	\$ 245,259	\$ 259,845
Total Return Before Taxes:	4.40%	4.77%	5.15%	5.55%	5.95%	6.37%	6.80%	7.25%	7.70%	8.18%	8.66%

IRR: 10.12%