

SUMMARY

Analysis Type: Selling

Property Type: Mixed-Use

Address: 606 Evans St

Age of Property (Completion Year): 1950

Site Area: 2,668 sq ft

Gross Building Area: 2,132 sq ft

PROPERTY INCOME

Property Annual Income: \$24,000

Property Square Footage: 2,668

Property Vacancy: 5%

Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$140,149

Down Payment: \$34,998

Interest Rate: 7%

Amortization Period: 20 Year

Monthly Payment: \$1,087

Annual Debt Service: \$13,039

Debt Coverage Ratio: 1.32

PROPERTY EXPENSES

Gross Lease

Property Annual Expenses: \$5,580

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %

Annual Expense Growth Rate: 2 %

Cap Rate at Sale: 11.75 %

Cost of Sale: 2%

Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$175,147

Property Cap Rate: 9.83%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$24,000

Vacancy Rate: 5%

Cash on Cash Return (Return on Equity): 11.95%

Income Analysis

606 Evans St

Report courtesy of Susan Pittman

	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 5% Vacancy Rate):	\$22,800	\$23,256	\$23,722	\$24,196	\$24,679	\$25,173	\$25,677	\$26,191	\$26,714	\$27,248	\$27,793
Average Rent per Square Foot:	\$8.55	\$8.72	\$8.89	\$9.07	\$9.25	\$9.44	\$9.63	\$9.82	\$10.02	\$10.22	\$10.42
Less Expenses (Growing @ 2%/yr):	(\$ 5,580)	(\$ 5,692)	(\$ 5,806)	(\$ 5,922)	(\$ 6,040)	(\$ 6,161)	(\$ 6,284)	(\$ 6,410)	(\$ 6,538)	(\$ 6,669)	(\$ 6,802)
Net Operating Income (NOI):	\$ 17,220	\$ 17,564	\$ 17,916	\$ 18,274	\$ 18,639	\$ 19,012	\$ 19,393	\$ 19,781	\$ 20,176	\$ 20,579	\$ 20,991
Less Loan Payment 1st Mortgage	(\$13,039)	(\$13,039)	(\$13,039)	(\$13,039)	(\$13,039)	(\$13,039)	(\$13,039)	(\$13,039)	(\$13,039)	(\$13,039)	(\$13,039)
Net Cash Flow	\$ 4,181	\$ 4,525	\$ 4,877	\$ 5,235	\$ 5,600	\$ 5,973	\$ 6,354	\$ 6,742	\$ 7,137	\$ 7,540	\$ 7,952
Cash on Cash Return (Return on Equity):	11.95%	12.93%	13.94%	14.96%	16.00%	17.07%	18.16%	19.26%	20.39%	21.54%	22.72%
Principal Reduction:	\$3,334	\$3,575	\$3,834	\$4,111	\$4,408	\$4,726	\$5,068	\$5,435	\$5,827	\$6,249	\$6,700
Cumulative Principal Reduction:	\$3,334	\$6,909	\$10,743	\$14,853	\$19,261	\$23,988	\$29,056	\$34,490	\$40,318	\$46,566	\$53,267
Cash Flow Plus Principal Reduction:	\$ 7,515	\$ 8,100	\$ 8,711	\$ 9,346	\$ 10,008	\$ 10,699	\$ 11,422	\$ 12,177	\$ 12,964	\$ 13,789	\$ 14,652
Total Return Before Taxes:	21.47%	23.14%	24.89%	26.70%	28.60%	30.57%	32.64%	34.79%	37.04%	39.40%	41.87%

IRR: 27.36%