

SUMMARY

Analysis Type: Buying**Property Type: Retail****Address: 6063b Hwy 291 Nine Mile Falls WA****Age of Property (Completion Year): 2020****Site Area: 1,200 sq ft****Gross Building Area: 1,200 sq ft**

PROPERTY INCOME

Property Annual Income: \$30,000**Property Square Footage: 1,200****Property Vacancy: 2%****Property Additional Income: -**

LOAN & DEBT ANALYSIS

Loan Amount: \$305,000**Down Payment: \$175,000****Interest Rate: 8.25%****Amortization Period: 25 Year****Monthly Payment: \$2,405****Annual Debt Service: \$28,857****Debt Coverage Ratio: 0.98**

PROPERTY EXPENSES

Gross Lease**Property Annual Expenses: \$1,200**

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %**Annual Expense Growth Rate: 2 %****Cap Rate at Sale: 6.38 %****Cost of Sale: 2%****Number of Years: 10**

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$480,000**Property Cap Rate: 5.88%**

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$30,000**Vacancy Rate: 2%****Cash on Cash Return (Return on Equity): -0.38%**



Income Analysis

6063b Hwy 291 Nine Mile Falls WA

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
Gross Income	\$30,000	\$30,600	\$31,212	\$31,836	\$32,473	\$33,122	\$33,784	\$34,460	\$35,149	\$35,852	\$36,569
Vacancy Rate (2%)	\$600	\$612	\$624	\$637	\$649	\$662	\$676	\$689	\$703	\$717	\$731
Effective Gross Income -Growing @ 2%/yr -With a 2% Vacancy Rate):	\$29,400	\$29,988	\$30,588	\$31,199	\$31,824	\$32,460	\$33,108	\$33,771	\$34,446	\$35,135	\$35,838
Average Rent per Square Foot:	\$24.50	\$24.99	\$25.49	\$26.00	\$26.52	\$27.05	\$27.59	\$28.14	\$28.70	\$29.27	\$29.86
Less Expenses (Growing @ 2%/yr):	(\$ 1,200)	(\$ 1,224)	(\$ 1,248)	(\$ 1,273)	(\$ 1,298)	(\$ 1,324)	(\$ 1,350)	(\$ 1,377)	(\$ 1,405)	(\$ 1,433)	(\$ 1,462)
Net Operating Income (NOI):	\$ 28,200	\$ 28,764	\$ 29,340	\$ 29,926	\$ 30,526	\$ 31,136	\$ 31,758	\$ 32,394	\$ 33,041	\$ 33,702	\$ 34,376
Less Loan Payment 1st Mortgage	(\$28,857)	(\$28,857)	(\$28,857)	(\$28,857)	(\$28,857)	(\$28,857)	(\$28,857)	(\$28,857)	(\$28,857)	(\$28,857)	(\$28,857)
Net Cash Flow	\$ -657	\$ -93	\$ 482	\$ 1,069	\$ 1,668	\$ 2,278	\$ 2,901	\$ 3,537	\$ 4,184	\$ 4,845	\$ 5,518
Cash on Cash Return (Return on Equity):	-0.38%	-0.05%	0.28%	0.61%	0.95%	1.30%	1.66%	2.02%	2.39%	2.77%	3.15%
Principal Reduction:	\$3,838	\$4,167	\$4,524	\$4,911	\$5,332	\$5,789	\$6,285	\$6,824	\$7,408	\$8,043	\$8,733
Cumulative Principal Reduction:	\$3,838	\$8,004	\$12,528	\$17,439	\$22,771	\$28,560	\$34,846	\$41,669	\$49,078	\$57,121	\$65,854
Cash Flow Plus Principal Reduction:	\$ 3,181	\$ 4,074	\$ 5,006	\$ 5,980	\$ 7,000	\$ 8,067	\$ 9,186	\$ 10,361	\$ 11,592	\$ 12,888	\$ 14,251
Total Return Before Taxes:	1.82%	2.33%	2.86%	3.42%	4.00%	4.61%	5.25%	5.92%	6.62%	7.36%	8.14%

IRR: 11.63%

Future Value in Year 10	Cost of Sale	Loan Balance
\$86,489	\$1,730	