

SUMMARY

Analysis Type: Selling

Property Type: Retail

Address: 615 Natchez St Pittsburgh PA

Age of Property (Completion Year): 100

Site Area: 8,000 sq ft

Gross Building Area: 3,200 sq ft

PROPERTY INCOME

Property Annual Income: \$20,400

Property Square Footage: 8,000

Property Vacancy: 2%

Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$115,484

Down Payment: \$38,495

Interest Rate: 7.6%

Amortization Period: 20 Year

Monthly Payment: \$937

Annual Debt Service: \$11,249

Debt Coverage Ratio: 1.3

PROPERTY EXPENSES

Gross Lease

Property Annual Expenses: \$5,364

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3.5 %

Annual Expense Growth Rate: 2 %

Cap Rate at Sale: 9 %

Cost of Sale: 6%

Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$153,979

Property Cap Rate: 9.50%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$20,400

Vacancy Rate: 2%

Cash on Cash Return (Return on Equity): 8.78%

Income Analysis

615 Natchez St Pittsburgh PA

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
Gross Income	\$20,400	\$20,808	\$21,224	\$21,648	\$22,081	\$22,523	\$22,973	\$23,432	\$23,901	\$24,379	\$24,867
Vacancy Rate (2%)	\$408	\$416	\$424	\$433	\$442	\$450	\$459	\$469	\$478	\$488	\$497
Effective Gross Income -Growing @ 3.5%/yr -With a 2% Vacancy Rate):	\$19,992	\$20,692	\$21,416	\$22,166	\$22,942	\$23,744	\$24,575	\$25,436	\$26,326	\$27,247	\$28,200
Average Rent per Square Foot:	\$2.50	\$2.59	\$2.68	\$2.77	\$2.87	\$2.97	\$3.07	\$3.18	\$3.29	\$3.41	\$3.53
Less Expenses (Growing @ 2%/yr):	(\$ 5,364)	(\$ 5,471)	(\$ 5,580)	(\$ 5,692)	(\$ 5,806)	(\$ 5,922)	(\$ 6,040)	(\$ 6,161)	(\$ 6,284)	(\$ 6,410)	(\$ 6,538)
Net Operating Income (NOI):	\$ 14,628	\$ 15,221	\$ 15,836	\$ 16,474	\$ 17,136	\$ 17,822	\$ 18,535	\$ 19,275	\$ 20,042	\$ 20,837	\$ 21,662
Less Loan Payment 1st Mortgage	(\$11,249)	(\$11,249)	(\$11,249)	(\$11,249)	(\$11,249)	(\$11,249)	(\$11,249)	(\$11,249)	(\$11,249)	(\$11,249)	(\$11,249)
Net Cash Flow	\$ 3,379	\$ 3,972	\$ 4,587	\$ 5,225	\$ 5,887	\$ 6,574	\$ 7,287	\$ 8,026	\$ 8,793	\$ 9,588	\$ 10,414
Cash on Cash Return (Return on Equity):	8.78%	10.32%	11.92%	13.57%	15.29%	17.08%	18.93%	20.85%	22.84%	24.91%	27.05%
Principal Reduction:	\$2,560	\$2,762	\$2,979	\$3,213	\$3,466	\$3,739	\$4,033	\$4,351	\$4,693	\$5,063	\$5,461
Cumulative Principal Reduction:	\$2,560	\$5,322	\$8,300	\$11,514	\$14,980	\$18,719	\$22,752	\$27,103	\$31,796	\$36,859	\$42,320
Cash Flow Plus Principal Reduction:	\$ 5,939	\$ 6,734	\$ 7,566	\$ 8,438	\$ 9,353	\$ 10,313	\$ 11,320	\$ 12,377	\$ 13,486	\$ 14,651	\$ 15,875
Total Return Before Taxes:	15.43%	17.49%	19.65%	21.92%	24.30%	26.79%	29.41%	32.15%	35.03%	38.06%	41.24%

IRR: 23.80% (Iterative Method)
22.6% (Newton's Method)

Income Analysis

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Future Value in Year 10	Cost of Sale	Loan Balance
\$240,689	\$14,441	\$78,625