Income Analysis

6165 Meadow Rose Ln Charlotte NC 28215

Report courtesy of Ola van Zyl

SUMMARY

Analysis Type: Buying
Property Type: Office
Address: 6165 Meadow Rose Ln Charlotte NC 28215
Age of Property (Completion Year): 1986
Site Area: 883 sq ft
Gross Building Area: 883 sq ft

PROPERTY INCOME

Property Annual Income: $17,400
Property Square Footage: 883
Property Vacancy: -
Property Additional Income: -

PROPERTY EXPENSES

Gross Lease
Property Annual Expenses: $5,422

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: $145,000
Property Cap Rate: 8.26%

LOAN & DEBT ANALYSIS

Loan Amount: $108,750
Down Payment: $36,250
Interest Rate: 7%
Amortization Period: 30 Year
Monthly Payment: $724
Annual Debt Service: $8,682
Debt Coverage Ratio: 1.38

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %
Annual Expense Growth Rate: 2 %
Cap Rate at Sale: 8.76 %
Cost of Sale: 2%
Number of Years: 5

5 YEAR CASH FLOW ANALYSIS

Potential Income: $17,400
Vacancy Rate: -
Cash on Cash Return (Return on Equity): 9.09%

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CRE CALCULATOR

Income Analysis

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	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Gross Income	$17,400	$	$	$	$	$
Vacancy Rate	$	$	$	$	$	$
Effective Gross Income -Growing @ 2%/yr -With a 0% Vacancy Rate):	$17,400	$17,748	$18,103	$18,465	$18,834	$19,211
Average Rent per Square Foot:	$19.71	$20.10	$20.50	$20.91	$21.33	$21.76
Less Expenses (Growing @ 2%/yr):	($ 5,422)	($ 5,530)	($ 5,641)	($ 5,754)	($ 5,869)	($ 5,986)
Net Operating Income (NOI):	$ 11,978	$ 12,218	$ 12,462	$ 12,711	$ 12,965	$ 13,225
Less Loan Payment 1st Mortgage	($8,682)	($8,682)	($8,682)	($8,682)	($8,682)	($8,682)
Net Cash Flow	$ 3,296	$ 3,536	$ 3,780	$ 4,029	$ 4,283	$ 4,543
Cash on Cash Return (Return on Equity):	9.09%	9.75%	10.43%	11.11%	11.82%	12.53%
Principal Reduction:	$1,105	$1,185	$1,270	$1,362	$1,460	$1,566
Cumulative Principal Reduction:	$1,105	$2,289	$3,559	$4,921	$6,382	$7,948
Cash Flow Plus Principal Reduction:	$ 4,401	$ 4,721	$ 5,050	$ 5,391	$ 5,743	$ 6,109
Total Return Before Taxes:	12.14%	13.02%	13.93%	14.87%	15.84%	16.85%

IRR: 18.40% (Iterative Method)

16.84% (Newton's Method)

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Future Value in Year 5	Cost of Sale	Loan Balance
$150,970	$3,019	$93,321

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