

## SUMMARY

**Analysis Type: Buying**

**Property Type: Retail**

**Address: 63298 Hwy 93**

**Age of Property (Completion Year): 30**

**Site Area: 50,000 sq ft**

**Gross Building Area: 15,000 sq ft**

## PROPERTY INCOME

**Property Annual Income: \$300,000**

**Property Square Footage: 50,000**

**Property Vacancy: -**

**Property Additional Income: -**

## LOAN & DEBT ANALYSIS

**Loan Amount: \$2,300,000**

**Down Payment: \$3,700,000**

**Interest Rate: 8%**

**Amortization Period: 20 Year**

**Monthly Payment: \$19,238**

**Annual Debt Service: \$230,857**

**Debt Coverage Ratio: 1.27**

## PROPERTY EXPENSES

**Gross Lease**

**Property Annual Expenses: \$7,200**

## CASH FLOW ASSUMPTIONS

**Annual Income Growth Rate: 3 %**

**Annual Expense Growth Rate: 2 %**

**Cap Rate at Sale: 5.38 %**

**Cost of Sale: 2%**

**Number of Years: 10**

## PROPERTY VALUE & CAP RATE

**Property Value / Sale Price: \$6,000,000**

**Property Cap Rate: 4.88%**

## 10 YEAR CASH FLOW ANALYSIS

**Potential Income: \$300,000**

**Vacancy Rate: -**

**Cash on Cash Return (Return on Equity): 1.67%**

# Income Analysis

63298 Hwy 93

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
<b>Effective Gross Income</b> -Growing @ 3%/yr -With a 0% Vacancy Rate):	\$300,000	\$309,000	\$318,270	\$327,818	\$337,653	\$347,783	\$358,216	\$368,962	\$380,031	\$391,432	\$403,175
<b>Average Rent per Square Foot:</b>	\$6.00	\$6.18	\$6.37	\$6.56	\$6.76	\$6.96	\$7.17	\$7.39	\$7.61	\$7.84	\$8.08
<b>Less Expenses (Growing @ 2%/yr):</b>	(\$ 7,200)	(\$ 7,344)	(\$ 7,491)	(\$ 7,641)	(\$ 7,794)	(\$ 7,950)	(\$ 8,109)	(\$ 8,271)	(\$ 8,436)	(\$ 8,605)	(\$ 8,777)
<b>Net Operating Income (NOI):</b>	\$ 292,800	\$ 301,656	\$ 310,779	\$ 320,177	\$ 329,859	\$ 339,833	\$ 350,107	\$ 360,691	\$ 371,595	\$ 382,827	\$ 394,398
<b>Less Loan Payment 1st Mortgage</b>	(\$230,857)	(\$230,857)	(\$230,857)	(\$230,857)	(\$230,857)	(\$230,857)	(\$230,857)	(\$230,857)	(\$230,857)	(\$230,857)	(\$230,857)
<b>Net Cash Flow</b>	\$ 61,943	\$ 70,799	\$ 79,922	\$ 89,320	\$ 99,002	\$ 108,976	\$ 119,250	\$ 129,834	\$ 140,738	\$ 151,970	\$ 163,541
<b>Cash on Cash Return (Return on Equity):</b>	1.67%	1.91%	2.16%	2.41%	2.68%	2.95%	3.22%	3.51%	3.80%	4.11%	4.42%
<b>Principal Reduction:</b>	\$48,614	\$52,649	\$57,019	\$61,752	\$66,877	\$72,428	\$78,439	\$84,950	\$92,001	\$99,637	\$107,906
<b>Cumulative Principal Reduction:</b>	\$48,614	\$101,264	\$158,283	\$220,035	\$286,912	\$359,339	\$437,779	\$522,729	\$614,729	\$714,366	\$822,272
<b>Cash Flow Plus Principal Reduction:</b>	\$ 110,557	\$ 123,448	\$ 136,941	\$ 151,072	\$ 165,879	\$ 181,404	\$ 197,689	\$ 214,784	\$ 232,739	\$ 251,607	\$ 271,447
<b>Total Return Before Taxes:</b>	2.99%	3.34%	3.70%	4.08%	4.48%	4.90%	5.34%	5.80%	6.29%	6.80%	7.34%

IRR: 9.05%