

SUMMARY

Analysis Type: Buying
Property Type: Office
Address: 651 Cylde Street gas

PROPERTY INCOME

Property Annual Income: \$43,200
Property Square Footage: -
Property Vacancy: 8%
Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$380,000
Down Payment: \$20,000
Interest Rate: 6%
Amortization Period: 30 Year
Monthly Payment: \$2,278
Annual Debt Service: \$27,340
Debt Coverage Ratio: 1.06

PROPERTY EXPENSES

Gross Lease
Property Annual Expenses: \$10,792

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %
Annual Expense Growth Rate: 2 %
Cap Rate at Sale: 8.16 %
Cost of Sale: 2%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$400,000
Property Cap Rate: 7.24%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$43,200
Vacancy Rate: 8%
Cash on Cash Return (Return on Equity): 8.06%

Income Analysis

651 Cylde Street gas

Report courtesy of Ola van Zyl

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Income	\$43,200	\$46,656	\$50,388	\$54,419	\$58,773	\$63,475	\$68,553	\$74,037	\$79,960	\$86,357	\$93,266
Vacancy Rate (8%)	\$3,456	\$3,732	\$4,031	\$4,354	\$4,702	\$5,078	\$5,484	\$5,923	\$6,397	\$6,909	\$7,461
Effective Gross Income -Growing @ 2%/yr -With a 8% Vacancy Rate):	\$39,744	\$40,539	\$41,349	\$42,176	\$43,020	\$43,880	\$44,758	\$45,653	\$46,566	\$47,497	\$48,447
Average Rent per Square Foot:											
Less Expenses (Growing @ 2%/yr):	(\$ 10,792)	(\$ 11,008)	(\$ 11,228)	(\$ 11,453)	(\$ 11,682)	(\$ 11,916)	(\$ 12,154)	(\$ 12,397)	(\$ 12,645)	(\$ 12,898)	(\$ 13,156)
Net Operating Income (NOI):	\$ 28,952	\$ 29,531	\$ 30,121	\$ 30,723	\$ 31,338	\$ 31,964	\$ 32,604	\$ 33,256	\$ 33,921	\$ 34,599	\$ 35,291
Less Loan Payment 1st Mortgage	(\$27,340)	(\$27,340)	(\$27,340)	(\$27,340)	(\$27,340)	(\$27,340)	(\$27,340)	(\$27,340)	(\$27,340)	(\$27,340)	(\$27,340)
Net Cash Flow	\$ 1,613	\$ 2,191	\$ 2,782	\$ 3,384	\$ 3,999	\$ 4,625	\$ 5,265	\$ 5,917	\$ 6,581	\$ 7,259	\$ 7,952
Cash on Cash Return (Return on Equity):	8.07%	10.96%	13.91%	16.92%	20.00%	23.13%	26.33%	29.59%	32.91%	36.30%	39.76%
Principal Reduction:	\$4,666	\$4,954	\$5,260	\$5,584	\$5,929	\$6,294	\$6,683	\$7,095	\$7,532	\$7,997	\$8,490
Cumulative Principal Reduction:	\$4,666	\$9,621	\$14,880	\$20,465	\$26,393	\$32,688	\$39,370	\$46,465	\$53,997	\$61,994	\$70,484
Cash Flow Plus Principal Reduction:	\$ 6,279	\$ 7,145	\$ 8,042	\$ 8,968	\$ 9,928	\$ 10,919	\$ 11,948	\$ 13,012	\$ 14,113	\$ 15,256	\$ 16,442
Total Return Before Taxes:	31.40%	35.73%	40.21%	44.84%	49.64%	54.60%	59.74%	65.06%	70.57%	76.28%	82.21%

IRR: 40.75%

Future Value in Year 10	Cost of Sale	Loan Balance
\$97,451	\$1,949	