

SUMMARY

Analysis Type: Buying

Property Type: Multi-Family

Address: 655 N Pearl St #208, Denver, CO 80203

Age of Property (Completion Year): 1961

Gross Building Area: 731 sq ft

PROPERTY INCOME

Property Annual Income: \$23,400

Property Square Footage: -

Property Vacancy: 2%

Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$221,059

Down Payment: \$94,739

Interest Rate: 6.5%

Amortization Period: 20 Year

Monthly Payment: \$1,648

Annual Debt Service: \$19,778

Debt Coverage Ratio: 0.96

PROPERTY EXPENSES

Triple Net Lease (NNN)

Property Annual Expenses: \$3,984

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %

Annual Expense Growth Rate: 2 %

Cap Rate at Sale: 6.5 %

Cost of Sale: 2%

Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$315,798

Property Cap Rate: 6.00%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$23,400

Vacancy Rate: 2%

Cash on Cash Return (Return on Equity): -0.88%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Effective Gross Income -Growing @ 2%/yr -With a 2% Vacancy Rate):	\$22,932	\$23,391	\$23,858	\$24,335	\$24,822	\$25,319	\$25,826	\$26,342	\$26,870	\$27,407	\$27,955
Average Rent per Square Foot:											
Less Expenses (Growing @ 2%/yr):	(\$ 3,984)	(\$ 4,064)	(\$ 4,145)	(\$ 4,228)	(\$ 4,313)	(\$ 4,399)	(\$ 4,487)	(\$ 4,577)	(\$ 4,669)	(\$ 4,762)	(\$ 4,857)
Net Operating Income (NOI):	\$ 18,948	\$ 19,327	\$ 19,713	\$ 20,107	\$ 20,509	\$ 20,920	\$ 21,339	\$ 21,765	\$ 22,201	\$ 22,645	\$ 23,098
Less Loan Payment 1st Mortgage	(\$19,778)	(\$19,778)	(\$19,778)	(\$19,778)	(\$19,778)	(\$19,778)	(\$19,778)	(\$19,778)	(\$19,778)	(\$19,778)	(\$19,778)
Net Cash Flow	\$ -830	\$ -451	\$ -65	\$ 329	\$ 732	\$ 1,142	\$ 1,561	\$ 1,988	\$ 2,423	\$ 2,867	\$ 3,320
Cash on Cash Return (Return on Equity):	-0.88%	-0.48%	-0.07%	0.35%	0.77%	1.21%	1.65%	2.10%	2.56%	3.03%	3.50%
Principal Reduction:	\$5,573	\$5,946	\$6,345	\$6,770	\$7,223	\$7,707	\$8,223	\$8,773	\$9,361	\$9,988	\$10,657
Cumulative Principal Reduction:	\$5,573	\$11,519	\$17,864	\$24,634	\$31,856	\$39,563	\$47,786	\$56,559	\$65,920	\$75,908	\$86,565
Cash Flow Plus Principal Reduction:	\$ 4,743	\$ 5,495	\$ 6,280	\$ 7,099	\$ 7,955	\$ 8,849	\$ 9,784	\$ 10,761	\$ 11,784	\$ 12,855	\$ 13,977
Total Return Before Taxes:	5.01%	5.80%	6.63%	7.49%	8.40%	9.34%	10.33%	11.36%	12.44%	13.57%	14.75%

IRR: 10.86%