

SUMMARY

Analysis Type: Buying
Property Type: Multi-Family
Address: 6822 S. shamrock Rd Harper Flats
Age of Property (Completion Year): 1983 40
Site Area: 34,848 sq ft
Gross Building Area: 15,708 sq ft



PROPERTY INCOME

Property Annual Income: \$459,648
Property Square Footage: 34,848
Property Vacancy: -
Property Additional Income: \$35,455

LOAN & DEBT ANALYSIS

Loan Amount: \$2,559,267
Down Payment: \$3,391,500
Interest Rate: 7%
Amortization Period: 30 Year
Monthly Payment: \$17,027
Annual Debt Service: \$204,322
Debt Coverage Ratio: 1.25

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$239,220

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %
Annual Expense Growth Rate: 1 %
Cap Rate at Sale: 4.8 %
Cost of Sale: 1.5%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$5,950,767
Property Cap Rate: 4.30%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$459,648
Vacancy Rate: -
Cash on Cash Return (Return on Equity): 1.52%

	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 @ 3%/yr -With a % Vacancy Rate):	\$459,648	\$473,437	\$487,640	\$502,269	\$517,337	\$532,857	\$548,843	\$565,308	\$582,267	\$599,735	\$617,727
Average Rent per Square Foot:	\$13.19	\$13.59	\$14.00	\$14.42	\$14.85	\$15.30	\$15.76	\$16.23	\$16.72	\$17.22	\$17.74
Less Expenses (Growing @ 1%/yr):	(\$ 239,220)	(\$ 241,612)	(\$ 244,028)	(\$ 246,468)	(\$ 248,933)	(\$ 251,422)	(\$ 253,936)	(\$ 256,475)	(\$ 259,040)	(\$ 261,630)	(\$ 264,246)
Net Operating Income (NOI):	\$ 255,883	\$ 267,280	\$ 279,067	\$ 291,256	\$ 303,859	\$ 316,890	\$ 330,362	\$ 344,288	\$ 358,682	\$ 373,560	\$ 388,936
Less Loan Payment 1st Mortgage	(\$204,322)	(\$204,322)	(\$204,322)	(\$204,322)	(\$204,322)	(\$204,322)	(\$204,322)	(\$204,322)	(\$204,322)	(\$204,322)	(\$204,322)
Net Cash Flow	\$ 16,106	\$ 27,503	\$ 39,290	\$ 51,479	\$ 64,082	\$ 77,113	\$ 90,585	\$ 104,511	\$ 118,905	\$ 133,783	\$ 149,159
Cash on Cash Return (Return on Equity):	0.47%	0.81%	1.16%	1.52%	1.89%	2.27%	2.67%	3.08%	3.51%	3.94%	4.40%
Principal Reduction:	\$25,997	\$27,877	\$29,892	\$32,053	\$34,370	\$36,854	\$39,519	\$42,375	\$45,439	\$48,724	\$52,246
Cumulative Principal Reduction:	\$25,997	\$53,874	\$83,766	\$115,818	\$150,188	\$187,043	\$226,561	\$268,937	\$314,375	\$363,099	\$415,345
Cash Flow Plus Principal Reduction:	\$ 42,103	\$ 55,380	\$ 69,182	\$ 83,532	\$ 98,452	\$ 113,967	\$ 130,104	\$ 146,886	\$ 164,344	\$ 182,507	\$ 201,405
Total Return Before Taxes:	1.24%	1.63%	2.04%	2.46%	2.90%	3.36%	3.84%	4.33%	4.85%	5.38%	5.94%

IRR: 7.23%