

## SUMMARY

**Analysis Type: Selling**  
**Property Type: Multi-Family**  
**Address: 714 and 716 Lucas St**

## PROPERTY INCOME

**Property Annual Income: \$30,180**  
**Property Square Footage: -**  
**Property Vacancy: -**  
**Property Additional Income: -**

## LOAN & DEBT ANALYSIS

**Loan Amount: \$247,716**  
**Down Payment: \$82,572**  
**Interest Rate: 7.25%**  
**Amortization Period: 30 Year**  
**Monthly Payment: \$1,690**  
**Annual Debt Service: \$20,278**  
**Debt Coverage Ratio: 1.3**

## PROPERTY EXPENSES

**Triple Net Lease (NNN)**  
**Property Annual Expenses: \$3,757**

## CASH FLOW ASSUMPTIONS

**Annual Income Growth Rate: 3 %**  
**Annual Expense Growth Rate: 2 %**  
**Cap Rate at Sale: 7 %**  
**Cost of Sale: 5%**  
**Number of Years: 5**

## PROPERTY VALUE & CAP RATE

**Property Value / Sale Price: \$330,288**  
**Property Cap Rate: 8%**

## 5 YEAR CASH FLOW ANALYSIS

**Potential Income: \$30,180**  
**Vacancy Rate: -**  
**Cash on Cash Return (Return on Equity): 7.44%**

# Income Analysis

714 and 716 Lucas St

Report courtesy of Ola van Zyl

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
<b>Effective Gross Income</b> -Growing @ 3%/yr -With a % Vacancy Rate):	\$30,180	\$31,085	\$32,018	\$32,979	\$33,968	\$34,987
<b>Average Rent per Square Foot:</b>						
<b>Less Expenses (Growing @ 2%/yr):</b>	(\$ 3,757)	(\$ 3,832)	(\$ 3,909)	(\$ 3,987)	(\$ 4,067)	(\$ 4,148)
<b>Net Operating Income (NOI):</b>	\$ 26,423	\$ 27,253	\$ 28,109	\$ 28,992	\$ 29,901	\$ 30,839
<b>Less Loan Payment 1st Mortgage</b>	(\$20,278)	(\$20,278)	(\$20,278)	(\$20,278)	(\$20,278)	(\$20,278)
<b>Net Cash Flow</b>	\$ 6,145	\$ 6,975	\$ 7,831	\$ 8,714	\$ 9,623	\$ 10,561
<b>Cash on Cash Return (Return on Equity):</b>	7.44%	8.45%	9.48%	10.55%	11.65%	12.79%
<b>Principal Reduction:</b>	\$2,398	\$2,577	\$2,770	\$2,978	\$3,201	\$3,441
<b>Cumulative Principal Reduction:</b>	\$2,398	\$4,975	\$7,745	\$10,723	\$13,925	\$17,366
<b>Cash Flow Plus Principal Reduction:</b>	\$ 8,543	\$ 9,552	\$ 10,601	\$ 11,692	\$ 12,824	\$ 14,002
<b>Total Return Before Taxes:</b>	10.35%	11.57%	12.84%	14.16%	15.53%	16.96%

IRR: 24.53%