

SUMMARY

Analysis Type: Selling

Property Type: Multi-Family

Address: 714 and 716 Lucas St

Age of Property (Completion Year): 1930

PROPERTY INCOME

Property Annual Income: \$30,180

Property Square Footage: -

Property Vacancy: -

Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$236,250

Down Payment: \$78,750

Interest Rate: 7%

Amortization Period: 20 Year

Monthly Payment: \$1,832

Annual Debt Service: \$21,980

Debt Coverage Ratio: 1.07

PROPERTY EXPENSES

Gross Lease

Property Annual Expenses: \$6,751

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %

Annual Expense Growth Rate: 2 %

Cap Rate at Sale: 7.4 %

Cost of Sale: 2%

Number of Years: 5

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$315,000

Property Cap Rate: 7.44%

5 YEAR CASH FLOW ANALYSIS

Potential Income: \$30,180

Vacancy Rate: -

Cash on Cash Return (Return on Equity): 1.84%

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
Effective Gross Income -Growing @ 2%/yr -With a 0% Vacancy Rate):	\$30,180	\$30,784	\$31,400	\$32,028	\$32,669	\$33,322
Average Rent per Square Foot:						
Less Expenses (Growing @ 2%/yr):	(\$ 6,751)	(\$ 6,886)	(\$ 7,024)	(\$ 7,164)	(\$ 7,307)	(\$ 7,453)
Net Operating Income (NOI):	\$ 23,429	\$ 23,898	\$ 24,376	\$ 24,864	\$ 25,362	\$ 25,869
Less Loan Payment 1st Mortgage	(\$21,980)	(\$21,980)	(\$21,980)	(\$21,980)	(\$21,980)	(\$21,980)
Net Cash Flow	\$ 1,449	\$ 1,918	\$ 2,396	\$ 2,884	\$ 3,382	\$ 3,889
Cash on Cash Return (Return on Equity):	1.84%	2.44%	3.04%	3.66%	4.29%	4.94%
Principal Reduction:	\$5,620	\$6,027	\$6,462	\$6,929	\$7,430	\$7,967
Cumulative Principal Reduction:	\$5,620	\$11,647	\$18,109	\$25,038	\$32,469	\$40,436
Cash Flow Plus Principal Reduction:	\$ 7,069	\$ 7,945	\$ 8,858	\$ 9,813	\$ 10,812	\$ 11,856
Total Return Before Taxes:	8.98%	10.09%	11.25%	12.46%	13.73%	15.06%

IRR: 14.90%