

## SUMMARY

**Analysis Type: Buying**  
**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: \$224,250**  
**Down Payment: \$74,750**  
**Interest Rate: 7.25%**  
**Amortization Period: 20 Year**  
**Monthly Payment: \$1,772**  
**Annual Debt Service: \$21,269**  
**Debt Coverage Ratio: 1.1**

## PROPERTY EXPENSES

**Triple Net Lease (NNN)**  
**Property Annual Expenses: \$6,751**

## CASH FLOW ASSUMPTIONS

**Annual Income Growth Rate: 3 %**  
**Annual Expense Growth Rate: 2 %**  
**Cap Rate at Sale: 8.34 %**  
**Cost of Sale: 2%**  
**Number of Years: 10**

## PROPERTY VALUE & CAP RATE

**Property Value / Sale Price: \$299,000**  
**Property Cap Rate: 7.84%**

## 10 YEAR CASH FLOW ANALYSIS

**Potential Income: \$30,180**  
**Vacancy Rate: -**  
**Cash on Cash Return (Return on Equity): 2.89%**

# 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	Year 7	Year 8	Year 9	Year 10	Year 11
<b>Gross Income</b>	\$30,180	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Vacancy Rate</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Effective Gross Income -Growing @ 3%/yr -With a % Vacancy Rate:</b>	\$30,180	\$31,085	\$32,018	\$32,979	\$33,968	\$34,987	\$36,037	\$37,118	\$38,232	\$39,379	\$40,560
<b>Average Rent per Square Foot:</b>											
<b>Less Expenses (Growing @ 2%/yr):</b>	(\$ 6,751)	(\$ 6,886)	(\$ 7,024)	(\$ 7,164)	(\$ 7,307)	(\$ 7,453)	(\$ 7,602)	(\$ 7,754)	(\$ 7,909)	(\$ 8,067)	(\$ 8,228)
<b>Net Operating Income (NOI):</b>	\$ 23,429	\$ 24,199	\$ 24,994	\$ 25,815	\$ 26,661	\$ 27,534	\$ 28,435	\$ 29,364	\$ 30,323	\$ 31,312	\$ 32,332
<b>Less Loan Payment 1st Mortgage</b>	(\$21,269)	(\$21,269)	(\$21,269)	(\$21,269)	(\$21,269)	(\$21,269)	(\$21,269)	(\$21,269)	(\$21,269)	(\$21,269)	(\$21,269)
<b>Net Cash Flow</b>	\$ 2,160	\$ 2,930	\$ 3,725	\$ 4,546	\$ 5,392	\$ 6,265	\$ 7,166	\$ 8,095	\$ 9,054	\$ 10,043	\$ 11,063
<b>Cash on Cash Return (Return on Equity):</b>	2.89%	3.92%	4.98%	6.08%	7.21%	8.38%	9.59%	10.83%	12.11%	13.44%	14.80%
<b>Principal Reduction:</b>	\$5,181	\$5,569	\$5,987	\$6,435	\$6,918	\$7,436	\$7,994	\$8,593	\$9,237	\$9,929	\$10,674
<b>Cumulative Principal Reduction:</b>	\$5,181	\$10,750	\$16,737	\$23,172	\$30,090	\$37,526	\$45,520	\$54,112	\$63,349	\$73,279	\$83,952
<b>Cash Flow Plus Principal Reduction:</b>	\$ 7,341	\$ 8,499	\$ 9,712	\$ 10,981	\$ 12,310	\$ 13,701	\$ 15,160	\$ 16,688	\$ 18,291	\$ 19,972	\$ 21,737
<b>Total Return Before Taxes:</b>	9.82%	11.37%	12.99%	14.69%	16.47%	18.33%	20.28%	22.33%	24.47%	26.72%	29.08%

IRR: 16.96%

<b>Future Value in Year 10</b>	<b>Cost of Sale</b>	<b>Loan Balance</b>
\$132,650	\$2,653	\$150,971