

SUMMARY

Analysis Type: Buying
Property Type: Multi-Family
Address: 7786 62nd st N 12 units

PROPERTY INCOME

Property Annual Income: \$244,800
Property Square Footage: -
Property Vacancy: 4%
Property Additional Income: \$3,986

LOAN & DEBT ANALYSIS

Loan Amount: \$725,000
Down Payment: \$2,175,000
Interest Rate: 7.5%
Amortization Period: 30 Year
Monthly Payment: \$5,069
Annual Debt Service: \$60,832
Debt Coverage Ratio: 2.56

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$83,334

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 4 %
Annual Expense Growth Rate: 3 %
Cap Rate at Sale: 6 %
Cost of Sale: 4%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$2,900,000
Property Cap Rate: 5.37%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$244,800
Vacancy Rate: 4%
Cash on Cash Return (Return on Equity): 4.36%

	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 @ 4%/yr -With a 4% Vacancy Rate:	\$235,008	\$244,408	\$254,185	\$264,352	\$274,927	\$285,924	\$297,360	\$309,254	\$321,625	\$334,490	\$347,869
Average Rent per Square Foot:											
Less Expenses (Growing @ 3%/yr):	(\$ 83,334)	(\$ 85,834)	(\$ 88,409)	(\$ 91,061)	(\$ 93,793)	(\$ 96,607)	(\$ 99,505)	(\$ 102,490)	(\$ 105,565)	(\$ 108,732)	(\$ 111,994)
Net Operating Income (NOI):	\$ 155,660	\$ 162,560	\$ 169,762	\$ 177,277	\$ 185,120	\$ 193,303	\$ 201,841	\$ 210,750	\$ 220,046	\$ 229,744	\$ 239,861
Less Loan Payment 1st Mortgage	(\$60,832)	(\$60,832)	(\$60,832)	(\$60,832)	(\$60,832)	(\$60,832)	(\$60,832)	(\$60,832)	(\$60,832)	(\$60,832)	(\$60,832)
Net Cash Flow	\$ 90,842	\$ 97,743	\$ 104,944	\$ 112,460	\$ 120,302	\$ 128,485	\$ 137,023	\$ 145,933	\$ 155,228	\$ 164,926	\$ 175,044
Cash on Cash Return (Return on Equity):	4.18%	4.49%	4.83%	5.17%	5.53%	5.91%	6.30%	6.71%	7.14%	7.58%	8.05%
Principal Reduction:	\$6,683	\$7,202	\$7,761	\$8,364	\$9,013	\$9,713	\$10,467	\$11,279	\$12,155	\$13,099	\$14,116
Cumulative Principal Reduction:	\$6,683	\$13,885	\$21,647	\$30,010	\$39,024	\$48,736	\$59,203	\$70,483	\$82,638	\$95,736	\$109,852
Cash Flow Plus Principal Reduction:	\$ 97,525	\$ 104,945	\$ 112,705	\$ 120,824	\$ 129,315	\$ 138,198	\$ 147,490	\$ 157,212	\$ 167,383	\$ 178,025	\$ 189,160
Total Return Before Taxes:	4.48%	4.83%	5.18%	5.56%	5.95%	6.35%	6.78%	7.23%	7.70%	8.19%	8.70%

IRR: 10.60%