

SUMMARY

Analysis Type: Buying

Property Type: Mixed-Use

Address: 7842-7846 W Appleton Ave

Age of Property (Completion Year): 1960

Site Area: 4,792 sq ft

Gross Building Area: 3,992 sq ft

PROPERTY INCOME

Property Annual Income: \$78,900

Property Square Footage: 4,792

Property Vacancy: 3%

Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$285,000

Down Payment: \$310,257

Interest Rate: 12%

Amortization Period: 30 Year

Monthly Payment: \$2,932

Annual Debt Service: \$35,179

Debt Coverage Ratio: 1.52

PROPERTY EXPENSES

Gross Lease

Property Annual Expenses: \$22,960

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2.5 %

Annual Expense Growth Rate: 2.5 %

Cap Rate at Sale: 9.5 %

Cost of Sale: 3%

Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$595,257

Property Cap Rate: 9%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$78,900

Vacancy Rate: 3%

Cash on Cash Return (Return on Equity): 5.93%

	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 @ 2.5%/yr -With a 3% Vacancy Rate:	\$76,533	\$78,447	\$80,408	\$82,418	\$84,478	\$86,590	\$88,755	\$90,974	\$93,249	\$95,580	\$97,969
Average Rent per Square Foot:	\$15.97	\$16.37	\$16.78	\$17.20	\$17.63	\$18.07	\$18.52	\$18.98	\$19.45	\$19.94	\$20.44
Less Expenses (Growing @ 2.5%/yr):	(\$ 22,960)	(\$ 23,534)	(\$ 24,122)	(\$ 24,725)	(\$ 25,343)	(\$ 25,977)	(\$ 26,626)	(\$ 27,292)	(\$ 27,974)	(\$ 28,673)	(\$ 29,390)
Net Operating Income (NOI):	\$ 53,573	\$ 54,913	\$ 56,286	\$ 57,693	\$ 59,135	\$ 60,613	\$ 62,129	\$ 63,682	\$ 65,275	\$ 66,907	\$ 68,579
Less Loan Payment 1st Mortgage	(\$35,179)	(\$35,179)	(\$35,179)	(\$35,179)	(\$35,179)	(\$35,179)	(\$35,179)	(\$35,179)	(\$35,179)	(\$35,179)	(\$35,179)
Net Cash Flow	\$ 18,395	\$ 19,734	\$ 21,108	\$ 22,514	\$ 23,957	\$ 25,434	\$ 26,950	\$ 28,504	\$ 30,096	\$ 31,728	\$ 33,400
Cash on Cash Return (Return on Equity):	5.93%	6.36%	6.80%	7.26%	7.72%	8.20%	8.69%	9.19%	9.70%	10.23%	10.77%
Principal Reduction:	\$1,034	\$1,165	\$1,313	\$1,480	\$1,667	\$1,879	\$2,117	\$2,386	\$2,688	\$3,029	\$3,413
Cumulative Principal Reduction:	\$1,034	\$2,200	\$3,513	\$4,992	\$6,660	\$8,539	\$10,656	\$13,041	\$15,730	\$18,759	\$22,172
Cash Flow Plus Principal Reduction:	\$ 19,429	\$ 20,899	\$ 22,421	\$ 23,994	\$ 25,624	\$ 27,313	\$ 29,067	\$ 30,890	\$ 32,784	\$ 34,757	\$ 36,813
Total Return Before Taxes:	6.26%	6.74%	7.23%	7.73%	8.26%	8.80%	9.37%	9.96%	10.57%	11.20%	11.87%

IRR: 14.01%