

SUMMARY

Analysis Type: Buying
Property Type: Multi-Family
Address: 807 S H0ward Ave.
Age of Property (Completion Year): 1968
Site Area: 42,253 sq ft
Gross Building Area: 24,500 sq ft



PROPERTY INCOME

Property Annual Income: \$846,720
Property Square Footage: 42,253
Property Vacancy: -
Property Additional Income: \$42,668

LOAN & DEBT ANALYSIS

Loan Amount: \$4,658,254
Down Payment: \$4,600,000
Interest Rate: 7%
Amortization Period: 30 Year
Monthly Payment: \$30,991
Annual Debt Service: \$371,898
Debt Coverage Ratio: 1.53

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$321,228

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %
Annual Expense Growth Rate: 1 %
Cap Rate at Sale: 5.94 %
Cost of Sale: 1.5%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$9,258,254
Property Cap Rate: 6.14%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$846,720
Vacancy Rate: -
Cash on Cash Return (Return on Equity): 4.27%

	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 @ 3%/yr -With a % Vacancy Rate):	\$846,720	\$872,122	\$898,286	\$925,235	\$952,992	\$981,582	\$1,011,029	\$1,041,360	\$1,072,601	\$1,104,779	\$1,137,922
Average Rent per Square Foot:	\$20.04	\$20.64	\$21.26	\$21.90	\$22.56	\$23.24	\$23.94	\$24.66	\$25.40	\$26.16	\$26.94
Less Expenses (Growing @ 1%/yr):	(\$ 321,228)	(\$ 324,440)	(\$ 327,684)	(\$ 330,961)	(\$ 334,271)	(\$ 337,614)	(\$ 340,990)	(\$ 344,400)	(\$ 347,844)	(\$ 351,322)	(\$ 354,835)
Net Operating Income (NOI):	\$ 568,160	\$ 590,350	\$ 613,270	\$ 636,942	\$ 661,389	\$ 686,636	\$ 712,707	\$ 739,628	\$ 767,425	\$ 796,125	\$ 825,755
Less Loan Payment 1st Mortgage	(\$371,898)	(\$371,898)	(\$371,898)	(\$371,898)	(\$371,898)	(\$371,898)	(\$371,898)	(\$371,898)	(\$371,898)	(\$371,898)	(\$371,898)
Net Cash Flow	\$ 153,594	\$ 175,784	\$ 198,704	\$ 222,376	\$ 246,823	\$ 272,070	\$ 298,141	\$ 325,062	\$ 352,859	\$ 381,559	\$ 411,189
Cash on Cash Return (Return on Equity):	3.34%	3.82%	4.32%	4.83%	5.37%	5.91%	6.48%	7.07%	7.67%	8.29%	8.94%
Principal Reduction:	\$47,319	\$50,740	\$54,408	\$58,341	\$62,558	\$67,081	\$71,930	\$77,130	\$82,705	\$88,684	\$95,095
Cumulative Principal Reduction:	\$47,319	\$98,059	\$152,466	\$210,807	\$273,365	\$340,446	\$412,376	\$489,506	\$572,211	\$660,895	\$755,990
Cash Flow Plus Principal Reduction:	\$ 200,913	\$ 226,524	\$ 253,112	\$ 280,717	\$ 309,381	\$ 339,151	\$ 370,071	\$ 402,192	\$ 435,564	\$ 470,243	\$ 506,284
Total Return Before Taxes:	4.37%	4.92%	5.50%	6.10%	6.73%	7.37%	8.05%	8.74%	9.47%	10.22%	11.01%

IRR: 11.84%