

## SUMMARY

**Analysis Type: Buying**

**Property Type: Multi-Family**

**Address: 807 S Howard 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: \$836,640**

**Property Square Footage: 42,253**

**Property Vacancy: -**

**Property Additional Income: \$42,668**

## LOAN & DEBT ANALYSIS

**Loan Amount: \$4,247,470**

**Down Payment: \$5,000,000**

**Interest Rate: 7%**

**Amortization Period: 30 Year**

**Monthly Payment: \$28,259**

**Annual Debt Service: \$339,102**

**Debt Coverage Ratio: 1.61**

## PROPERTY EXPENSES

**Triple Net Lease (NNN)**

**Property Annual Expenses: \$334,632**

## CASH FLOW ASSUMPTIONS

**Annual Income Growth Rate: 3 %**

**Annual Expense Growth Rate: 1 %**

**Cap Rate at Sale: 5.79 %**

**Cost of Sale: 1.5%**

**Number of Years: 10**

## PROPERTY VALUE & CAP RATE

**Property Value / Sale Price: \$9,247,470**

**Property Cap Rate: 5.89%**

## 10 YEAR CASH FLOW ANALYSIS

**Potential Income: \$836,640**

**Vacancy Rate: -**

**Cash on Cash Return (Return on Equity): 4.11%**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
<b>Effective Gross Income</b> -Growing @ 3%/yr -With a 0% Vacancy Rate:	\$836,640	\$861,739	\$887,591	\$914,219	\$941,646	\$969,895	\$998,992	\$1,028,962	\$1,059,831	\$1,091,626	\$1,124,375
<b>Average Rent per Square Foot:</b>	\$19.80	\$20.39	\$21.00	\$21.63	\$22.28	\$22.95	\$23.64	\$24.35	\$25.08	\$25.83	\$26.60
<b>Less Expenses (Growing @ 1%/yr):</b>	(\$ 334,632)	(\$ 337,978)	(\$ 341,358)	(\$ 344,772)	(\$ 348,220)	(\$ 351,702)	(\$ 355,219)	(\$ 358,771)	(\$ 362,359)	(\$ 365,983)	(\$ 369,643)
<b>Net Operating Income (NOI):</b>	\$ 544,676	\$ 566,429	\$ 588,901	\$ 612,115	\$ 636,094	\$ 660,861	\$ 686,441	\$ 712,859	\$ 740,140	\$ 768,311	\$ 797,400
<b>Less Loan Payment 1st Mortgage</b>	(\$339,102)	(\$339,102)	(\$339,102)	(\$339,102)	(\$339,102)	(\$339,102)	(\$339,102)	(\$339,102)	(\$339,102)	(\$339,102)	(\$339,102)
<b>Net Cash Flow</b>	\$ 162,906	\$ 184,659	\$ 207,131	\$ 230,345	\$ 254,324	\$ 279,091	\$ 304,671	\$ 331,089	\$ 358,370	\$ 386,541	\$ 415,630
<b>Cash on Cash Return (Return on Equity):</b>	3.26%	3.69%	4.14%	4.61%	5.09%	5.58%	6.09%	6.62%	7.17%	7.73%	8.31%
<b>Principal Reduction:</b>	\$43,146	\$46,265	\$49,610	\$53,196	\$57,042	\$61,165	\$65,587	\$70,328	\$75,412	\$80,864	\$86,709
<b>Cumulative Principal Reduction:</b>	\$43,146	\$89,411	\$139,021	\$192,217	\$249,259	\$310,424	\$376,011	\$446,339	\$521,751	\$602,615	\$689,324
<b>Cash Flow Plus Principal Reduction:</b>	\$ 206,052	\$ 230,924	\$ 256,741	\$ 283,541	\$ 311,366	\$ 340,256	\$ 370,258	\$ 401,417	\$ 433,782	\$ 467,405	\$ 502,339
<b>Total Return Before Taxes:</b>	4.12%	4.62%	5.13%	5.67%	6.23%	6.81%	7.41%	8.03%	8.68%	9.35%	10.05%

IRR: 11.12%