

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: \$846,720

Property Square Footage: 42,253

Property Vacancy: -

Property Additional Income: \$42,668

LOAN & DEBT ANALYSIS

Loan Amount: \$4,245,198

Down Payment: \$5,000,000

Interest Rate: 7%

Amortization Period: 30 Year

Monthly Payment: \$28,243

Annual Debt Service: \$338,921

Debt Coverage Ratio: 1.31

PROPERTY EXPENSES

Triple Net Lease (NNN)

Property Annual Expenses: \$444,694

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: \$9,245,198

Property Cap Rate: 4.81%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$846,720

Vacancy Rate: -

Cash on Cash Return (Return on Equity): 2.12%

	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 0% 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):	(\$ 444,694)	(\$ 449,141)	(\$ 453,632)	(\$ 458,168)	(\$ 462,750)	(\$ 467,378)	(\$ 472,052)	(\$ 476,773)	(\$ 481,541)	(\$ 486,356)	(\$ 491,220)
Net Operating Income (NOI):	\$ 444,694	\$ 465,649	\$ 487,322	\$ 509,735	\$ 532,910	\$ 556,872	\$ 581,645	\$ 607,255	\$ 633,728	\$ 661,091	\$ 689,370
Less Loan Payment 1st Mortgage	(\$338,921)	(\$338,921)	(\$338,921)	(\$338,921)	(\$338,921)	(\$338,921)	(\$338,921)	(\$338,921)	(\$338,921)	(\$338,921)	(\$338,921)
Net Cash Flow	\$ 63,105	\$ 84,060	\$ 105,733	\$ 128,146	\$ 151,321	\$ 175,283	\$ 200,056	\$ 225,666	\$ 252,139	\$ 279,502	\$ 307,781
Cash on Cash Return (Return on Equity):	1.26%	1.68%	2.11%	2.56%	3.03%	3.51%	4.00%	4.51%	5.04%	5.59%	6.16%
Principal Reduction:	\$43,141	\$46,259	\$49,604	\$53,189	\$57,035	\$61,158	\$65,579	\$70,319	\$75,403	\$80,854	\$86,698
Cumulative Principal Reduction:	\$43,141	\$89,400	\$139,004	\$192,193	\$249,228	\$310,385	\$375,964	\$446,283	\$521,686	\$602,539	\$689,238
Cash Flow Plus Principal Reduction:	\$ 106,246	\$ 130,319	\$ 155,337	\$ 181,335	\$ 208,356	\$ 236,441	\$ 265,635	\$ 295,985	\$ 327,542	\$ 360,356	\$ 394,479
Total Return Before Taxes:	2.12%	2.61%	3.11%	3.63%	4.17%	4.73%	5.31%	5.92%	6.55%	7.21%	7.89%

IRR: 7.62%