

SUMMARY

Analysis Type: Buying
Property Type: Office
Address: 809 Vine West Lafayette IN

PROPERTY INCOME

Property Annual Income: \$28,800
Property Square Footage: -
Property Vacancy: 2%
Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$140,000
Down Payment: \$140,000
Interest Rate: 7%
Amortization Period: 20 Year
Monthly Payment: \$1,085
Annual Debt Service: \$13,025
Debt Coverage Ratio: 1.43

PROPERTY EXPENSES

Gross Lease
Property Annual Expenses: \$9,660

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %
Annual Expense Growth Rate: 2 %
Cap Rate at Sale: 6.5 %
Cost of Sale: 7%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$280,000
Property Cap Rate: 6.63%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$28,800
Vacancy Rate: 2%
Cash on Cash Return (Return on Equity): 3.96%

Income Analysis

809 Vine West Lafayette IN

Report courtesy of FWD Coaching

	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%/yr -With a 2% Vacancy Rate:	\$28,224	\$28,788	\$29,365	\$29,952	\$30,551	\$31,161	\$31,784	\$32,420	\$33,069	\$33,731	\$34,405
Average Rent per Square Foot:											
Less Expenses (Growing @ 2%/yr):	(\$ 9,660)	(\$ 9,853)	(\$ 10,050)	(\$ 10,251)	(\$ 10,456)	(\$ 10,665)	(\$ 10,878)	(\$ 11,096)	(\$ 11,318)	(\$ 11,544)	(\$ 11,775)
Net Operating Income (NOI):	\$ 18,564	\$ 18,935	\$ 19,315	\$ 19,701	\$ 20,095	\$ 20,496	\$ 20,906	\$ 21,324	\$ 21,751	\$ 22,187	\$ 22,630
Less Loan Payment 1st Mortgage	(\$13,025)	(\$13,025)	(\$13,025)	(\$13,025)	(\$13,025)	(\$13,025)	(\$13,025)	(\$13,025)	(\$13,025)	(\$13,025)	(\$13,025)
Net Cash Flow	\$ 5,539	\$ 5,910	\$ 6,290	\$ 6,676	\$ 7,069	\$ 7,471	\$ 7,881	\$ 8,299	\$ 8,726	\$ 9,162	\$ 9,605
Cash on Cash Return (Return on Equity):	3.96%	4.22%	4.49%	4.77%	5.05%	5.34%	5.63%	5.93%	6.23%	6.54%	6.86%
Principal Reduction:	\$3,331	\$3,571	\$3,829	\$4,106	\$4,403	\$4,721	\$5,063	\$5,429	\$5,821	\$6,242	\$6,693
Cumulative Principal Reduction:	\$3,331	\$6,902	\$10,731	\$14,838	\$19,241	\$23,962	\$29,025	\$34,454	\$40,275	\$46,517	\$53,210
Cash Flow Plus Principal Reduction:	\$ 8,870	\$ 9,481	\$ 10,119	\$ 10,782	\$ 11,472	\$ 12,192	\$ 12,944	\$ 13,728	\$ 14,547	\$ 15,404	\$ 16,298
Total Return Before Taxes:	6.34%	6.77%	7.23%	7.70%	8.19%	8.71%	9.25%	9.81%	10.39%	11.00%	11.64%

IRR: 8.28%