Income Analysis

822 Avenue g fort Madison Ia 52627

Report courtesy of Troy Muljat

SUMMARY

Analysis Type: Selling
Property Type: Mixed-Use
Address: 822 Avenue g fort Madison Ia 52627
Age of Property (Completion Year): 2008
Site Area: 14,280 sq ft
Gross Building Area: 9,600 sq ft

PROPERTY INCOME

Property Annual Income: $33,600
Property Square Footage: 14,280
Property Vacancy: -
Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: $179,522
Down Payment: $144,478
Interest Rate: 5%
Amortization Period: 20 Year
Monthly Payment: $970
Annual Debt Service: $11,640
Debt Coverage Ratio: 0.46

PROPERTY EXPENSES

Gross Lease
Property Annual Expenses: $27,120

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %
Annual Expense Growth Rate: 2 %
Cap Rate at Sale: 1.65 %
Cost of Sale: 1.5%
Number of Years: 5

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: $324,000
Property Cap Rate: 2%

5 YEAR CASH FLOW ANALYSIS

Potential Income: $33,600
Vacancy Rate: -
Cash on Cash Return (Return on Equity): -3.57%

Troy Muljat
510 Lakeway Drive
Bellingham • WA • 98225

360.328.7778
troy@muljat.com

Income Analysis

822 Avenue g fort Madison Ia 52627

Report courtesy of Troy Muljat

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Gross Income	$33,600	$	$	$	$	$
Vacancy Rate	$	$	$	$	$	$
Effective Gross Income -Growing @ 2%/yr -With a 0% Vacancy Rate):	$33,600	$34,272	$34,957	$35,656	$36,369	$37,096
Average Rent per Square Foot:	$2.35	$2.40	$2.45	$2.50	$2.55	$2.60
Less Expenses (Growing @ 2%/yr):	($ 27,120)	($ 27,662)	($ 28,215)	($ 28,779)	($ 29,355)	($ 29,942)
Net Operating Income (NOI):	$ 6,480	$ 6,610	$ 6,742	$ 6,877	$ 7,014	$ 7,154
Less Loan Payment 1st Mortgage	($11,640)	($11,640)	($11,640)	($11,640)	($11,640)	($11,640)
Net Cash Flow	$ -5,160	$ -5,030	$ -4,898	$ -4,763	$ -4,626	$ -4,486
Cash on Cash Return (Return on Equity):	-3.57%	-3.48%	-3.39%	-3.30%	-3.20%	-3.10%
Principal Reduction:	$5,363	$5,637	$5,926	$6,229	$6,548	$6,883
Cumulative Principal Reduction:	$5,363	$11,000	$16,926	$23,155	$29,702	$36,585
Cash Flow Plus Principal Reduction:	$ 203	$ 607	$ 1,028	$ 1,466	$ 1,922	$ 2,397
Total Return Before Taxes:	0.14%	0.42%	0.71%	1.01%	1.33%	1.66%

IRR: 14.85% (Iterative Method)

11.82% (Newton's Method)

Troy Muljat
510 Lakeway Drive
Bellingham • WA • 98225

360.328.7778
troy@muljat.com

Income Analysis

822 Avenue g fort Madison Ia 52627

Report courtesy of Troy Muljat

Future Value in Year 5	Cost of Sale	Loan Balance
$433,576	$6,504	$111,701

Troy Muljat
510 Lakeway Drive
Bellingham • WA • 98225

360.328.7778
troy@muljat.com