

SUMMARY

Analysis Type: Buying
Property Type: Multi-Family
Address: 844 5th Ave S
Age of Property (Completion Year): 1948 / 2017
Site Area: 10,672 sq ft
Gross Building Area: 7,075 sq ft



PROPERTY INCOME

Property Annual Income: \$244,800
Property Square Footage: 10,672
Property Vacancy: 1%
Property Additional Income: \$29,491

LOAN & DEBT ANALYSIS

Loan Amount: \$1,058,583
Down Payment: \$1,242,000
Interest Rate: 7%
Amortization Period: 30 Year
Monthly Payment: \$7,043
Annual Debt Service: \$84,513
Debt Coverage Ratio: 2.01

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$102,060

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %
Annual Expense Growth Rate: 1 %
Cap Rate at Sale: 7.88 %
Cost of Sale: 1.5%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$2,300,583
Property Cap Rate: 7.38%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$244,800
Vacancy Rate: 1%
Cash on Cash Return (Return on Equity): 6.87%

	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 1% Vacancy Rate):	\$242,352	\$249,623	\$257,111	\$264,824	\$272,769	\$280,952	\$289,381	\$298,062	\$307,004	\$316,214	\$325,700
Average Rent per Square Foot:	\$22.71	\$23.39	\$24.09	\$24.81	\$25.55	\$26.32	\$27.11	\$27.92	\$28.76	\$29.62	\$30.51
Less Expenses (Growing @ 1%/yr):	(\$ 102,060)	(\$ 103,081)	(\$ 104,112)	(\$ 105,153)	(\$ 106,205)	(\$ 107,267)	(\$ 108,340)	(\$ 109,423)	(\$ 110,517)	(\$ 111,622)	(\$ 112,738)
Net Operating Income (NOI):	\$ 169,783	\$ 176,033	\$ 182,490	\$ 189,162	\$ 196,055	\$ 203,176	\$ 210,532	\$ 218,130	\$ 225,978	\$ 234,083	\$ 242,453
Less Loan Payment 1st Mortgage	(\$84,513)	(\$84,513)	(\$84,513)	(\$84,513)	(\$84,513)	(\$84,513)	(\$84,513)	(\$84,513)	(\$84,513)	(\$84,513)	(\$84,513)
Net Cash Flow	\$ 55,779	\$ 62,028	\$ 68,486	\$ 75,158	\$ 82,050	\$ 89,172	\$ 96,528	\$ 104,126	\$ 111,974	\$ 120,079	\$ 128,449
Cash on Cash Return (Return on Equity):	4.49%	4.99%	5.51%	6.05%	6.61%	7.18%	7.77%	8.38%	9.02%	9.67%	10.34%
Principal Reduction:	\$10,753	\$11,531	\$12,364	\$13,258	\$14,216	\$15,244	\$16,346	\$17,528	\$18,795	\$20,153	\$21,610
Cumulative Principal Reduction:	\$10,753	\$22,284	\$34,648	\$47,906	\$62,122	\$77,366	\$93,712	\$111,240	\$130,034	\$150,188	\$171,798
Cash Flow Plus Principal Reduction:	\$ 66,532	\$ 73,559	\$ 80,850	\$ 88,416	\$ 96,266	\$ 104,416	\$ 112,874	\$ 121,654	\$ 130,769	\$ 140,232	\$ 150,059
Total Return Before Taxes:	5.36%	5.92%	6.51%	7.12%	7.75%	8.41%	9.09%	9.80%	10.53%	11.29%	12.08%

IRR: 11.05%