

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: 5%
Property Additional Income: \$7,613

LOAN & DEBT ANALYSIS

Loan Amount: \$1,052,094
Down Payment: \$1,287,000
Interest Rate: 7%
Amortization Period: 30 Year
Monthly Payment: \$7,000
Annual Debt Service: \$83,995
Debt Coverage Ratio: 1.87

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$82,752

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %
Annual Expense Growth Rate: 1 %
Cap Rate at Sale: 5.13 %
Cost of Sale: 1.5%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$2,339,094
Property Cap Rate: 6.73%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$244,800
Vacancy Rate: 5%
Cash on Cash Return (Return on Equity): 5.71%

	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 5% Vacancy Rate:	\$232,560	\$239,537	\$246,723	\$254,124	\$261,748	\$269,601	\$277,689	\$286,019	\$294,600	\$303,438	\$312,541
Average Rent per Square Foot:	\$21.79	\$22.45	\$23.12	\$23.81	\$24.52	\$25.26	\$26.02	\$26.80	\$27.60	\$28.43	\$29.28
Less Expenses (Growing @ 1%/yr):	(\$ 82,752)	(\$ 83,580)	(\$ 84,416)	(\$ 85,260)	(\$ 86,113)	(\$ 86,974)	(\$ 87,844)	(\$ 88,722)	(\$ 89,609)	(\$ 90,505)	(\$ 91,410)
Net Operating Income (NOI):	\$ 157,421	\$ 163,570	\$ 169,920	\$ 176,477	\$ 183,248	\$ 190,240	\$ 197,458	\$ 204,910	\$ 212,604	\$ 220,546	\$ 228,744
Less Loan Payment 1st Mortgage	(\$83,995)	(\$83,995)	(\$83,995)	(\$83,995)	(\$83,995)	(\$83,995)	(\$83,995)	(\$83,995)	(\$83,995)	(\$83,995)	(\$83,995)
Net Cash Flow	\$ 65,813	\$ 71,962	\$ 78,311	\$ 84,869	\$ 91,640	\$ 98,631	\$ 105,850	\$ 113,302	\$ 120,995	\$ 128,937	\$ 137,135
Cash on Cash Return (Return on Equity):	5.11%	5.59%	6.08%	6.59%	7.12%	7.66%	8.22%	8.80%	9.40%	10.02%	10.66%
Principal Reduction:	\$10,687	\$11,460	\$12,288	\$13,177	\$14,129	\$15,151	\$16,246	\$17,420	\$18,679	\$20,030	\$21,478
Cumulative Principal Reduction:	\$10,687	\$22,147	\$34,435	\$47,612	\$61,741	\$76,892	\$93,138	\$110,558	\$129,237	\$149,267	\$170,745
Cash Flow Plus Principal Reduction:	\$ 76,500	\$ 83,422	\$ 90,599	\$ 98,046	\$ 105,769	\$ 113,782	\$ 122,096	\$ 130,722	\$ 139,674	\$ 148,967	\$ 158,613
Total Return Before Taxes:	5.94%	6.48%	7.04%	7.62%	8.22%	8.84%	9.49%	10.16%	10.85%	11.57%	12.32%

IRR: 15.48%