

## SUMMARY

**Analysis Type: Buying**  
**Property Type: Office**  
**Address: 9384 Valley View Drive NW**  
**Age of Property (Completion Year): 18**  
**Site Area: 32,000 sq ft**  
**Gross Building Area: 8,192 sq ft**

## PROPERTY INCOME

**Property Annual Income: \$182,742**  
**Property Square Footage: 32,000**  
**Property Vacancy: 2%**  
**Property Additional Income: -**

## LOAN & DEBT ANALYSIS

**Loan Amount: \$1,550,000**  
**Down Payment: \$150,000**  
**Interest Rate: 7%**  
**Amortization Period: 20 Year**  
**Monthly Payment: \$12,017**  
**Annual Debt Service: \$144,206**  
**Debt Coverage Ratio: 1.06**

## PROPERTY EXPENSES

**Gross Lease**  
**Property Annual Expenses: \$26,000**

## CASH FLOW ASSUMPTIONS

**Annual Income Growth Rate: 2 %**  
**Annual Expense Growth Rate: 2 %**  
**Cap Rate at Sale: 10.03 %**  
**Cost of Sale: 2%**  
**Number of Years: 10**

## PROPERTY VALUE & CAP RATE

**Property Value / Sale Price: \$1,700,000**  
**Property Cap Rate: 9.01%**

## 10 YEAR CASH FLOW ANALYSIS

**Potential Income: \$182,742**  
**Vacancy Rate: 2%**  
**Cash on Cash Return (Return on Equity): 5.92%**

# Income Analysis

## 9384 Valley View Drive NW

Report courtesy of Troy Muljat

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
<b>Gross Income</b>	\$182,742	\$186,397	\$190,125	\$193,928	\$197,807	\$201,763	\$205,798	\$209,914	\$214,112	\$218,394	\$222,762
<b>Vacancy Rate (2%)</b>	\$3,655	\$3,728	\$3,803	\$3,879	\$3,956	\$4,035	\$4,116	\$4,198	\$4,282	\$4,368	\$4,455
<b>Effective Gross Income -Growing @ 2%/yr -With a 2% Vacancy Rate):</b>	\$179,087	\$182,669	\$186,323	\$190,049	\$193,851	\$197,728	\$201,682	\$205,716	\$209,830	\$214,026	\$218,307
<b>Average Rent per Square Foot:</b>	\$5.60	\$5.71	\$5.82	\$5.94	\$6.06	\$6.18	\$6.30	\$6.43	\$6.56	\$6.69	\$6.82
<b>Less Expenses (Growing @ 2%/yr):</b>	(\$ 26,000)	(\$ 26,520)	(\$ 27,050)	(\$ 27,591)	(\$ 28,143)	(\$ 28,706)	(\$ 29,280)	(\$ 29,866)	(\$ 30,463)	(\$ 31,072)	(\$ 31,693)
<b>Net Operating Income (NOI):</b>	\$ 153,087	\$ 156,149	\$ 159,273	\$ 162,458	\$ 165,708	\$ 169,022	\$ 172,402	\$ 175,850	\$ 179,367	\$ 182,954	\$ 186,614
<b>Less Loan Payment 1st Mortgage</b>	(\$144,206)	(\$144,206)	(\$144,206)	(\$144,206)	(\$144,206)	(\$144,206)	(\$144,206)	(\$144,206)	(\$144,206)	(\$144,206)	(\$144,206)
<b>Net Cash Flow</b>	\$ 8,882	\$ 11,943	\$ 15,067	\$ 18,253	\$ 21,502	\$ 24,816	\$ 28,196	\$ 31,644	\$ 35,161	\$ 38,749	\$ 42,408
<b>Cash on Cash Return (Return on Equity):</b>	5.92%	7.96%	10.04%	12.17%	14.33%	16.54%	18.80%	21.10%	23.44%	25.83%	28.27%
<b>Principal Reduction:</b>	\$36,874	\$39,539	\$42,398	\$45,463	\$48,749	\$52,273	\$56,052	\$60,104	\$64,449	\$69,108	\$74,104
<b>Cumulative Principal Reduction:</b>	\$36,874	\$76,413	\$118,811	\$164,273	\$213,022	\$265,295	\$321,347	\$381,451	\$445,900	\$515,008	\$589,112
<b>Cash Flow Plus Principal Reduction:</b>	\$ 45,756	\$ 51,482	\$ 57,465	\$ 63,716	\$ 70,251	\$ 77,089	\$ 84,248	\$ 91,748	\$ 99,610	\$ 107,857	\$ 116,512
<b>Total Return Before Taxes:</b>	30.50%	34.32%	38.31%	42.48%	46.83%	51.39%	56.17%	61.17%	66.41%	71.90%	77.67%

IRR: 33.74%

<b>Future Value in Year 10</b>	<b>Cost of Sale</b>	<b>Loan Balance</b>
\$422,812	\$8,456	