

## 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: 8,000 sq ft**

## PROPERTY INCOME

**Property Annual Income: \$180,000**  
**Property Square Footage: 32,000**  
**Property Vacancy: 2%**  
**Property Additional Income: -**

## LOAN & DEBT ANALYSIS

**Loan Amount: \$1,300,000**  
**Down Payment: \$300,000**  
**Interest Rate: 7%**  
**Amortization Period: 20 Year**  
**Monthly Payment: \$10,079**  
**Annual Debt Service: \$120,947**  
**Debt Coverage Ratio: 1.26**

## PROPERTY EXPENSES

**Gross Lease**  
**Property Annual Expenses: \$24,000**

## 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: \$1,600,000**  
**Property Cap Rate: 9.53%**

## 10 YEAR CASH FLOW ANALYSIS

**Potential Income: \$180,000**  
**Vacancy Rate: 2%**  
**Cash on Cash Return (Return on Equity): 10.48%**

# 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>Effective Gross Income</b> -Growing @ 2%/yr -With a 2% Vacancy Rate):	\$176,400	\$179,928	\$183,527	\$187,197	\$190,940	\$194,759	\$198,655	\$202,628	\$206,680	\$210,814	\$215,030
<b>Average Rent per Square Foot:</b>	\$5.51	\$5.62	\$5.73	\$5.84	\$5.96	\$6.08	\$6.20	\$6.32	\$6.45	\$6.58	\$6.71
<b>Less Expenses (Growing @ 2%/yr):</b>	(\$ 24,000)	(\$ 24,480)	(\$ 24,970)	(\$ 25,469)	(\$ 25,978)	(\$ 26,498)	(\$ 27,028)	(\$ 27,569)	(\$ 28,120)	(\$ 28,682)	(\$ 29,256)
<b>Net Operating Income (NOI):</b>	\$ 152,400	\$ 155,448	\$ 158,557	\$ 161,728	\$ 164,962	\$ 168,261	\$ 171,627	\$ 175,059	\$ 178,560	\$ 182,132	\$ 185,774
<b>Less Loan Payment 1st Mortgage</b>	(\$120,947)	(\$120,947)	(\$120,947)	(\$120,947)	(\$120,947)	(\$120,947)	(\$120,947)	(\$120,947)	(\$120,947)	(\$120,947)	(\$120,947)
<b>Net Cash Flow</b>	\$ 31,453	\$ 34,501	\$ 37,610	\$ 40,781	\$ 44,016	\$ 47,315	\$ 50,680	\$ 54,112	\$ 57,613	\$ 61,185	\$ 64,827
<b>Cash on Cash Return (Return on Equity):</b>	10.48%	11.50%	12.54%	13.59%	14.67%	15.77%	16.89%	18.04%	19.20%	20.40%	21.61%
<b>Principal Reduction:</b>	\$30,926	\$33,162	\$35,559	\$38,130	\$40,886	\$43,842	\$47,011	\$50,410	\$54,054	\$57,961	\$62,152
<b>Cumulative Principal Reduction:</b>	\$30,926	\$64,088	\$99,648	\$137,778	\$178,664	\$222,506	\$269,517	\$319,927	\$373,981	\$431,942	\$494,094
<b>Cash Flow Plus Principal Reduction:</b>	\$ 62,379	\$ 67,663	\$ 73,169	\$ 78,911	\$ 84,902	\$ 91,157	\$ 97,691	\$ 104,522	\$ 111,667	\$ 119,146	\$ 126,979
<b>Total Return Before Taxes:</b>	20.79%	22.55%	24.39%	26.30%	28.30%	30.39%	32.56%	34.84%	37.22%	39.72%	42.33%

IRR: 27.49%