

SUMMARY

Analysis Type: Selling

Property Type: Industrial

Address: 9850 E Girard Ave Denver CO 80231

Age of Property (Completion Year): 2020

Site Area: 34,076 sq ft

Gross Building Area: 30,704 sq ft



PROPERTY INCOME

Property Annual Income: \$532,597

Property Square Footage: 34,076

Property Vacancy: 2%

Property Additional Income: \$41,123

LOAN & DEBT ANALYSIS

Loan Amount: \$4,139,106

Down Payment: \$4,139,106

Interest Rate: 3.50%

Amortization Period: 26 Year

Monthly Payment: \$20,224

Annual Debt Service: \$242,685

Debt Coverage Ratio: 1.36

PROPERTY EXPENSES

Gross Lease

Property Annual Expenses: \$231,939

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2.5 %

Annual Expense Growth Rate: 2 %

Cap Rate at Sale: 4.5 %

Cost of Sale: 4%

Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$8,278,211

Property Cap Rate: 4%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$532,597.31

Vacancy Rate: 2%

Cash on Cash Return (Return on Equity): 2.14%

Income Analysis

9850 E Girard Ave Denver CO 80231

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 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Gross Income | \$532,597 | \$543,249 | \$554,114 | \$565,196 | \$576,500 | \$588,030 | \$599,791 | \$611,787 | \$624,023 | \$636,503 | \$649,233 |
| Vacancy Rate (2%) | \$10,652 | \$10,865 | \$11,082 | \$11,304 | \$11,530 | \$11,761 | \$11,996 | \$12,236 | \$12,480 | \$12,730 | \$12,985 |
| Effective Gross Income -Growing @ 2.5%/yr -With a 2% Vacancy Rate): | \$521,945 | \$534,994 | \$548,369 | \$562,078 | \$576,130 | \$590,533 | \$605,297 | \$620,429 | \$635,940 | \$651,838 | \$668,135 |
| Average Rent per Square Foot: | \$15.32 | \$15.70 | \$16.09 | \$16.49 | \$16.90 | \$17.32 | \$17.75 | \$18.19 | \$18.64 | \$19.11 | \$19.59 |
| Less Expenses (Growing @ 2%/yr): | (\$ 231,939) | (\$ 236,578) | (\$ 241,310) | (\$ 246,136) | (\$ 251,059) | (\$ 256,080) | (\$ 261,202) | (\$ 266,426) | (\$ 271,755) | (\$ 277,190) | (\$ 282,734) |
| Net Operating Income (NOI): | \$ 331,128 | \$ 339,538 | \$ 348,181 | \$ 357,065 | \$ 366,194 | \$ 375,576 | \$ 385,218 | \$ 395,126 | \$ 405,307 | \$ 415,771 | \$ 426,523 |
| Less Loan Payment 1st Mortgage | (\$242,685) | (\$242,685) | (\$242,685) | (\$242,685) | (\$242,685) | (\$242,685) | (\$242,685) | (\$242,685) | (\$242,685) | (\$242,685) | (\$242,685) |
| Net Cash Flow | \$ 47,321 | \$ 55,731 | \$ 64,374 | \$ 73,257 | \$ 82,387 | \$ 91,769 | \$ 101,410 | \$ 111,319 | \$ 121,500 | \$ 131,964 | \$ 142,716 |
| Cash on Cash Return (Return on Equity): | 1.14% | 1.35% | 1.56% | 1.77% | 1.99% | 2.22% | 2.45% | 2.69% | 2.94% | 3.19% | 3.45% |
| Principal Reduction: | \$99,400 | \$102,936 | \$106,597 | \$110,388 | \$114,314 | \$118,380 | \$122,591 | \$126,951 | \$131,466 | \$136,142 | \$140,984 |
| Cumulative Principal Reduction: | \$99,400 | \$202,336 | \$308,933 | \$419,321 | \$533,636 | \$652,016 | \$774,606 | \$901,557 | \$1,033,023 | \$1,169,165 | \$1,310,149 |
| Cash Flow Plus Principal Reduction: | \$ 146,721 | \$ 158,667 | \$ 170,971 | \$ 183,645 | \$ 196,701 | \$ 210,149 | \$ 224,001 | \$ 238,270 | \$ 252,966 | \$ 268,106 | \$ 283,700 |
| Total Return Before Taxes: | 3.54% | 3.83% | 4.13% | 4.44% | 4.75% | 5.08% | 5.41% | 5.76% | 6.11% | 6.48% | 6.85% |

IRR: 6.30% (Iterative Method)

5.94% (Newton's Method)

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| Future Value in Year 10 | Cost of Sale | Loan Balance |
|-------------------------|--------------|--------------|
| \$9,478,289 | \$379,132 | \$2,969,941 |