

SUMMARY

Analysis Type: Buying
Property Type: Multi-Family
Address: Bayshore Flats
Site Area: 82,764 sq ft
Gross Building Area: 28,992 sq ft

PROPERTY INCOME

Property Annual Income: \$939,168
Property Square Footage: 82,764
Property Vacancy: 3%
Property Additional Income: \$52,185

LOAN & DEBT ANALYSIS

Loan Amount: \$7,350,000
Down Payment: \$3,150,000
Interest Rate: 4%
Amortization Period: 30 Year
Monthly Payment: \$35,090
Annual Debt Service: \$421,080
Debt Coverage Ratio: 1.1

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$501,912

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 6 %
Annual Expense Growth Rate: 3 %
Cap Rate at Sale: 5.11 %
Cost of Sale: -
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$10,500,000
Property Cap Rate: 4.39%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$939,168
Vacancy Rate: 3%
Cash on Cash Return (Return on Equity): 1.28%

	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 @ 6%/yr -With a 3% Vacancy Rate):	\$910,993	\$965,652	\$1,023,592	\$1,085,007	\$1,150,108	\$1,219,114	\$1,292,261	\$1,369,797	\$1,451,985	\$1,539,105	\$1,631,451
Average Rent per Square Foot:	\$11.01	\$11.67	\$12.37	\$13.11	\$13.90	\$14.73	\$15.61	\$16.55	\$17.54	\$18.59	\$19.71
Less Expenses (Growing @ 3%/yr):	(\$ 501,912)	(\$ 516,969)	(\$ 532,478)	(\$ 548,452)	(\$ 564,906)	(\$ 581,853)	(\$ 599,309)	(\$ 617,288)	(\$ 635,807)	(\$ 654,881)	(\$ 674,527)
Net Operating Income (NOI):	\$ 461,266	\$ 500,868	\$ 543,299	\$ 588,740	\$ 637,387	\$ 689,446	\$ 745,137	\$ 804,694	\$ 868,363	\$ 936,409	\$ 1,009,109
Less Loan Payment 1st Mortgage	(\$421,080)	(\$421,080)	(\$421,080)	(\$421,080)	(\$421,080)	(\$421,080)	(\$421,080)	(\$421,080)	(\$421,080)	(\$421,080)	(\$421,080)
Net Cash Flow	\$ -11,999	\$ 27,603	\$ 70,033	\$ 115,475	\$ 164,121	\$ 216,181	\$ 271,872	\$ 331,429	\$ 395,098	\$ 463,144	\$ 535,843
Cash on Cash Return (Return on Equity):	-0.38%	0.88%	2.22%	3.67%	5.21%	6.86%	8.63%	10.52%	12.54%	14.70%	17.01%
Principal Reduction:	\$129,436	\$134,710	\$140,198	\$145,910	\$151,854	\$158,041	\$164,480	\$171,181	\$178,155	\$185,414	\$192,968
Cumulative Principal Reduction:	\$129,436	\$264,146	\$404,344	\$550,253	\$702,108	\$860,149	\$1,024,629	\$1,195,810	\$1,373,965	\$1,559,379	\$1,752,347
Cash Flow Plus Principal Reduction:	\$ 117,437	\$ 162,313	\$ 210,231	\$ 261,385	\$ 315,975	\$ 374,222	\$ 436,352	\$ 502,610	\$ 573,253	\$ 648,558	\$ 728,811
Total Return Before Taxes:	3.73%	5.15%	6.67%	8.30%	10.03%	11.88%	13.85%	15.96%	18.20%	20.59%	23.14%

IRR: 22.16%