

SUMMARY

Analysis Type: Buying
Property Type: Multi-Family
Address: Birmingham1970
Gross Building Area: 43,568 sq ft

PROPERTY INCOME

Property Annual Income: \$604,800
Property Square Footage: -
Property Vacancy: 2%
Property Additional Income: \$10,183

LOAN & DEBT ANALYSIS

Loan Amount: \$1,838,220
Down Payment: \$1,260,419
Interest Rate: 7%
Amortization Period: 30 Year
Monthly Payment: \$12,230
Annual Debt Service: \$146,757
Debt Coverage Ratio: 2.19

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$281,868

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %
Annual Expense Growth Rate: 1 %
Cap Rate at Sale: 7.19 %
Cost of Sale: 1.5%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$3,098,639
Property Cap Rate: 10.36%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$604,800
Vacancy Rate: 2%
Cash on Cash Return (Return on Equity): 13.83%

| | 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 2% Vacancy Rate: | \$592,704 | \$610,485 | \$628,799 | \$647,663 | \$667,093 | \$687,105 | \$707,719 | \$728,950 | \$750,819 | \$773,343 | \$796,544 |
| Average Rent per Square Foot: | | | | | | | | | | | |
| Less Expenses (Growing @ 1%/yr): | (\$ 281,868) | (\$ 284,687) | (\$ 287,534) | (\$ 290,409) | (\$ 293,313) | (\$ 296,246) | (\$ 299,208) | (\$ 302,200) | (\$ 305,222) | (\$ 308,274) | (\$ 311,357) |
| Net Operating Income (NOI): | \$ 321,019 | \$ 335,981 | \$ 351,448 | \$ 367,437 | \$ 383,963 | \$ 401,042 | \$ 418,694 | \$ 436,933 | \$ 455,780 | \$ 475,252 | \$ 495,370 |
| Less Loan Payment 1st Mortgage | (\$146,757) | (\$146,757) | (\$146,757) | (\$146,757) | (\$146,757) | (\$146,757) | (\$146,757) | (\$146,757) | (\$146,757) | (\$146,757) | (\$146,757) |
| Net Cash Flow | \$ 164,079 | \$ 179,041 | \$ 194,509 | \$ 210,498 | \$ 227,023 | \$ 244,103 | \$ 261,754 | \$ 279,994 | \$ 298,840 | \$ 318,313 | \$ 338,430 |
| Cash on Cash Return (Return on Equity): | 13.02% | 14.20% | 15.43% | 16.70% | 18.01% | 19.37% | 20.77% | 22.21% | 23.71% | 25.25% | 26.85% |
| Principal Reduction: | \$23,778 | \$25,497 | \$27,340 | \$29,316 | \$31,436 | \$33,708 | \$36,145 | \$38,758 | \$41,560 | \$44,564 | \$47,785 |
| Cumulative Principal Reduction: | \$23,778 | \$49,275 | \$76,615 | \$105,931 | \$137,366 | \$171,075 | \$207,219 | \$245,977 | \$287,537 | \$332,101 | \$379,886 |
| Cash Flow Plus Principal Reduction: | \$ 187,857 | \$ 204,538 | \$ 221,849 | \$ 239,814 | \$ 258,459 | \$ 277,811 | \$ 297,899 | \$ 318,752 | \$ 340,400 | \$ 362,877 | \$ 386,215 |
| Total Return Before Taxes: | 14.90% | 16.23% | 17.60% | 19.03% | 20.51% | 22.04% | 23.63% | 25.29% | 27.01% | 28.79% | 30.64% |

IRR: 25.17%