

SUMMARY

Analysis Type: Buying
Property Type: Multi-Family
Address: Cloumbia Park Apartments
Age of Property (Completion Year): 2004
Site Area: 102,802 sq ft
Gross Building Area: 24,960 sq ft



PROPERTY INCOME

Property Annual Income: \$479,760
Property Square Footage: 102,802
Property Vacancy: 5%
Property Additional Income: \$35,940

LOAN & DEBT ANALYSIS

Loan Amount: \$2,006,875
Down Payment: \$2,743,125
Interest Rate: 7%
Amortization Period: 30 Year
Monthly Payment: \$13,352
Annual Debt Service: \$160,221
Debt Coverage Ratio: 1.25

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$291,527

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %
Annual Expense Growth Rate: 1 %
Cap Rate at Sale: 4.71 %
Cost of Sale: 1.5%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$4,750,000
Property Cap Rate: 4.21%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$479,760
Vacancy Rate: 5%
Cash on Cash Return (Return on Equity): 1.46%

	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 5% Vacancy Rate):	\$455,772	\$469,445	\$483,529	\$498,035	\$512,975	\$528,364	\$544,215	\$560,542	\$577,358	\$594,678	\$612,518
Average Rent per Square Foot:	\$4.43	\$4.57	\$4.71	\$4.85	\$5.00	\$5.15	\$5.30	\$5.46	\$5.62	\$5.79	\$5.96
Less Expenses (Growing @ 1%/yr):	(\$ 291,527)	(\$ 294,442)	(\$ 297,386)	(\$ 300,360)	(\$ 303,364)	(\$ 306,398)	(\$ 309,462)	(\$ 312,557)	(\$ 315,683)	(\$ 318,840)	(\$ 322,028)
Net Operating Income (NOI):	\$ 200,185	\$ 210,943	\$ 222,083	\$ 233,615	\$ 245,551	\$ 257,906	\$ 270,693	\$ 283,925	\$ 297,615	\$ 311,778	\$ 326,430
Less Loan Payment 1st Mortgage	(\$160,221)	(\$160,221)	(\$160,221)	(\$160,221)	(\$160,221)	(\$160,221)	(\$160,221)	(\$160,221)	(\$160,221)	(\$160,221)	(\$160,221)
Net Cash Flow	\$ 4,024	\$ 14,782	\$ 25,922	\$ 37,453	\$ 49,390	\$ 61,745	\$ 74,532	\$ 87,763	\$ 101,453	\$ 115,617	\$ 130,269
Cash on Cash Return (Return on Equity):	0.15%	0.54%	0.94%	1.37%	1.80%	2.25%	2.72%	3.20%	3.70%	4.21%	4.75%
Principal Reduction:	\$20,386	\$21,860	\$23,440	\$25,134	\$26,951	\$28,900	\$30,989	\$33,229	\$35,631	\$38,207	\$40,969
Cumulative Principal Reduction:	\$20,386	\$42,246	\$65,686	\$90,820	\$117,772	\$146,671	\$177,660	\$210,889	\$246,521	\$284,728	\$325,697
Cash Flow Plus Principal Reduction:	\$ 24,410	\$ 36,642	\$ 49,362	\$ 62,587	\$ 76,341	\$ 90,645	\$ 105,521	\$ 120,992	\$ 137,084	\$ 153,824	\$ 171,238
Total Return Before Taxes:	0.89%	1.34%	1.80%	2.28%	2.78%	3.30%	3.85%	4.41%	5.00%	5.61%	6.24%

IRR: 7.95%