

SUMMARY

Analysis Type: Buying

Property Type: Office

Address: Dean AVE

Age of Property (Completion Year): 1996

Site Area: 41,817 sq ft

Gross Building Area: 5,061 sq ft

PROPERTY INCOME

Property Annual Income: \$79,200

Property Square Footage: 41,817

Property Vacancy: 2%

Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$947,700

Down Payment: \$300,000

Interest Rate: 4%

Amortization Period: 30 Year

Monthly Payment: \$4,524

Annual Debt Service: \$54,294

Debt Coverage Ratio: 1.18

PROPERTY EXPENSES

Gross Lease

Property Annual Expenses: \$13,500

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 1 %

Annual Expense Growth Rate: 2 %

Cap Rate at Sale: 5.64 %

Cost of Sale: 2%

Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$1,247,700

Property Cap Rate: 5.14%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$79,200

Vacancy Rate: 2%

Cash on Cash Return (Return on Equity): 3.27%

Income Analysis

Dean AVE

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
Effective Gross Income -Growing @ 1%/yr -With a 2% Vacancy Rate):	\$77,616	\$78,392	\$79,176	\$79,968	\$80,768	\$81,575	\$82,391	\$83,215	\$84,047	\$84,888	\$85,736
Average Rent per Square Foot:	\$1.86	\$1.87	\$1.89	\$1.91	\$1.93	\$1.95	\$1.97	\$1.99	\$2.01	\$2.03	\$2.05
Less Expenses (Growing @ 2%/yr):	(\$ 13,500)	(\$ 13,770)	(\$ 14,045)	(\$ 14,326)	(\$ 14,613)	(\$ 14,905)	(\$ 15,203)	(\$ 15,507)	(\$ 15,817)	(\$ 16,133)	(\$ 16,456)
Net Operating Income (NOI):	\$ 64,116	\$ 64,622	\$ 65,131	\$ 65,642	\$ 66,155	\$ 66,670	\$ 67,188	\$ 67,708	\$ 68,230	\$ 68,755	\$ 69,280
Less Loan Payment 1st Mortgage	(\$54,294)	(\$54,294)	(\$54,294)	(\$54,294)	(\$54,294)	(\$54,294)	(\$54,294)	(\$54,294)	(\$54,294)	(\$54,294)	(\$54,294)
Net Cash Flow	\$ 9,822	\$ 10,329	\$ 10,838	\$ 11,348	\$ 11,861	\$ 12,377	\$ 12,894	\$ 13,414	\$ 13,936	\$ 14,461	\$ 14,987
Cash on Cash Return (Return on Equity):	3.27%	3.44%	3.61%	3.78%	3.95%	4.13%	4.30%	4.47%	4.65%	4.82%	5.00%
Principal Reduction:	\$16,689	\$17,369	\$18,077	\$18,813	\$19,580	\$20,378	\$21,208	\$22,072	\$22,971	\$23,907	\$24,881
Cumulative Principal Reduction:	\$16,689	\$34,059	\$52,136	\$70,949	\$90,529	\$110,907	\$132,114	\$154,186	\$177,157	\$201,064	\$225,945
Cash Flow Plus Principal Reduction:	\$ 26,511	\$ 27,698	\$ 28,915	\$ 30,161	\$ 31,441	\$ 32,755	\$ 34,102	\$ 35,486	\$ 36,907	\$ 38,368	\$ 39,868
Total Return Before Taxes:	8.84%	9.23%	9.64%	10.05%	10.48%	10.92%	11.37%	11.83%	12.30%	12.79%	13.29%

IRR: 7.55%