

SUMMARY

Analysis Type: Buying

Property Type: Multi-Family

Address: Fairway Villas

Age of Property (Completion Year): 1986

Site Area: 74,990 sq ft

Gross Building Area: 37,805 sq ft

PROPERTY INCOME

Property Annual Income: \$809,508

Property Square Footage: 74,990

Property Vacancy: 5%

Property Additional Income: \$42,724

LOAN & DEBT ANALYSIS

Loan Amount: \$5,376,965

Down Payment: \$2,895,289

Interest Rate: 5.5%

Amortization Period: 30 Year

Monthly Payment: \$30,530

Annual Debt Service: \$366,358

Debt Coverage Ratio: 1.40

PROPERTY EXPENSES

Triple Net Lease (NNN)

Property Annual Expenses: \$299,892

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 4 %

Annual Expense Growth Rate: 2 %

Cap Rate at Sale: 6.16 %

Cost of Sale: 2%

Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$8,272,254

Property Cap Rate: 6.19%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$809,508

Vacancy Rate: 5%

Cash on Cash Return (Return on Equity): 5.03%

	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 @ 4%/yr -With a 5% Vacancy Rate):	\$769,033	\$799,794	\$831,786	\$865,058	\$899,660	\$935,646	\$973,072	\$1,011,994	\$1,052,474	\$1,094,573	\$1,138,356
Average Rent per Square Foot:	\$10.26	\$10.67	\$11.10	\$11.54	\$12.00	\$12.48	\$12.98	\$13.50	\$14.04	\$14.60	\$15.18
Less Expenses (Growing @ 2%/yr):	(\$ 299,892)	(\$ 305,890)	(\$ 312,008)	(\$ 318,248)	(\$ 324,613)	(\$ 331,105)	(\$ 337,727)	(\$ 344,482)	(\$ 351,372)	(\$ 358,399)	(\$ 365,567)
Net Operating Income (NOI):	\$ 511,865	\$ 536,628	\$ 562,502	\$ 589,534	\$ 617,771	\$ 647,265	\$ 678,069	\$ 710,236	\$ 743,826	\$ 778,898	\$ 815,513
Less Loan Payment 1st Mortgage	(\$366,358)	(\$366,358)	(\$366,358)	(\$366,358)	(\$366,358)	(\$366,358)	(\$366,358)	(\$366,358)	(\$366,358)	(\$366,358)	(\$366,358)
Net Cash Flow	\$ 102,783	\$ 127,546	\$ 153,420	\$ 180,452	\$ 208,689	\$ 238,183	\$ 268,987	\$ 301,154	\$ 334,744	\$ 369,816	\$ 406,431
Cash on Cash Return (Return on Equity):	3.55%	4.41%	5.30%	6.23%	7.21%	8.23%	9.29%	10.40%	11.56%	12.77%	14.04%
Principal Reduction:	\$72,433	\$76,518	\$80,835	\$85,394	\$90,211	\$95,300	\$100,675	\$106,354	\$112,354	\$118,691	\$125,386
Cumulative Principal Reduction:	\$72,433	\$148,951	\$229,785	\$315,180	\$405,391	\$500,690	\$601,366	\$707,720	\$820,074	\$938,765	\$1,064,151
Cash Flow Plus Principal Reduction:	\$ 175,216	\$ 204,064	\$ 234,255	\$ 265,846	\$ 298,900	\$ 333,483	\$ 369,662	\$ 407,508	\$ 447,098	\$ 488,507	\$ 531,817
Total Return Before Taxes:	6.05%	7.05%	8.09%	9.18%	10.32%	11.52%	12.77%	14.07%	15.44%	16.87%	18.37%

IRR: 20.10%