

### SUMMARY

**Analysis Type: Buying**

**Property Type: Multi-Family**

**Address: IRA St Apts**

**Age of Property (Completion Year): 1959**

**Gross Building Area: 7,200 sq ft**

### PROPERTY INCOME

Property Annual Income: \$180,000

Property Square Footage: -

Property Vacancy: 10%

Property Additional Income: -

### LOAN & DEBT ANALYSIS

Loan Amount: \$1,540,000

Down Payment: \$660,000

Interest Rate: 6%

Amortization Period: 25 Year

Monthly Payment: \$9,922

Annual Debt Service: \$119,067

Debt Coverage Ratio: 0.82

### PROPERTY EXPENSES

Triple Net Lease (NNN)

Property Annual Expenses: \$63,852

### CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %

Annual Expense Growth Rate: 2 %

Cap Rate at Sale: 4.96 %

Cost of Sale: 2%

Number of Years: 10

### PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$2,200,000

Property Cap Rate: 4.46%

### 10 YEAR CASH FLOW ANALYSIS

Potential Income: \$180,000

Vacancy Rate: 10%

Cash on Cash Return (Return on Equity): -3.17%

# Income Analysis

## IRA St Apts

Report courtesy of FWD Coaching

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
<b>Effective Gross Income</b> -Growing @ 2%/yr -With a 10% Vacancy Rate):	\$162,000	\$165,240	\$168,545	\$171,915	\$175,353	\$178,861	\$182,438	\$186,087	\$189,808	\$193,604	\$197,476
<b>Average Rent per Square Foot:</b>											
<b>Less Expenses (Growing @ 2%/yr):</b>	(\$ 63,852)	(\$ 65,129)	(\$ 66,432)	(\$ 67,761)	(\$ 69,116)	(\$ 70,498)	(\$ 71,908)	(\$ 73,346)	(\$ 74,813)	(\$ 76,309)	(\$ 77,835)
<b>Net Operating Income (NOI):</b>	\$ 98,148	\$ 100,111	\$ 102,113	\$ 104,154	\$ 106,237	\$ 108,363	\$ 110,530	\$ 112,741	\$ 114,995	\$ 117,295	\$ 119,641
<b>Less Loan Payment 1st Mortgage</b>	(\$119,067)	(\$119,067)	(\$119,067)	(\$119,067)	(\$119,067)	(\$119,067)	(\$119,067)	(\$119,067)	(\$119,067)	(\$119,067)	(\$119,067)
<b>Net Cash Flow</b>	\$ -20,919	\$ -18,956	\$ -16,954	\$ -14,913	\$ -12,830	\$ -10,704	\$ -8,537	\$ -6,326	\$ -4,072	\$ -1,772	\$ 574
<b>Cash on Cash Return (Return on Equity):</b>	-3.17%	-2.87%	-2.57%	-2.26%	-1.94%	-1.62%	-1.29%	-0.96%	-0.62%	-0.27%	0.09%
<b>Principal Reduction:</b>	\$27,413	\$29,103	\$30,898	\$32,804	\$34,827	\$36,976	\$39,256	\$41,677	\$44,248	\$46,977	\$49,874
<b>Cumulative Principal Reduction:</b>	\$27,413	\$56,516	\$87,414	\$120,218	\$155,046	\$192,021	\$231,277	\$272,955	\$317,203	\$364,180	\$414,054
<b>Cash Flow Plus Principal Reduction:</b>	\$ 6,494	\$ 10,147	\$ 13,944	\$ 17,891	\$ 21,997	\$ 26,272	\$ 30,719	\$ 35,351	\$ 40,176	\$ 45,205	\$ 50,448
<b>Total Return Before Taxes:</b>	0.98%	1.54%	2.11%	2.71%	3.33%	3.98%	4.65%	5.36%	6.09%	6.85%	7.64%

IRR: 4.94%