

### SUMMARY

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**Analysis Type: Buying**

**Property Type: Multi-Family**

**Address: Jacob Apartments**

**Age of Property (Completion Year): 1975**

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### PROPERTY INCOME

Property Annual Income: \$528,048

Property Square Footage: -

Property Vacancy: 3%

Property Additional Income: \$34,496

### LOAN & DEBT ANALYSIS

Loan Amount: \$3,060,000

Down Payment: \$2,040,000

Interest Rate: 5.2%

Amortization Period: 30 Year

Monthly Payment: \$16,803

Annual Debt Service: \$201,634

Debt Coverage Ratio: 1.59

### PROPERTY EXPENSES

Triple Net Lease (NNN)

Property Annual Expenses: \$225,912

### CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 4 %

Annual Expense Growth Rate: 2 %

Cap Rate at Sale: 6 %

Cost of Sale: 3%

Number of Years: 10

### PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$5,100,000

Property Cap Rate: 6.29%

### 10 YEAR CASH FLOW ANALYSIS

Potential Income: \$528,048

Vacancy Rate: 3%

Cash on Cash Return (Return on Equity): 5.84%

	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 @ 4%/yr -With a 3% Vacancy Rate:	\$512,207	\$532,695	\$554,003	\$576,163	\$599,209	\$623,177	\$648,105	\$674,029	\$700,990	\$729,030	\$758,191
<b>Average Rent per Square Foot:</b>											
<b>Less Expenses (Growing @ 2%/yr):</b>	(\$ 225,912)	(\$ 230,430)	(\$ 235,039)	(\$ 239,740)	(\$ 244,535)	(\$ 249,426)	(\$ 254,415)	(\$ 259,503)	(\$ 264,693)	(\$ 269,987)	(\$ 275,387)
<b>Net Operating Income (NOI):</b>	\$ 320,791	\$ 336,761	\$ 353,460	\$ 370,919	\$ 389,170	\$ 408,247	\$ 428,186	\$ 449,022	\$ 470,793	\$ 493,539	\$ 517,300
<b>Less Loan Payment 1st Mortgage</b>	(\$201,634)	(\$201,634)	(\$201,634)	(\$201,634)	(\$201,634)	(\$201,634)	(\$201,634)	(\$201,634)	(\$201,634)	(\$201,634)	(\$201,634)
<b>Net Cash Flow</b>	\$ 84,661	\$ 100,631	\$ 117,330	\$ 134,789	\$ 153,040	\$ 172,118	\$ 192,056	\$ 212,892	\$ 234,663	\$ 257,409	\$ 281,170
<b>Cash on Cash Return (Return on Equity):</b>	4.15%	4.93%	5.75%	6.61%	7.50%	8.44%	9.41%	10.44%	11.50%	12.62%	13.78%
<b>Principal Reduction:</b>	\$43,542	\$45,860	\$48,303	\$50,875	\$53,585	\$56,439	\$59,444	\$62,610	\$65,945	\$69,457	\$73,156
<b>Cumulative Principal Reduction:</b>	\$43,542	\$89,402	\$137,705	\$188,580	\$242,165	\$298,604	\$358,048	\$420,658	\$486,603	\$556,060	\$629,215
<b>Cash Flow Plus Principal Reduction:</b>	\$ 128,203	\$ 146,491	\$ 165,633	\$ 185,664	\$ 206,625	\$ 228,557	\$ 251,500	\$ 275,502	\$ 300,608	\$ 326,866	\$ 354,326
<b>Total Return Before Taxes:</b>	6.28%	7.18%	8.12%	9.10%	10.13%	11.20%	12.33%	13.51%	14.74%	16.02%	17.37%

IRR: 19.53%