

SUMMARY

Analysis Type: Buying

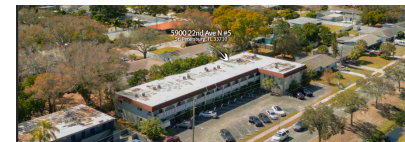
Property Type: Multi-Family

Address: LaCroxi

Age of Property (Completion Year): 1969

Site Area: 22,598 sq ft

Gross Building Area: 16,240 sq ft



PROPERTY INCOME

Property Annual Income: \$396,480

Property Square Footage: 22,598

Property Vacancy: 1%

Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$1,938,682

Down Payment: \$1,462,663

Interest Rate: 7%

Amortization Period: 30 Year

Monthly Payment: \$12,898

Annual Debt Service: \$154,777

Debt Coverage Ratio: 1.73

PROPERTY EXPENSES

Triple Net Lease (NNN)

Property Annual Expenses: \$125,028

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %

Annual Expense Growth Rate: 1 %

Cap Rate at Sale: 6.18 %

Cost of Sale: 1.5%

Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$3,401,345

Property Cap Rate: 7.86%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$396,480

Vacancy Rate: 1%

Cash on Cash Return (Return on Equity): 7.71%

	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 1% Vacancy Rate:	\$392,515	\$404,290	\$416,419	\$428,912	\$441,779	\$455,032	\$468,683	\$482,744	\$497,227	\$512,143	\$527,507
Average Rent per Square Foot:	\$17.37	\$17.89	\$18.43	\$18.98	\$19.55	\$20.14	\$20.74	\$21.36	\$22.00	\$22.66	\$23.34
Less Expenses (Growing @ 1%/yr):	(\$ 125,028)	(\$ 126,278)	(\$ 127,541)	(\$ 128,816)	(\$ 130,104)	(\$ 131,405)	(\$ 132,719)	(\$ 134,046)	(\$ 135,386)	(\$ 136,740)	(\$ 138,107)
Net Operating Income (NOI):	\$ 267,487	\$ 278,012	\$ 288,878	\$ 300,096	\$ 311,675	\$ 323,627	\$ 335,964	\$ 348,698	\$ 361,841	\$ 375,403	\$ 389,400
Less Loan Payment 1st Mortgage	(\$154,777)	(\$154,777)	(\$154,777)	(\$154,777)	(\$154,777)	(\$154,777)	(\$154,777)	(\$154,777)	(\$154,777)	(\$154,777)	(\$154,777)
Net Cash Flow	\$ 112,710	\$ 123,235	\$ 134,101	\$ 145,318	\$ 156,897	\$ 168,849	\$ 181,187	\$ 193,921	\$ 207,063	\$ 220,626	\$ 234,622
Cash on Cash Return (Return on Equity):	7.71%	8.43%	9.17%	9.94%	10.73%	11.54%	12.39%	13.26%	14.16%	15.08%	16.04%
Principal Reduction:	\$19,695	\$21,119	\$22,646	\$24,283	\$26,038	\$27,921	\$29,939	\$32,103	\$34,424	\$36,913	\$39,581
Cumulative Principal Reduction:	\$19,695	\$40,814	\$63,460	\$87,743	\$113,781	\$141,702	\$171,641	\$203,744	\$238,168	\$275,081	\$314,662
Cash Flow Plus Principal Reduction:	\$ 132,405	\$ 144,354	\$ 156,747	\$ 169,601	\$ 182,935	\$ 196,770	\$ 211,126	\$ 226,024	\$ 241,487	\$ 257,539	\$ 274,203
Total Return Before Taxes:	9.05%	9.87%	10.72%	11.60%	12.51%	13.45%	14.43%	15.45%	16.51%	17.61%	18.75%

IRR: 18.94%