

SUMMARY

Analysis Type: Selling

Property Type: Retail

Address: Oakbrook Square Retail

Age of Property (Completion Year): 1971

Site Area: 142,006 sq ft

Gross Building Area: 9,531 sq ft

PROPERTY INCOME

Property Annual Income: \$117,480

Property Square Footage: 142,006

Property Vacancy: 4%

Property Additional Income: \$17,280

LOAN & DEBT ANALYSIS

Loan Amount: \$436,000

Down Payment: \$109,000

Interest Rate: 4.20%

Amortization Period: 20 Year

Monthly Payment: \$2,688

Annual Debt Service: \$32,259

Debt Coverage Ratio: 1.2

PROPERTY EXPENSES

Gross Lease

Property Annual Expenses: \$91,500

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 1 %

Annual Expense Growth Rate: .5 %

Cap Rate at Sale: 7.58 %

Cost of Sale: 6%

Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$545,000

Property Cap Rate: 7.08%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$117,480

Vacancy Rate: 4%

Cash on Cash Return (Return on Equity): 5.78%

Income Analysis

Oakbrook Square Retail

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 4% Vacancy Rate):	\$112,781	\$113,909	\$115,048	\$116,198	\$117,360	\$118,534	\$119,720	\$120,917	\$122,126	\$123,348	\$124,581
Average Rent per Square Foot:	\$0.79	\$0.80	\$0.81	\$0.82	\$0.83	\$0.84	\$0.85	\$0.86	\$0.87	\$0.88	\$0.89
Less Expenses (Growing @ .5%/yr):	(\$ 91,500)	(\$ 91,958)	(\$ 92,418)	(\$ 92,880)	(\$ 93,344)	(\$ 93,811)	(\$ 94,280)	(\$ 94,751)	(\$ 95,225)	(\$ 95,701)	(\$ 96,180)
Net Operating Income (NOI):	\$ 38,561	\$ 39,231	\$ 39,910	\$ 40,598	\$ 41,296	\$ 42,003	\$ 42,720	\$ 43,446	\$ 44,181	\$ 44,927	\$ 45,681
Less Loan Payment 1st Mortgage	(\$32,259)	(\$32,259)	(\$32,259)	(\$32,259)	(\$32,259)	(\$32,259)	(\$32,259)	(\$32,259)	(\$32,259)	(\$32,259)	(\$32,259)
Net Cash Flow	\$ -10,978	\$ -10,308	\$ -9,629	\$ -8,941	\$ -8,243	\$ -7,536	\$ -6,819	\$ -6,093	\$ -5,358	\$ -4,612	\$ -3,858
Cash on Cash Return (Return on Equity):	-10.07%	-9.46%	-8.83%	-8.20%	-7.56%	-6.91%	-6.26%	-5.59%	-4.92%	-4.23%	-3.54%
Principal Reduction:	\$14,219	\$14,827	\$15,462	\$16,124	\$16,815	\$17,535	\$18,286	\$19,069	\$19,885	\$20,736	\$21,624
Cumulative Principal Reduction:	\$14,219	\$29,046	\$44,508	\$60,633	\$77,448	\$94,982	\$113,268	\$132,336	\$152,221	\$172,958	\$194,582
Cash Flow Plus Principal Reduction:	\$ 3,241	\$ 4,519	\$ 5,833	\$ 7,183	\$ 8,572	\$ 9,999	\$ 11,467	\$ 12,976	\$ 14,527	\$ 16,124	\$ 17,766
Total Return Before Taxes:	2.97%	4.15%	5.35%	6.59%	7.86%	9.17%	10.52%	11.90%	13.33%	14.79%	16.30%

IRR: 14.66%