

SUMMARY

Analysis Type: Buying
Property Type: Mixed-Use
Address: PLAINVIEW TX
Age of Property (Completion Year): 1909
Site Area: 20,000 sq ft
Gross Building Area: 20,000 sq ft



PROPERTY INCOME

Property Annual Income: \$136,800
Property Square Footage: 20,000
Property Vacancy: 5%
Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$681,760
Down Payment: \$168,240
Interest Rate: 7%
Amortization Period: 30 Year
Monthly Payment: \$4,536
Annual Debt Service: \$54,429
Debt Coverage Ratio: 1.42

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$52,404

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %
Annual Expense Growth Rate: 3 %
Cap Rate at Sale: 8.5 %
Cost of Sale: 2%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$850,000
Property Cap Rate: 9.12%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$136,800
Vacancy Rate: 5%
Cash on Cash Return (Return on Equity): 13.75%

Income Analysis

PLAINVIEW TX

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
Gross Income	\$136,800	\$143,640	\$150,822	\$158,363	\$166,281	\$174,595	\$183,325	\$192,491	\$202,116	\$212,222	\$222,833
Vacancy Rate (5%)	\$6,840	\$7,182	\$7,541	\$7,918	\$8,314	\$8,730	\$9,166	\$9,625	\$10,106	\$10,611	\$11,142
Effective Gross Income -Growing @ 3%/yr -With a 5% Vacancy Rate):	\$129,960	\$133,859	\$137,874	\$142,011	\$146,272	\$150,660	\$155,180	\$159,835	\$164,629	\$169,568	\$174,656
Average Rent per Square Foot:	\$6.50	\$6.69	\$6.89	\$7.10	\$7.31	\$7.53	\$7.76	\$7.99	\$8.23	\$8.48	\$8.73
Less Expenses (Growing @ 3%/yr):	(\$ 52,404)	(\$ 53,976)	(\$ 55,595)	(\$ 57,263)	(\$ 58,981)	(\$ 60,750)	(\$ 62,573)	(\$ 64,450)	(\$ 66,384)	(\$ 68,376)	(\$ 70,427)
Net Operating Income (NOI):	\$ 77,556	\$ 79,883	\$ 82,279	\$ 84,748	\$ 87,291	\$ 89,910	\$ 92,607	\$ 95,385	\$ 98,245	\$ 101,192	\$ 104,229
Less Loan Payment 1st Mortgage	(\$54,429)	(\$54,429)	(\$54,429)	(\$54,429)	(\$54,429)	(\$54,429)	(\$54,429)	(\$54,429)	(\$54,429)	(\$54,429)	(\$54,429)
Net Cash Flow	\$ 23,127	\$ 25,454	\$ 27,850	\$ 30,319	\$ 32,861	\$ 35,480	\$ 38,177	\$ 40,955	\$ 43,816	\$ 46,763	\$ 49,799
Cash on Cash Return (Return on Equity):	13.75%	15.13%	16.55%	18.02%	19.53%	21.09%	22.69%	24.34%	26.04%	27.80%	29.60%
Principal Reduction:	\$6,925	\$7,426	\$7,963	\$8,538	\$9,156	\$9,818	\$10,527	\$11,288	\$12,104	\$12,979	\$13,918
Cumulative Principal Reduction:	\$6,925	\$14,351	\$22,314	\$30,853	\$40,008	\$49,826	\$60,353	\$71,642	\$83,746	\$96,726	\$110,643
Cash Flow Plus Principal Reduction:	\$ 30,052	\$ 32,880	\$ 35,813	\$ 38,857	\$ 42,017	\$ 45,298	\$ 48,704	\$ 52,243	\$ 55,920	\$ 59,742	\$ 63,717
Total Return Before Taxes:	17.86%	19.54%	21.29%	23.10%	24.97%	26.92%	28.95%	31.05%	33.24%	35.51%	37.87%

IRR: 25.89% (Iterative Method)

24.8% (Newton's Method)

Income Analysis

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Future Value in Year 10	Cost of Sale	Loan Balance
\$1,226,224	\$24,524	\$585,035