

SUMMARY

Analysis Type: Buying
Property Type: Retail
Address: Plaza Francia
Age of Property (Completion Year): 20
Site Area: 4,100 sq ft

PROPERTY INCOME

Property Annual Income: \$24,000
Property Square Footage: 4,100
Property Vacancy: 1%
Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$296,140
Down Payment: \$52,260
Interest Rate: 4%
Amortization Period: 20 Year
Monthly Payment: \$1,795
Annual Debt Service: \$21,535
Debt Coverage Ratio: 0.97

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$2,856

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %
Annual Expense Growth Rate: 2 %
Cap Rate at Sale: 6.5 %
Cost of Sale: 2%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$348,400
Property Cap Rate: 6.00%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$24,000
Vacancy Rate: 1%
Cash on Cash Return (Return on Equity): -1.21%

Income Analysis

Plaza Francia

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 | \$24,000 | \$24,240 | \$24,482 | \$24,727 | \$24,974 | \$25,224 | \$25,476 | \$25,731 | \$25,988 | \$26,248 | \$26,510 |
| Vacancy Rate (1%) | \$240 | \$242 | \$245 | \$247 | \$250 | \$252 | \$255 | \$257 | \$260 | \$262 | \$265 |
| Effective Gross Income -Growing @ 3%/yr -With a 1% Vacancy Rate): | \$23,760 | \$24,473 | \$25,207 | \$25,964 | \$26,743 | \$27,545 | \$28,371 | \$29,223 | \$30,100 | \$31,003 | \$31,932 |
| Average Rent per Square Foot: | \$5.80 | \$5.97 | \$6.15 | \$6.33 | \$6.52 | \$6.72 | \$6.92 | \$7.13 | \$7.34 | \$7.56 | \$7.79 |
| Less Expenses (Growing @ 2%/yr): | (\$ 2,856) | (\$ 2,913) | (\$ 2,971) | (\$ 3,030) | (\$ 3,091) | (\$ 3,153) | (\$ 3,216) | (\$ 3,280) | (\$ 3,346) | (\$ 3,413) | (\$ 3,481) |
| Net Operating Income (NOI): | \$ 20,904 | \$ 21,560 | \$ 22,236 | \$ 22,934 | \$ 23,652 | \$ 24,392 | \$ 25,155 | \$ 25,943 | \$ 26,754 | \$ 27,590 | \$ 28,451 |
| Less Loan Payment 1st Mortgage | (\$21,535) | (\$21,535) | (\$21,535) | (\$21,535) | (\$21,535) | (\$21,535) | (\$21,535) | (\$21,535) | (\$21,535) | (\$21,535) | (\$21,535) |
| Net Cash Flow | \$ -631 | \$ 25 | \$ 702 | \$ 1,399 | \$ 2,117 | \$ 2,857 | \$ 3,621 | \$ 4,408 | \$ 5,219 | \$ 6,055 | \$ 6,917 |
| Cash on Cash Return (Return on Equity): | -1.21% | 0.05% | 1.34% | 2.68% | 4.05% | 5.47% | 6.93% | 8.43% | 9.99% | 11.59% | 13.24% |
| Principal Reduction: | \$9,869 | \$10,271 | \$10,689 | \$11,125 | \$11,578 | \$12,050 | \$12,540 | \$13,051 | \$13,583 | \$14,137 | \$14,712 |
| Cumulative Principal Reduction: | \$9,869 | \$20,139 | \$30,828 | \$41,953 | \$53,531 | \$65,580 | \$78,121 | \$91,172 | \$104,755 | \$118,892 | \$133,604 |
| Cash Flow Plus Principal Reduction: | \$ 9,238 | \$ 10,296 | \$ 11,391 | \$ 12,524 | \$ 13,695 | \$ 14,907 | \$ 16,161 | \$ 17,459 | \$ 18,802 | \$ 20,192 | \$ 21,629 |
| Total Return Before Taxes: | 17.68% | 19.70% | 21.80% | 23.96% | 26.21% | 28.52% | 30.92% | 33.41% | 35.98% | 38.64% | 41.39% |

IRR: 23.85%

| Future Value in Year 10 | Cost of Sale | Loan Balance |
|--------------------------------|---------------------|---------------------|
| \$106,415 | \$2,128 | |