

SUMMARY

Analysis Type: Selling

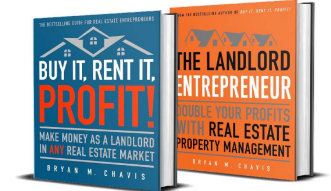
Property Type: Retail

Address: Test

Age of Property (Completion Year): 2002

Site Area: 1,000 sq ft

Gross Building Area: 1,000 sq ft



PROPERTY INCOME

Property Annual Income: \$85,000

Property Square Footage: 1,000

Property Vacancy: 2%

Property Additional Income: \$6,000

LOAN & DEBT ANALYSIS

Loan Amount: \$1,440,000

Down Payment: \$360,000

Interest Rate: 4.75%

Amortization Period: 15 Year

Monthly Payment: \$11,201

Annual Debt Service: \$134,409

Debt Coverage Ratio: 0.62

PROPERTY EXPENSES

Gross Lease

Property Annual Expenses: \$6,000

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 2 %

Annual Expense Growth Rate: 3 %

Cap Rate at Sale: 5.13 %

Cost of Sale: 5%

Number of Years: 2

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$1,800,000

Property Cap Rate: 4.63%

2 YEAR CASH FLOW ANALYSIS

Potential Income: \$85,000

Vacancy Rate: 2%

Cash on Cash Return (Return on Equity): -14.20%

	Year 1	Year 2	Year 3
Effective Gross Income -Growing @ 2%/yr -With a 2% Vacancy Rate:	\$83,300	\$84,966	\$86,665
Average Rent per Square Foot:	\$83.30	\$84.97	\$86.67
Less Expenses (Growing @ 3%/yr):	(\$ 6,000)	(\$ 6,180)	(\$ 6,365)
Net Operating Income (NOI):	\$ 83,300	\$ 84,786	\$ 86,300
Less Loan Payment 1st Mortgage	(\$134,409)	(\$134,409)	(\$134,409)
Net Cash Flow	\$ -57,109	\$ -55,623	\$ -54,109
Cash on Cash Return (Return on Equity):	-15.86%	-15.45%	-15.03%
Principal Reduction:	\$67,466	\$70,741	\$74,175
Cumulative Principal Reduction:	\$67,466	\$138,206	\$212,382
Cash Flow Plus Principal Reduction:	\$ 10,357	\$ 15,118	\$ 20,066
Total Return Before Taxes:	2.88%	4.20%	5.57%

IRR: 105.96%