

SUMMARY

Analysis Type: Buying

Property Type: Multi-Family

Address: Test

Age of Property (Completion Year): 1968

Site Area: 8,000 sq ft

PROPERTY INCOME

Property Annual Income: \$96,000

Property Square Footage: 8,000

Property Vacancy: 5%

Property Additional Income: \$5,000

LOAN & DEBT ANALYSIS

Loan Amount: \$643,236

Down Payment: \$669,491

Interest Rate: 7%

Amortization Period: 20 Year

Monthly Payment: \$4,987

Annual Debt Service: \$59,844

Debt Coverage Ratio: 1.21

PROPERTY EXPENSES

Triple Net Lease (NNN)

Property Annual Expenses: \$24,000

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %

Annual Expense Growth Rate: 3 %

Cap Rate at Sale: 5.5 %

Cost of Sale: 3%

Number of Years: 5

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$1,312,727

Property Cap Rate: 5.5%

5 YEAR CASH FLOW ANALYSIS

Potential Income: \$96,000

Vacancy Rate: 5%

Cash on Cash Return (Return on Equity): 1.85%

Income Analysis

Test

Report courtesy of Troy Muljat

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Effective Gross Income -Growing @ 3%/yr -With a 5% Vacancy Rate):	\$91,200	\$93,936	\$96,754	\$99,656	\$102,646	\$105,725
Average Rent per Square Foot:	\$11.40	\$11.74	\$12.09	\$12.45	\$12.82	\$13.20
Less Expenses (Growing @ 3%/yr):	(\$ 24,000)	(\$ 24,720)	(\$ 25,462)	(\$ 26,226)	(\$ 27,013)	(\$ 27,823)
Net Operating Income (NOI):	\$ 72,200	\$ 74,216	\$ 76,292	\$ 78,430	\$ 80,633	\$ 82,902
Less Loan Payment 1st Mortgage	(\$59,844)	(\$59,844)	(\$59,844)	(\$59,844)	(\$59,844)	(\$59,844)
Net Cash Flow	\$ 7,356	\$ 9,372	\$ 11,448	\$ 13,586	\$ 15,789	\$ 18,058
Cash on Cash Return (Return on Equity):	1.10%	1.40%	1.71%	2.03%	2.36%	2.70%
Principal Reduction:	\$15,302	\$16,408	\$17,595	\$18,867	\$20,230	\$21,693
Cumulative Principal Reduction:	\$15,302	\$31,711	\$49,305	\$68,172	\$88,402	\$110,095
Cash Flow Plus Principal Reduction:	\$ 22,658	\$ 25,780	\$ 29,043	\$ 32,453	\$ 36,019	\$ 39,751
Total Return Before Taxes:	3.38%	3.85%	4.34%	4.85%	5.38%	5.94%

IRR: 11.23%