

SUMMARY

Analysis Type: Buying
Property Type: Multi-Family
Address: Westshore Flats
Age of Property (Completion Year): 39
Site Area: 121,968 sq ft
Gross Building Area: 52,052 sq ft

PROPERTY INCOME

Property Annual Income: \$1,261,440
Property Square Footage: 121,968
Property Vacancy: 3%
Property Additional Income: \$69,091

LOAN & DEBT ANALYSIS

Loan Amount: \$10,200,000
Down Payment: \$4,050,000
Interest Rate: 4%
Amortization Period: 30 Year
Monthly Payment: \$48,696
Annual Debt Service: \$584,356
Debt Coverage Ratio: 1.01

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$704,270

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 10 %
Annual Expense Growth Rate: 5 %
Cap Rate at Sale: 4.63 %
Cost of Sale: 4%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$14,250,000
Property Cap Rate: 4.13%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$1,261,440
Vacancy Rate: 3%
Cash on Cash Return (Return on Equity): 0.10%

	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 @ 10%/yr -With a 3% Vacancy Rate):	\$1,223,597	\$1,345,956	\$1,480,552	\$1,628,607	\$1,791,468	\$1,970,614	\$2,167,675	\$2,384,443	\$2,622,888	\$2,885,177	\$3,173,695
Average Rent per Square Foot:	\$10.03	\$11.04	\$12.14	\$13.35	\$14.69	\$16.16	\$17.78	\$19.56	\$21.52	\$23.67	\$26.04
Less Expenses (Growing @ 5%/yr):	(\$ 704,270)	(\$ 739,484)	(\$ 776,458)	(\$ 815,281)	(\$ 856,045)	(\$ 898,847)	(\$ 943,789)	(\$ 990,978)	(\$ 1,040,527)	(\$ 1,092,553)	(\$ 1,147,181)
Net Operating Income (NOI):	\$ 588,418	\$ 675,563	\$ 773,185	\$ 882,417	\$ 1,004,514	\$ 1,140,858	\$ 1,292,977	\$ 1,462,556	\$ 1,651,452	\$ 1,861,715	\$ 2,095,605
Less Loan Payment 1st Mortgage	(\$584,356)	(\$584,356)	(\$584,356)	(\$584,356)	(\$584,356)	(\$584,356)	(\$584,356)	(\$584,356)	(\$584,356)	(\$584,356)	(\$584,356)
Net Cash Flow	\$ -65,030	\$ 22,116	\$ 119,737	\$ 228,969	\$ 351,066	\$ 487,411	\$ 639,530	\$ 809,109	\$ 998,004	\$ 1,208,267	\$ 1,442,157
Cash on Cash Return (Return on Equity):	-1.61%	0.55%	2.96%	5.65%	8.67%	12.03%	15.79%	19.98%	24.64%	29.83%	35.61%
Principal Reduction:	\$179,626	\$186,944	\$194,560	\$202,487	\$210,737	\$219,322	\$228,258	\$237,558	\$247,236	\$257,309	\$267,792
Cumulative Principal Reduction:	\$179,626	\$366,570	\$561,130	\$763,617	\$974,354	\$1,193,676	\$1,421,934	\$1,659,491	\$1,906,727	\$2,164,036	\$2,431,828
Cash Flow Plus Principal Reduction:	\$ 114,596	\$ 209,060	\$ 314,297	\$ 431,456	\$ 561,803	\$ 706,733	\$ 867,788	\$ 1,046,667	\$ 1,245,240	\$ 1,465,576	\$ 1,709,949
Total Return Before Taxes:	2.83%	5.16%	7.76%	10.65%	13.87%	17.45%	21.43%	25.84%	30.75%	36.19%	42.22%

IRR: 29.71%