

SUMMARY

Analysis Type: Buying

Property Type: Multi-Family

Address: Westview

Age of Property (Completion Year): 1986

Site Area: 98,881 sq ft

Gross Building Area: 31,160 sq ft

PROPERTY INCOME

Property Annual Income: \$919,200

Property Square Footage: 98,881

Property Vacancy: 5%

Property Additional Income: \$2,710

LOAN & DEBT ANALYSIS

Loan Amount: \$5,160,000

Down Payment: \$3,440,000

Interest Rate: 6.1%

Amortization Period: 30 Year

Monthly Payment: \$31,269

Annual Debt Service: \$375,232

Debt Coverage Ratio: 1.44

PROPERTY EXPENSES

Triple Net Lease (NNN)

Property Annual Expenses: \$336,365

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 10 %

Annual Expense Growth Rate: 3 %

Cap Rate at Sale: 6.77 %

Cost of Sale: 3%

Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$8,600,000

Property Cap Rate: 6.27%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$919,200

Vacancy Rate: 5%

Cash on Cash Return (Return on Equity): 4.78%

	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 5% Vacancy Rate):	\$873,240	\$960,564	\$1,056,620	\$1,162,282	\$1,278,511	\$1,406,362	\$1,546,998	\$1,701,698	\$1,871,868	\$2,059,055	\$2,264,961
Average Rent per Square Foot:	\$8.83	\$9.71	\$10.68	\$11.75	\$12.93	\$14.22	\$15.64	\$17.20	\$18.92	\$20.81	\$22.89
Less Expenses (Growing @ 3%/yr):	(\$ 336,365)	(\$ 346,456)	(\$ 356,850)	(\$ 367,556)	(\$ 378,583)	(\$ 389,940)	(\$ 401,638)	(\$ 413,687)	(\$ 426,098)	(\$ 438,881)	(\$ 452,047)
Net Operating Income (NOI):	\$ 539,585	\$ 616,818	\$ 702,480	\$ 797,436	\$ 902,638	\$ 1,019,132	\$ 1,148,070	\$ 1,290,721	\$ 1,448,480	\$ 1,622,884	\$ 1,815,624
Less Loan Payment 1st Mortgage	(\$375,232)	(\$375,232)	(\$375,232)	(\$375,232)	(\$375,232)	(\$375,232)	(\$375,232)	(\$375,232)	(\$375,232)	(\$375,232)	(\$375,232)
Net Cash Flow	\$ 161,643	\$ 238,876	\$ 324,538	\$ 419,494	\$ 524,696	\$ 641,190	\$ 770,128	\$ 912,779	\$ 1,070,538	\$ 1,244,942	\$ 1,437,682
Cash on Cash Return (Return on Equity):	4.70%	6.94%	9.43%	12.19%	15.25%	18.64%	22.39%	26.53%	31.12%	36.19%	41.79%
Principal Reduction:	\$62,192	\$66,093	\$70,240	\$74,646	\$79,329	\$84,306	\$89,594	\$95,215	\$101,188	\$107,536	\$114,283
Cumulative Principal Reduction:	\$62,192	\$128,285	\$198,524	\$273,170	\$352,499	\$436,805	\$526,399	\$621,615	\$722,803	\$830,339	\$944,622
Cash Flow Plus Principal Reduction:	\$ 223,835	\$ 304,969	\$ 394,778	\$ 494,140	\$ 604,025	\$ 725,496	\$ 859,722	\$ 1,007,994	\$ 1,171,726	\$ 1,352,478	\$ 1,551,965
Total Return Before Taxes:	6.51%	8.87%	11.48%	14.36%	17.56%	21.09%	24.99%	29.30%	34.06%	39.32%	45.12%

IRR: 27.20%