

SUMMARY

Analysis Type: Buying

Property Type: Retail

Address: Windhaven

Age of Property (Completion Year): 2026

Site Area: 1,250 sq ft

Gross Building Area: 1,250 sq ft

PROPERTY INCOME

Property Annual Income: \$37,500

Property Square Footage: 1,250

Property Vacancy: -

Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$243,750

Down Payment: \$81,250

Interest Rate: 6.5%

Amortization Period: 30 Year

Monthly Payment: \$1,541

Annual Debt Service: \$18,488

Debt Coverage Ratio: 2.01

PROPERTY EXPENSES

Gross Lease

Property Annual Expenses: \$375

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %

Annual Expense Growth Rate: 2 %

Cap Rate at Sale: 11.78 %

Cost of Sale: 2%

Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$325,000

Property Cap Rate: 11.42%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$37,500

Vacancy Rate: -

Cash on Cash Return (Return on Equity): 22.94%

Income Analysis

Windhaven

Report courtesy of Ola van Zyl

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Income	\$37,500	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Vacancy Rate	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Effective Gross Income -Growing @ 3%/yr -With a % Vacancy Rate):	\$37,500	\$38,625	\$39,784	\$40,978	\$42,207	\$43,473	\$44,777	\$46,120	\$47,504	\$48,929	\$50,397
Average Rent per Square Foot:	\$30.00	\$30.90	\$31.83	\$32.78	\$33.76	\$34.77	\$35.81	\$36.88	\$37.99	\$39.13	\$40.30
Less Expenses (Growing @ 2%/yr):	(\$ 375)	(\$ 383)	(\$ 391)	(\$ 399)	(\$ 407)	(\$ 415)	(\$ 423)	(\$ 431)	(\$ 440)	(\$ 449)	(\$ 458)
Net Operating Income (NOI):	\$ 37,125	\$ 38,242	\$ 39,393	\$ 40,579	\$ 41,800	\$ 43,058	\$ 44,354	\$ 45,689	\$ 47,064	\$ 48,480	\$ 49,939
Less Loan Payment 1st Mortgage	(\$18,488)	(\$18,488)	(\$18,488)	(\$18,488)	(\$18,488)	(\$18,488)	(\$18,488)	(\$18,488)	(\$18,488)	(\$18,488)	(\$18,488)
Net Cash Flow	\$ 18,637	\$ 19,754	\$ 20,905	\$ 22,091	\$ 23,312	\$ 24,570	\$ 25,866	\$ 27,201	\$ 28,576	\$ 29,992	\$ 31,451
Cash on Cash Return (Return on Equity):	22.94%	24.31%	25.73%	27.19%	28.69%	30.24%	31.84%	33.48%	35.17%	36.91%	38.71%
Principal Reduction:	\$2,724	\$2,907	\$3,102	\$3,309	\$3,531	\$3,767	\$4,020	\$4,289	\$4,576	\$4,883	\$5,210
Cumulative Principal Reduction:	\$2,724	\$5,631	\$8,733	\$12,042	\$15,573	\$19,341	\$23,360	\$27,649	\$32,226	\$37,108	\$42,318
Cash Flow Plus Principal Reduction:	\$ 21,361	\$ 22,661	\$ 24,007	\$ 25,400	\$ 26,843	\$ 28,337	\$ 29,886	\$ 31,490	\$ 33,152	\$ 34,875	\$ 36,661
Total Return Before Taxes:	26.29%	27.89%	29.55%	31.26%	33.04%	34.88%	36.78%	38.76%	40.80%	42.92%	45.12%

IRR: 30.47% (Iterative Method)

29.85% (Newton's Method)

Income Analysis

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Future Value in Year 10	Cost of Sale	Loan Balance
\$423,930	\$8,479	\$206,642