

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

Windhaven

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Future Value in Year 10

\$423,930

Cost of Sale

\$8,479

Loan Balance

\$206,642