

SUMMARY

Analysis Type: Buying
Property Type: Multi-Family
Address: bayshore Flats
Age of Property (Completion Year): 1975 49
Site Area: 82,764 sq ft
Gross Building Area: 29,208 sq ft



PROPERTY INCOME

Property Annual Income: \$1,022,400
Property Square Footage: 82,764
Property Vacancy: -
Property Additional Income: \$63,060

LOAN & DEBT ANALYSIS

Loan Amount: \$6,640,059
Down Payment: \$4,857,879
Interest Rate: 7%
Amortization Period: 30 Year
Monthly Payment: \$44,176
Annual Debt Service: \$530,118
Debt Coverage Ratio: 1.17

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$463,883

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %
Annual Expense Growth Rate: 1 %
Cap Rate at Sale: 4.81 %
Cost of Sale: 1.5%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$11,497,938
Property Cap Rate: 5.41%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$1,022,400
Vacancy Rate: -
Cash on Cash Return (Return on Equity): 1.88%

	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 @ 3%/yr -With a % Vacancy Rate):	\$1,022,400	\$1,053,072	\$1,084,664	\$1,117,204	\$1,150,720	\$1,185,242	\$1,220,799	\$1,257,423	\$1,295,146	\$1,334,000	\$1,374,020
Average Rent per Square Foot:	\$12.35	\$12.72	\$13.10	\$13.49	\$13.89	\$14.31	\$14.74	\$15.18	\$15.64	\$16.11	\$16.59
Less Expenses (Growing @ 1%/yr):	(\$ 463,883)	(\$ 468,522)	(\$ 473,207)	(\$ 477,939)	(\$ 482,718)	(\$ 487,545)	(\$ 492,420)	(\$ 497,344)	(\$ 502,317)	(\$ 507,340)	(\$ 512,413)
Net Operating Income (NOI):	\$ 621,577	\$ 647,610	\$ 674,517	\$ 702,325	\$ 731,062	\$ 760,757	\$ 791,439	\$ 823,139	\$ 855,889	\$ 889,720	\$ 924,667
Less Loan Payment 1st Mortgage	(\$530,118)	(\$530,118)	(\$530,118)	(\$530,118)	(\$530,118)	(\$530,118)	(\$530,118)	(\$530,118)	(\$530,118)	(\$530,118)	(\$530,118)
Net Cash Flow	\$ 28,399	\$ 54,432	\$ 81,339	\$ 109,147	\$ 137,884	\$ 167,579	\$ 198,261	\$ 229,961	\$ 262,711	\$ 296,542	\$ 331,489
Cash on Cash Return (Return on Equity):	0.58%	1.12%	1.67%	2.25%	2.84%	3.45%	4.08%	4.73%	5.41%	6.10%	6.82%
Principal Reduction:	\$54,244	\$58,166	\$62,370	\$66,879	\$71,714	\$76,898	\$82,457	\$88,418	\$94,810	\$101,663	\$109,013
Cumulative Principal Reduction:	\$54,244	\$112,410	\$174,780	\$241,659	\$313,373	\$390,271	\$472,728	\$561,146	\$655,956	\$757,619	\$866,631
Cash Flow Plus Principal Reduction:	\$ 82,643	\$ 112,598	\$ 143,709	\$ 176,026	\$ 209,598	\$ 244,477	\$ 280,718	\$ 318,379	\$ 357,521	\$ 398,205	\$ 440,502
Total Return Before Taxes:	1.70%	2.32%	2.96%	3.62%	4.31%	5.03%	5.78%	6.55%	7.36%	8.20%	9.07%

IRR: 13.34%