

SUMMARY

Analysis Type: Buying
Property Type: Multi-Family
Address: piccadilly Flats
Age of Property (Completion Year): 1924
Site Area: 20,473 sq ft
Gross Building Area: 17,208 sq ft



PROPERTY INCOME

Property Annual Income: \$532,800
Property Square Footage: 20,473
Property Vacancy: -
Property Additional Income: \$438,348

LOAN & DEBT ANALYSIS

Loan Amount: \$3,029,207
Down Payment: \$2,970,000
Interest Rate: 7%
Amortization Period: 15 Year
Monthly Payment: \$27,227
Annual Debt Service: \$326,728
Debt Coverage Ratio: 2.38

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$194,820

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %
Annual Expense Growth Rate: 1 %
Cap Rate at Sale: 8.04 %
Cost of Sale: 1.5%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$5,999,207
Property Cap Rate: 12.94%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$532,800
Vacancy Rate: -
Cash on Cash Return (Return on Equity): 15.14%

	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):	\$532,800	\$548,784	\$565,248	\$582,205	\$599,671	\$617,661	\$636,191	\$655,277	\$674,935	\$695,183	\$716,038
Average Rent per Square Foot:	\$26.02	\$26.81	\$27.61	\$28.44	\$29.29	\$30.17	\$31.08	\$32.01	\$32.97	\$33.96	\$34.98
Less Expenses (Growing @ 1%/yr):	(\$ 194,820)	(\$ 196,768)	(\$ 198,736)	(\$ 200,723)	(\$ 202,730)	(\$ 204,757)	(\$ 206,805)	(\$ 208,873)	(\$ 210,962)	(\$ 213,072)	(\$ 215,203)
Net Operating Income (NOI):	\$ 776,328	\$ 790,364	\$ 804,860	\$ 819,830	\$ 835,289	\$ 851,252	\$ 867,734	\$ 884,752	\$ 902,321	\$ 920,459	\$ 939,183
Less Loan Payment 1st Mortgage	(\$326,728)	(\$326,728)	(\$326,728)	(\$326,728)	(\$326,728)	(\$326,728)	(\$326,728)	(\$326,728)	(\$326,728)	(\$326,728)	(\$326,728)
Net Cash Flow	\$ 11,252	\$ 25,288	\$ 39,784	\$ 54,754	\$ 70,213	\$ 86,176	\$ 102,658	\$ 119,676	\$ 137,245	\$ 155,383	\$ 174,107
Cash on Cash Return (Return on Equity):	0.38%	0.85%	1.34%	1.84%	2.36%	2.90%	3.46%	4.03%	4.62%	5.23%	5.86%
Principal Reduction:	\$141,926	\$152,186	\$163,187	\$174,984	\$187,633	\$201,197	\$215,742	\$231,338	\$248,061	\$265,994	\$285,223
Cumulative Principal Reduction:	\$141,926	\$294,111	\$457,298	\$632,282	\$819,915	\$1,021,113	\$1,236,855	\$1,468,193	\$1,716,254	\$1,982,248	\$2,267,470
Cash Flow Plus Principal Reduction:	\$ 153,178	\$ 177,474	\$ 202,971	\$ 229,738	\$ 257,846	\$ 287,373	\$ 318,400	\$ 351,014	\$ 385,306	\$ 421,377	\$ 459,330
Total Return Before Taxes:	5.16%	5.98%	6.83%	7.74%	8.68%	9.68%	10.72%	11.82%	12.97%	14.19%	15.47%

IRR: 14.29%