

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: 17,204 sq ft



PROPERTY INCOME

Property Annual Income: \$482,976
Property Square Footage: 20,473
Property Vacancy: -
Property Additional Income: \$36,529

LOAN & DEBT ANALYSIS

Loan Amount: \$2,907,060
Down Payment: \$3,086,878
Interest Rate: 7%
Amortization Period: 30 Year
Monthly Payment: \$19,341
Annual Debt Service: \$232,089
Debt Coverage Ratio: 1.25

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$228,799

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %
Annual Expense Growth Rate: 1 %
Cap Rate at Sale: 5.35 %
Cost of Sale: -
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$5,993,938
Property Cap Rate: 4.85%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$482,976
Vacancy Rate: -
Cash on Cash Return (Return on Equity): 1.90%

| | 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 0% Vacancy Rate: | \$482,976 | \$497,465 | \$512,389 | \$527,761 | \$543,594 | \$559,902 | \$576,699 | \$594,000 | \$611,820 | \$630,175 | \$649,080 |
| Average Rent per Square Foot: | \$23.59 | \$24.30 | \$25.03 | \$25.78 | \$26.55 | \$27.35 | \$28.17 | \$29.02 | \$29.89 | \$30.79 | \$31.71 |
| Less Expenses (Growing @ 1%/yr): | (\$ 228,799) | (\$ 231,087) | (\$ 233,398) | (\$ 235,732) | (\$ 238,089) | (\$ 240,470) | (\$ 242,875) | (\$ 245,304) | (\$ 247,757) | (\$ 250,235) | (\$ 252,737) |
| Net Operating Income (NOI): | \$ 290,706 | \$ 302,907 | \$ 315,520 | \$ 328,558 | \$ 342,034 | \$ 355,961 | \$ 370,353 | \$ 385,225 | \$ 400,592 | \$ 416,469 | \$ 432,872 |
| Less Loan Payment 1st Mortgage | (\$232,089) | (\$232,089) | (\$232,089) | (\$232,089) | (\$232,089) | (\$232,089) | (\$232,089) | (\$232,089) | (\$232,089) | (\$232,089) | (\$232,089) |
| Net Cash Flow | \$ 22,088 | \$ 34,289 | \$ 46,902 | \$ 59,940 | \$ 73,416 | \$ 87,343 | \$ 101,735 | \$ 116,607 | \$ 131,974 | \$ 147,851 | \$ 164,254 |
| Cash on Cash Return (Return on Equity): | 0.72% | 1.11% | 1.52% | 1.94% | 2.38% | 2.83% | 3.30% | 3.78% | 4.28% | 4.79% | 5.32% |
| Principal Reduction: | \$29,530 | \$31,665 | \$33,954 | \$36,409 | \$39,041 | \$41,863 | \$44,889 | \$48,134 | \$51,614 | \$55,345 | \$59,346 |
| Cumulative Principal Reduction: | \$29,530 | \$61,195 | \$95,149 | \$131,558 | \$170,598 | \$212,461 | \$257,350 | \$305,484 | \$357,098 | \$412,442 | \$471,788 |
| Cash Flow Plus Principal Reduction: | \$ 51,618 | \$ 65,954 | \$ 80,856 | \$ 96,349 | \$ 112,457 | \$ 129,206 | \$ 146,624 | \$ 164,741 | \$ 183,588 | \$ 203,196 | \$ 223,600 |
| Total Return Before Taxes: | 1.67% | 2.14% | 2.62% | 3.12% | 3.64% | 4.19% | 4.75% | 5.34% | 5.95% | 6.58% | 7.24% |

IRR: 8.01%