

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: \$499,500
Property Square Footage: 20,473
Property Vacancy: -
Property Additional Income: \$36,529

LOAN & DEBT ANALYSIS

Loan Amount: \$2,104,694
Down Payment: \$4,500,000
Interest Rate: 7%
Amortization Period: 30 Year
Monthly Payment: \$14,003
Annual Debt Service: \$168,031
Debt Coverage Ratio: 2.12

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$180,036

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %
Annual Expense Growth Rate: 1 %
Cap Rate at Sale: 4.67 %
Cost of Sale: 1.5%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$6,604,694
Property Cap Rate: 5.39%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$499,500
Vacancy Rate: -
Cash on Cash Return (Return on Equity): 4.18%

	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):	\$499,500	\$514,485	\$529,920	\$545,818	\$562,193	\$579,059	\$596,431	\$614,324	\$632,754	\$651,737	\$671,289
Average Rent per Square Foot:	\$24.40	\$25.13	\$25.88	\$26.66	\$27.46	\$28.28	\$29.13	\$30.00	\$30.90	\$31.83	\$32.78
Less Expenses (Growing @ 1%/yr):	(\$ 180,036)	(\$ 181,836)	(\$ 183,654)	(\$ 185,491)	(\$ 187,346)	(\$ 189,219)	(\$ 191,111)	(\$ 193,022)	(\$ 194,952)	(\$ 196,902)	(\$ 198,871)
Net Operating Income (NOI):	\$ 355,993	\$ 369,178	\$ 382,795	\$ 396,856	\$ 411,376	\$ 426,369	\$ 441,849	\$ 457,831	\$ 474,331	\$ 491,364	\$ 508,947
Less Loan Payment 1st Mortgage	(\$168,031)	(\$168,031)	(\$168,031)	(\$168,031)	(\$168,031)	(\$168,031)	(\$168,031)	(\$168,031)	(\$168,031)	(\$168,031)	(\$168,031)
Net Cash Flow	\$ 151,433	\$ 164,618	\$ 178,235	\$ 192,296	\$ 206,816	\$ 221,809	\$ 237,289	\$ 253,271	\$ 269,771	\$ 286,804	\$ 304,387
Cash on Cash Return (Return on Equity):	3.37%	3.66%	3.96%	4.27%	4.60%	4.93%	5.27%	5.63%	5.99%	6.37%	6.76%
Principal Reduction:	\$21,357	\$22,901	\$24,556	\$26,331	\$28,235	\$30,276	\$32,464	\$34,811	\$37,328	\$40,026	\$42,920
Cumulative Principal Reduction:	\$21,357	\$44,257	\$68,813	\$95,144	\$123,379	\$153,654	\$186,119	\$220,930	\$258,258	\$298,284	\$341,203
Cash Flow Plus Principal Reduction:	\$ 172,790	\$ 187,519	\$ 202,791	\$ 218,627	\$ 235,051	\$ 252,085	\$ 269,753	\$ 288,082	\$ 307,099	\$ 326,830	\$ 347,307
Total Return Before Taxes:	3.84%	4.17%	4.51%	4.86%	5.22%	5.60%	5.99%	6.40%	6.82%	7.26%	7.72%

IRR: 10.73%