

SUMMARY

Analysis Type: Buying
Property Type: Multi-Family
Address: west shore flats
Age of Property (Completion Year): 1985
Site Area: 78,408 sq ft
Gross Building Area: 31,980 sq ft



PROPERTY INCOME

Property Annual Income: \$828,000
Property Square Footage: 78,408
Property Vacancy: 1%
Property Additional Income: \$55,384

LOAN & DEBT ANALYSIS

Loan Amount: \$5,416,646
Down Payment: \$4,086,241
Interest Rate: 7%
Amortization Period: 30 Year
Monthly Payment: \$36,037
Annual Debt Service: \$432,445
Debt Coverage Ratio: 1.25

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$335,340

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %
Annual Expense Growth Rate: 1 %
Cap Rate at Sale: 5.09 %
Cost of Sale: 1.5%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$9,502,887
Property Cap Rate: 5.68%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$828,000
Vacancy Rate: 1%
Cash on Cash Return (Return on Equity): 2.63%

	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 1% Vacancy Rate):	\$819,720	\$844,312	\$869,641	\$895,730	\$922,602	\$950,280	\$978,788	\$1,008,152	\$1,038,396	\$1,069,548	\$1,101,635
Average Rent per Square Foot:	\$10.45	\$10.77	\$11.09	\$11.42	\$11.76	\$12.11	\$12.47	\$12.84	\$13.23	\$13.63	\$14.04
Less Expenses (Growing @ 1%/yr):	(\$ 335,340)	(\$ 338,693)	(\$ 342,080)	(\$ 345,501)	(\$ 348,956)	(\$ 352,446)	(\$ 355,970)	(\$ 359,530)	(\$ 363,125)	(\$ 366,756)	(\$ 370,424)
Net Operating Income (NOI):	\$ 539,764	\$ 561,003	\$ 582,945	\$ 605,613	\$ 629,030	\$ 653,218	\$ 678,202	\$ 704,006	\$ 730,655	\$ 758,176	\$ 786,595
Less Loan Payment 1st Mortgage	(\$432,445)	(\$432,445)	(\$432,445)	(\$432,445)	(\$432,445)	(\$432,445)	(\$432,445)	(\$432,445)	(\$432,445)	(\$432,445)	(\$432,445)
Net Cash Flow	\$ 51,935	\$ 73,174	\$ 95,116	\$ 117,784	\$ 141,201	\$ 165,389	\$ 190,373	\$ 216,177	\$ 242,826	\$ 270,348	\$ 298,766
Cash on Cash Return (Return on Equity):	1.27%	1.79%	2.33%	2.88%	3.46%	4.05%	4.66%	5.29%	5.94%	6.62%	7.31%
Principal Reduction:	\$44,412	\$47,623	\$51,066	\$54,757	\$58,716	\$62,960	\$67,511	\$72,392	\$77,625	\$83,237	\$89,254
Cumulative Principal Reduction:	\$44,412	\$92,035	\$143,101	\$197,858	\$256,574	\$319,534	\$387,045	\$459,437	\$537,062	\$620,299	\$709,553
Cash Flow Plus Principal Reduction:	\$ 96,347	\$ 120,797	\$ 146,182	\$ 172,541	\$ 199,917	\$ 228,349	\$ 257,884	\$ 288,569	\$ 320,451	\$ 353,585	\$ 388,020
Total Return Before Taxes:	2.36%	2.96%	3.58%	4.22%	4.89%	5.59%	6.31%	7.06%	7.84%	8.65%	9.50%

IRR: 13.28%