

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: \$4,370,000
Down Payment: \$5,130,000
Interest Rate: 7%
Amortization Period: 30 Year
Monthly Payment: \$29,074
Annual Debt Service: \$348,885
Debt Coverage Ratio: 1.38

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$394,872

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: \$9,500,000
Property Cap Rate: 5.06%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$828,000
Vacancy Rate: 1%
Cash on Cash Return (Return on Equity): 2.56%

	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):	(\$ 394,872)	(\$ 398,821)	(\$ 402,809)	(\$ 406,837)	(\$ 410,905)	(\$ 415,014)	(\$ 419,164)	(\$ 423,356)	(\$ 427,590)	(\$ 431,866)	(\$ 436,185)
Net Operating Income (NOI):	\$ 480,232	\$ 500,875	\$ 522,216	\$ 544,277	\$ 567,081	\$ 590,650	\$ 615,008	\$ 640,180	\$ 666,190	\$ 693,066	\$ 720,834
Less Loan Payment 1st Mortgage	(\$348,885)	(\$348,885)	(\$348,885)	(\$348,885)	(\$348,885)	(\$348,885)	(\$348,885)	(\$348,885)	(\$348,885)	(\$348,885)	(\$348,885)
Net Cash Flow	\$ 75,963	\$ 96,606	\$ 117,947	\$ 140,009	\$ 162,812	\$ 186,382	\$ 210,740	\$ 235,911	\$ 261,922	\$ 288,798	\$ 316,566
Cash on Cash Return (Return on Equity):	1.48%	1.88%	2.30%	2.73%	3.17%	3.63%	4.11%	4.60%	5.11%	5.63%	6.17%
Principal Reduction:	\$44,391	\$47,600	\$51,041	\$54,731	\$58,687	\$62,930	\$67,479	\$72,357	\$77,588	\$83,196	\$89,211
Cumulative Principal Reduction:	\$44,391	\$91,991	\$143,032	\$197,762	\$256,450	\$319,379	\$386,858	\$459,215	\$536,802	\$619,999	\$709,210
Cash Flow Plus Principal Reduction:	\$ 120,354	\$ 144,206	\$ 168,988	\$ 194,740	\$ 221,499	\$ 249,312	\$ 278,219	\$ 308,268	\$ 339,510	\$ 371,994	\$ 405,777
Total Return Before Taxes:	2.35%	2.81%	3.29%	3.80%	4.32%	4.86%	5.42%	6.01%	6.62%	7.25%	7.91%

IRR: 9.72%