

## SUMMARY

**Analysis Type: Buying**  
**Property Type: Multi-Family**  
**Address: The Nelson**



## PROPERTY INCOME

**Property Annual Income: \$143,040**  
**Property Square Footage: -**  
**Property Vacancy: -**  
**Property Additional Income: -**

## LOAN & DEBT ANALYSIS

**Loan Amount: \$675,000**  
**Down Payment: \$825,000**  
**Interest Rate: 5%**  
**Amortization Period: 25 Year**  
**Monthly Payment: \$3,946**  
**Annual Debt Service: \$47,352**  
**Debt Coverage Ratio: 1.59**

## PROPERTY EXPENSES

**Triple Net Lease (NNN)**  
**Property Annual Expenses: \$67,588**

## CASH FLOW ASSUMPTIONS

**Annual Income Growth Rate: 4 %**  
**Annual Expense Growth Rate: 3 %**  
**Cap Rate at Sale: 5 %**  
**Cost of Sale: 3%**  
**Number of Years: 5**

## PROPERTY VALUE & CAP RATE

**Property Value / Sale Price: \$1,500,000**  
**Property Cap Rate: 5.03%**

## 5 YEAR CASH FLOW ANALYSIS

**Potential Income: \$143,040**  
**Vacancy Rate: -**  
**Cash on Cash Return (Return on Equity): 3.41%**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
<b>Effective Gross Income</b> -Growing @ 4%/yr -With a % Vacancy Rate):	\$143,040	\$148,762	\$154,712	\$160,900	\$167,336	\$174,029
<b>Average Rent per Square Foot:</b>						
<b>Less Expenses (Growing @ 3%/yr):</b>	(\$ 67,588)	(\$ 69,616)	(\$ 71,704)	(\$ 73,855)	(\$ 76,071)	(\$ 78,353)
<b>Net Operating Income (NOI):</b>	\$ 75,452	\$ 79,146	\$ 83,008	\$ 87,045	\$ 91,265	\$ 95,676
<b>Less Loan Payment 1st Mortgage</b>	(\$47,352)	(\$47,352)	(\$47,352)	(\$47,352)	(\$47,352)	(\$47,352)
<b>Net Cash Flow</b>	\$ 28,100	\$ 31,794	\$ 35,656	\$ 39,693	\$ 43,913	\$ 48,324
<b>Cash on Cash Return (Return on Equity):</b>	3.41%	3.85%	4.32%	4.81%	5.32%	5.86%
<b>Principal Reduction:</b>	\$13,918	\$14,630	\$15,378	\$16,165	\$16,992	\$17,862
<b>Cumulative Principal Reduction:</b>	\$13,918	\$28,548	\$43,926	\$60,091	\$77,084	\$94,945
<b>Cash Flow Plus Principal Reduction:</b>	\$ 42,018	\$ 46,424	\$ 51,034	\$ 55,858	\$ 60,905	\$ 66,186
<b>Total Return Before Taxes:</b>	5.09%	5.63%	6.19%	6.77%	7.38%	8.02%

IRR: 21.25%