

SUMMARY

Analysis Type: Buying

Property Type: Multi-Family

Address: Bradenton Portfolio

Age of Property (Completion Year): 1974

PROPERTY INCOME

Property Annual Income: \$34,800

Property Square Footage: -

Property Vacancy: 5%

Property Additional Income: -

LOAN & DEBT ANALYSIS

Loan Amount: \$280,000

Down Payment: \$70,000

Interest Rate: 4%

Amortization Period: 30 Year

Monthly Payment: \$1,337

Annual Debt Service: \$16,041

Debt Coverage Ratio: 1.17

PROPERTY EXPENSES

Triple Net Lease (NNN)

Property Annual Expenses: \$14,315

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 10 %

Annual Expense Growth Rate: 5 %

Cap Rate at Sale: 5.86 %

Cost of Sale: 3%

Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$350,000

Property Cap Rate: 5.36%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$34,800

Vacancy Rate: 5%

Cash on Cash Return (Return on Equity): 3.86%

	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 @ 10%/yr -With a 5% Vacancy Rate:	\$33,060	\$36,366	\$40,003	\$44,003	\$48,403	\$53,244	\$58,568	\$64,425	\$70,868	\$77,955	\$85,751
Average Rent per Square Foot:											
Less Expenses (Growing @ 5%/yr):	(\$ 14,315)	(\$ 15,031)	(\$ 15,783)	(\$ 16,572)	(\$ 17,401)	(\$ 18,271)	(\$ 19,185)	(\$ 20,144)	(\$ 21,151)	(\$ 22,209)	(\$ 23,319)
Net Operating Income (NOI):	\$ 18,745	\$ 21,335	\$ 24,220	\$ 27,431	\$ 31,002	\$ 34,973	\$ 39,383	\$ 44,281	\$ 49,717	\$ 55,746	\$ 62,432
Less Loan Payment 1st Mortgage	(\$16,041)	(\$16,041)	(\$16,041)	(\$16,041)	(\$16,041)	(\$16,041)	(\$16,041)	(\$16,041)	(\$16,041)	(\$16,041)	(\$16,041)
Net Cash Flow	\$ 2,704	\$ 5,294	\$ 8,178	\$ 11,390	\$ 14,961	\$ 18,932	\$ 23,342	\$ 28,240	\$ 33,676	\$ 39,705	\$ 46,391
Cash on Cash Return (Return on Equity):	3.86%	7.56%	11.68%	16.27%	21.37%	27.05%	33.35%	40.34%	48.11%	56.72%	66.27%
Principal Reduction:	\$4,931	\$5,132	\$5,341	\$5,558	\$5,785	\$6,021	\$6,266	\$6,521	\$6,787	\$7,063	\$7,351
Cumulative Principal Reduction:	\$4,931	\$10,063	\$15,404	\$20,962	\$26,747	\$32,768	\$39,033	\$45,555	\$52,342	\$59,405	\$66,756
Cash Flow Plus Principal Reduction:	\$ 7,635	\$ 10,426	\$ 13,519	\$ 16,948	\$ 20,746	\$ 24,953	\$ 29,608	\$ 34,761	\$ 40,463	\$ 46,768	\$ 53,742
Total Return Before Taxes:	10.91%	14.89%	19.31%	24.21%	29.64%	35.65%	42.30%	49.66%	57.80%	66.81%	76.77%

IRR: 35.37%