

SUMMARY

Analysis Type: Buying
Property Type: Multi-Family
Address: Bayshore Flats
Age of Property (Completion Year): 1975 49
Site Area: 82,764 sq ft
Gross Building Area: 29,208 sq ft



PROPERTY INCOME

Property Annual Income: \$1,008,000
Property Square Footage: 82,764
Property Vacancy: -
Property Additional Income: \$63,066

LOAN & DEBT ANALYSIS

Loan Amount: \$5,314,920
Down Payment: \$7,190,774
Interest Rate: 7%
Amortization Period: 30 Year
Monthly Payment: \$35,360
Annual Debt Service: \$424,324
Debt Coverage Ratio: 1.52

PROPERTY EXPENSES

Triple Net Lease (NNN)
Property Annual Expenses: \$424,308

CASH FLOW ASSUMPTIONS

Annual Income Growth Rate: 3 %
Annual Expense Growth Rate: 1 %
Cap Rate at Sale: 4.75 %
Cost of Sale: 1.5%
Number of Years: 10

PROPERTY VALUE & CAP RATE

Property Value / Sale Price: \$12,505,694
Property Cap Rate: 5.17%

10 YEAR CASH FLOW ANALYSIS

Potential Income: \$1,008,000
Vacancy Rate: -
Cash on Cash Return (Return on Equity): 3.09%

	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 % Vacancy Rate):	\$1,008,000	\$1,038,240	\$1,069,387	\$1,101,469	\$1,134,513	\$1,168,548	\$1,203,604	\$1,239,712	\$1,276,903	\$1,315,210	\$1,354,666
Average Rent per Square Foot:	\$12.18	\$12.54	\$12.92	\$13.31	\$13.71	\$14.12	\$14.54	\$14.98	\$15.43	\$15.89	\$16.37
Less Expenses (Growing @ 1%/yr):	(\$ 424,308)	(\$ 428,551)	(\$ 432,837)	(\$ 437,165)	(\$ 441,537)	(\$ 445,952)	(\$ 450,412)	(\$ 454,916)	(\$ 459,465)	(\$ 464,060)	(\$ 468,701)
Net Operating Income (NOI):	\$ 646,758	\$ 672,755	\$ 699,616	\$ 727,370	\$ 756,042	\$ 785,662	\$ 816,258	\$ 847,862	\$ 880,504	\$ 914,216	\$ 949,031
Less Loan Payment 1st Mortgage	(\$424,324)	(\$424,324)	(\$424,324)	(\$424,324)	(\$424,324)	(\$424,324)	(\$424,324)	(\$424,324)	(\$424,324)	(\$424,324)	(\$424,324)
Net Cash Flow	\$ 159,368	\$ 185,365	\$ 212,226	\$ 239,980	\$ 268,652	\$ 298,272	\$ 328,868	\$ 360,472	\$ 393,114	\$ 426,826	\$ 461,641
Cash on Cash Return (Return on Equity):	2.22%	2.58%	2.95%	3.34%	3.74%	4.15%	4.57%	5.01%	5.47%	5.94%	6.42%
Principal Reduction:	\$53,989	\$57,892	\$62,077	\$66,565	\$71,377	\$76,537	\$82,070	\$88,003	\$94,364	\$101,186	\$108,501
Cumulative Principal Reduction:	\$53,989	\$111,882	\$173,959	\$240,524	\$311,901	\$388,438	\$470,508	\$558,510	\$652,875	\$754,061	\$862,561
Cash Flow Plus Principal Reduction:	\$ 213,357	\$ 243,257	\$ 274,303	\$ 306,545	\$ 340,029	\$ 374,809	\$ 410,938	\$ 448,475	\$ 487,478	\$ 528,012	\$ 570,142
Total Return Before Taxes:	2.97%	3.38%	3.81%	4.26%	4.73%	5.21%	5.71%	6.24%	6.78%	7.34%	7.93%

IRR: 10.64%