

Property Report



Apartment Building SAMPLE ANALYSIS USING REAL WORLD NUMBERS

Presented by:

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Overview

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Purchase Info

Square Feet (35 Units)	31,250
Initial Market Value	\$1,200,000
Purchase Price	\$799,000
Initial Cash Invested	\$327,590

Income Analysis

	Monthly	Annual
Net Operating Income	\$22,342	\$268,102
Cash Flow	\$17,458	\$209,500

Financial Metrics

Cap Rate (Purchase Price)	33.6%
Cash on Cash Return (Year 1)	64.0%
Internal Rate of Return (Year 5)	92.7%
Sale Price (Year 5)	\$3,550,014



Google

Purchase Analysis

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Purchase Info	
Initial Market Value	\$1,200,000
Purchase Price	\$799,000
- First Mortgage	-\$519,350
- Second Mortgage	-\$0
= Downpayment	\$279,650
+ Buying Costs	\$47,940
+ Initial Improvements	\$0
= Initial Cash Invested	\$327,590
Square Feet (35 Units)	31,250
Cost per Square Foot	\$26
Monthly Rent per Square Foot	\$1.06
Cost per Unit	\$22,829
Average Monthly Rent per Unit	\$950

Mortgages	First	Second
Loan-To-Cost Ratio	65%	0%
Loan-To-Value Ratio	43.28%	0%
Loan Amount	\$519,350	\$0
Loan Type	Amortizing	
Term	20 Years	
Interest Rate	9.625%	
Payment	\$4,883.49	\$0.00

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	2.0
Operating Expense Ratio	30.3%
Debt Coverage Ratio	4.57
Cap Rate (Purchase Price)	33.6%
Cash on Cash Return	64.0%

Assumptions	
Cap Rate for Appreciation	8.5%
Vacancy Rate	5.5%
Income Inflation Rate	3.0%
Expense Inflation Rate	3.0%
LTV for Refinance	70.0%
Selling Costs	\$120,000

Income	Monthly	Annual
Gross Rent	\$33,250	\$399,000
Vacancy Loss	-\$1,829	-\$21,945
Laundry	\$625	\$7,500
Operating Income	\$32,046	\$384,555

Expenses (% of Income)	Monthly	Annual
Advertising (0%)	-\$25	-\$300
Capital Reserves (10%)	-\$3,205	-\$38,456
Cleaning & Maintenance (1%)	-\$300	-\$3,600
Landscaping & Lawn Service (1%)	-\$300	-\$3,600
Management Fees (10%)	-\$3,205	-\$38,456
Property Insurance (2%)	-\$699	-\$8,392
Property Taxes (2%)	-\$666	-\$7,990
Repairs (0%)	-\$125	-\$1,500
Utilities (4%)	-\$1,180	-\$14,160
Operating Expenses (30%)	-\$9,704	-\$116,453

Net Performance	Monthly	Annual
Net Operating Income	\$22,342	\$268,102
- Mortgage Payments	-\$4,883	-\$58,602
- Year 1 Improvements	-\$0	-\$0
= Cash Flow	\$17,458	\$209,500

Buy and Hold Projection

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Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
Gross Rent	\$399,000	\$410,970	\$423,299	\$435,998	\$449,078	\$520,605	\$603,523
Vacancy Loss	-\$21,945	-\$22,603	-\$23,281	-\$23,980	-\$24,699	-\$28,633	-\$33,194
Laundry	\$7,500	\$7,725	\$7,957	\$8,195	\$8,441	\$9,786	\$11,344
Operating Income	\$384,555	\$396,092	\$407,974	\$420,214	\$432,820	\$501,757	\$581,674

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
Advertising	-\$300	-\$309	-\$318	-\$328	-\$338	-\$391	-\$454
Capital Reserves	-\$38,456	-\$39,609	-\$40,797	-\$42,021	-\$43,282	-\$50,176	-\$58,167
Cleaning & Maintenance	-\$3,600	-\$3,708	-\$3,819	-\$3,934	-\$4,052	-\$4,697	-\$5,445
Landscaping & Lawn Service	-\$3,600	-\$3,708	-\$3,819	-\$3,934	-\$4,052	-\$4,697	-\$5,445
Management Fees	-\$38,456	-\$39,609	-\$40,797	-\$42,021	-\$43,282	-\$50,176	-\$58,167
Property Insurance	-\$8,392	-\$8,644	-\$8,903	-\$9,170	-\$9,445	-\$10,950	-\$12,694
Property Taxes	-\$7,990	-\$8,230	-\$8,477	-\$8,731	-\$8,993	-\$10,425	-\$12,086
Repairs	-\$1,500	-\$1,545	-\$1,591	-\$1,639	-\$1,688	-\$1,957	-\$2,269
Utilities	-\$14,160	-\$14,585	-\$15,022	-\$15,473	-\$15,937	-\$18,476	-\$21,418
Operating Expenses	-\$116,453	-\$119,947	-\$123,545	-\$127,251	-\$131,069	-\$151,945	-\$176,146

Buy and Hold Projection

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Income Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
Net Operating Income	\$268,102	\$276,145	\$284,429	\$292,962	\$301,751	\$349,812	\$405,528
- Mortgage Payments	-\$58,602	-\$58,602	-\$58,602	-\$58,602	-\$58,602	-\$58,602	-\$58,602
- Improvements	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
= Cash Flow	\$209,500	\$217,543	\$225,828	\$234,360	\$243,149	\$291,210	\$346,926
Cap Rate (Purchase Price)	33.6%	34.6%	35.6%	36.7%	37.8%	43.8%	50.8%
Cap Rate (Market Value)	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
Cash on Cash Return	64.0%	66.4%	68.9%	71.5%	74.2%	88.9%	105.9%
Return on Equity	7.9%	7.9%	7.9%	7.9%	7.9%	7.8%	7.6%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
Market Value	\$3,154,141	\$3,248,765	\$3,346,228	\$3,446,615	\$3,550,014	\$4,115,439	\$4,770,922
- Loan Balance	-\$510,345	-\$500,434	-\$489,526	-\$477,521	-\$464,308	-\$375,415	-\$231,854
= Equity	\$2,643,796	\$2,748,331	\$2,856,702	\$2,969,094	\$3,085,706	\$3,740,024	\$4,539,068
Loan-to-Value Ratio	16.2%	15.4%	14.6%	13.9%	13.1%	9.1%	4.9%
Potential Cash-Out Refi	\$1,697,554	\$1,773,701	\$1,852,833	\$1,935,110	\$2,020,702	\$2,505,392	\$3,107,791

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15
Equity	\$2,643,796	\$2,748,331	\$2,856,702	\$2,969,094	\$3,085,706	\$3,740,024	\$4,539,068
- Selling Costs	-\$315,414	-\$324,877	-\$334,623	-\$344,662	-\$355,001	-\$411,544	-\$477,092
= Proceeds After Sale	\$2,328,382	\$2,423,454	\$2,522,079	\$2,624,433	\$2,730,705	\$3,328,480	\$4,061,976
+ Cumulative Cash Flow	\$209,500	\$427,043	\$652,871	\$887,231	\$1,130,381	\$2,487,470	\$4,107,378
- Initial Cash Invested	-\$327,590	-\$327,590	-\$327,590	-\$327,590	-\$327,590	-\$327,590	-\$327,590
= Net Profit	\$2,210,292	\$2,522,908	\$2,847,360	\$3,184,074	\$3,533,495	\$5,488,360	\$7,841,763
Internal Rate of Return	674.7%	217.7%	138.8%	108.3%	92.7%	70.6%	68.0%
Return on Investment	675%	770%	869%	972%	1,079%	1,675%	2,394%

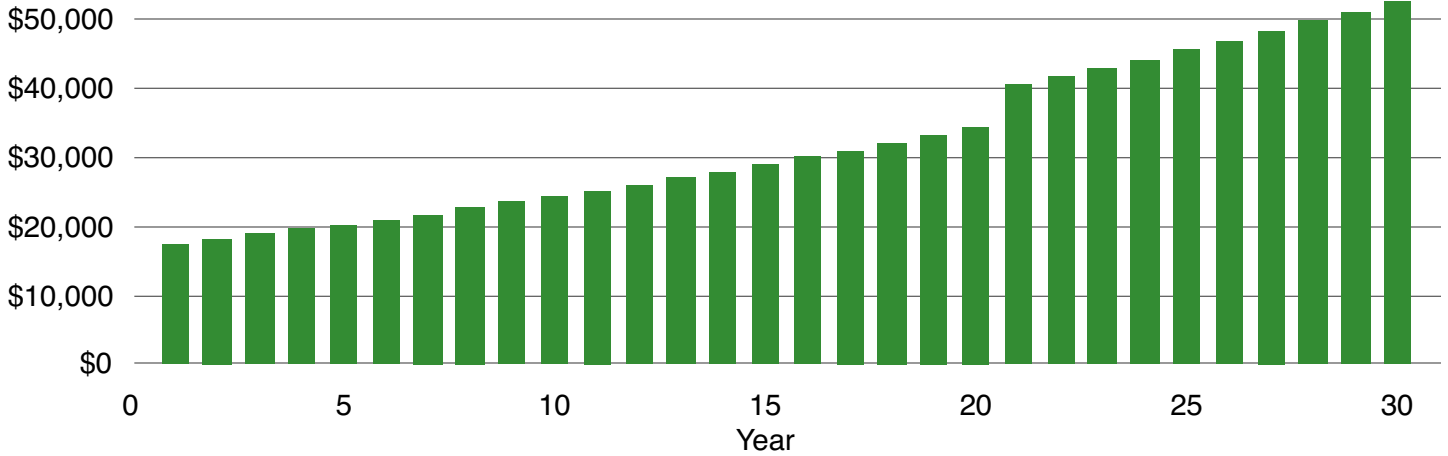
Graphs

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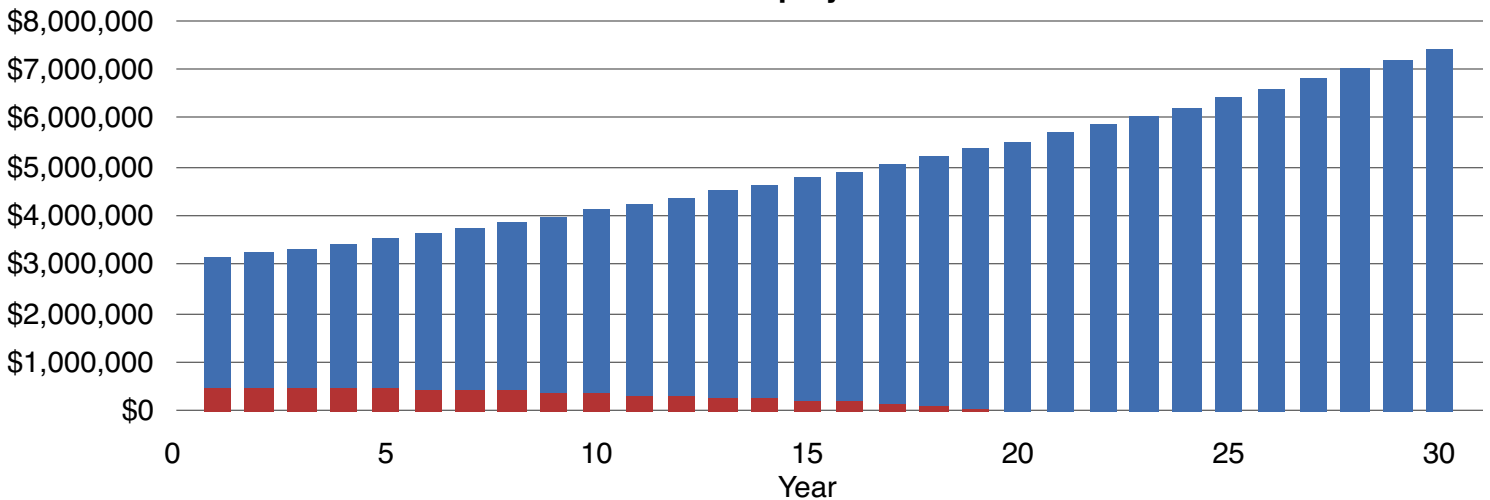


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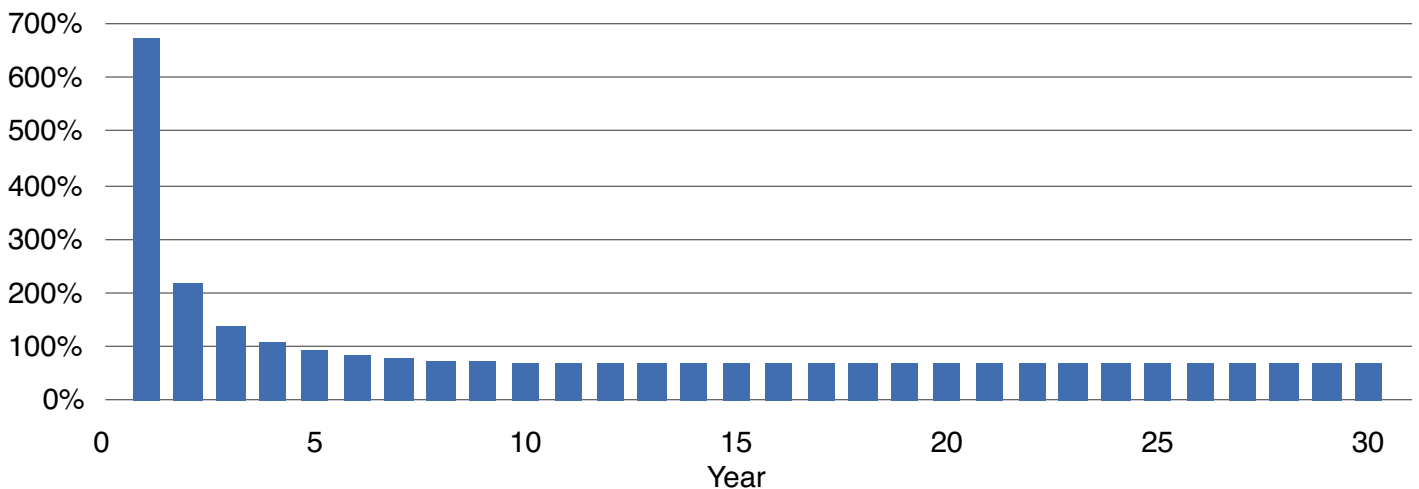
Monthly Cash Flow



■ Loan Balance + ■ Equity = Market Value



Internal Rate of Return (IRR)



Rent Roll

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Unit Description	Square Feet	Units of This Type	Rent (Per Unit)
2/1	850	15	\$850 Per Month
2/2	925	20	\$1,025 Per Month
Totals for Year 1			
Total Number of Units			35
Total Area (Sum of Units)			31,250 Square Feet
Total Rent (Sum of Units)			\$33,250 Per Month, \$399,000 Per Year