



**Example
Property Analysis**

**123 Example Way
Exampleville, State
99999**

Cash Flow Analysis



	Year: 0	Year: 1	Year: 2	Year: 3	Year: 4	Year: 5	Year: 6	Year: 7	Year: 8	Year: 9	Year: 10	Year: 20	Year: 30	Year: 40
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Operations

Total Rent		600,000	612,000	624,240	636,725	649,459	662,448	675,697	689,211	702,996	717,056	0	0	0
Less Vacancy		-30,000	-30,600	-31,212	-31,836	-32,473	-33,122	-33,785	-34,461	-35,150	-35,853	0	0	0
Gross Income		570,000	581,400	593,028	604,889	616,986	629,326	641,913	654,751	667,846	681,203	0	0	0
Plus Total Income		19,100	19,673	20,263	20,871	21,497	22,142	22,806	23,491	24,195	24,921	0	0	0
Gross Operating Income		589,100	601,073	613,291	625,760	638,484	651,468	664,719	678,241	692,041	706,124	0	0	0
Less Total Expense		-157,464	-162,629	-167,969	-173,488	-179,193	-185,090	-191,186	-197,488	-204,002	-210,737	0	0	0
Net Operating Income		431,636	438,444	445,323	452,272	459,291	466,378	473,533	480,754	488,039	495,387	0	0	0

Financing

Less First Principal Payment		-58,076	-60,744	-63,535	-66,454	-69,506	-72,699	-76,039	-79,533	-83,186	-87,008	0	0	0
Less First Interest Payment		-160,812	-158,144	-155,353	-152,435	-149,382	-146,189	-142,849	-139,356	-135,702	-131,880	0	0	0
Less Second Principal Payment		-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	0	0	0
Less Second Interest Payment		-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	0	0	0
Before Tax Cash from Operations		212,748	219,556	226,434	233,384	240,403	247,490	254,645	261,866	269,151	276,499	0	0	0

Property Impact

Before Tax Cash from Purchase	-4,739,100	0	0	0	0	0	0	0	0	0	0	0	0	0
Before Tax Cash from Sale		0	0	0	0	0	0	0	0	0	0	0	0	0
Before Tax Cash Flow	-4,739,100	212,748	219,556	226,434	233,384	240,403	247,490	254,645	261,866	269,151	276,499	0	0	0

Tax Impact

Less Tax Liability from Operations		-31,029	-34,005	-37,042	-40,139	-43,300	-46,526	-49,818	-53,177	-56,606	-60,107	0	0	0
Less Tax Liability from Sale		0	0	0	0	0	0	0	0	0	0	0	0	0
After Tax Cash Flow	-4,739,100	181,719	185,550	189,393	193,244	197,103	200,964	204,827	208,688	212,544	216,392	0	0	0

Unleveraged Cash Flow Analysis



	Year: 0	Year: 1	Year: 2	Year: 3	Year: 4	Year: 5	Year: 6	Year: 7	Year: 8	Year: 9	Year: 10	Year: 20	Year: 30	Year: 40
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Operations

Total Rent		600,000	612,000	624,240	636,725	649,459	662,448	675,697	689,211	702,996	717,056	0	0	0
Less Vacancy		-30,000	-30,600	-31,212	-31,836	-32,473	-33,122	-33,785	-34,461	-35,150	-35,853	0	0	0
Gross Income		570,000	581,400	593,028	604,889	616,986	629,326	641,913	654,751	667,846	681,203	0	0	0
Plus Total Income		19,100	19,673	20,263	20,871	21,497	22,142	22,806	23,491	24,195	24,921	0	0	0
Gross Operating Income		589,100	601,073	613,291	625,760	638,484	651,468	664,719	678,241	692,041	706,124	0	0	0
Less Total Expense		-157,464	-162,629	-167,969	-173,488	-179,193	-185,090	-191,186	-197,488	-204,002	-210,737	0	0	0
Net Operating Income		431,636	438,444	445,323	452,272	459,291	466,378	473,533	480,754	488,039	495,387	0	0	0

Financing

Less First Principal Payment		0	0	0	0	0	0	0	0	0	0	0	0	0
Less First Interest Payment		0	0	0	0	0	0	0	0	0	0	0	0	0
Less Second Principal Payment		0	0	0	0	0	0	0	0	0	0	0	0	0
Less Second Interest Payment		0	0	0	0	0	0	0	0	0	0	0	0	0
Unleveraged Before Tax Cash from Ops.		431,636	438,444	445,323	452,272	459,291	466,378	473,533	480,754	488,039	495,387	0	0	0

Property Impact

Before Tax Cash from Purchase	-1,139,100	0	0	0	0	0	0	0	0	0	0	0	0	0
Before Tax Cash from Sale		0	0	0	0	0	0	0	0	0	0	0	0	0
Unleveraged Before Tax Cash Flow	-1,139,100	431,636	438,444	445,323	452,272	459,291	466,378	473,533	480,754	488,039	495,387	0	0	0

Tax Impact

Less Tax Liability from Operations		-82,489	-84,611	-86,755	-88,918	-91,102	-93,306	-95,529	-97,771	-100,031	-102,309	0	0	0
Less Tax Liability from Sale		0	0	0	0	0	0	0	0	0	0	0	0	0
Unleveraged After Tax Cash Flow	-1,139,100	349,147	353,832	358,568	363,353	368,188	373,072	378,004	382,983	388,008	393,078	0	0	0

Cash Flow from Sale Analysis



	Year: 1	Year: 2	Year: 3	Year: 4	Year: 5	Year: 6	Year: 7	Year: 8	Year: 9	Year: 10	Year: 20	Year: 30	Year: 40
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Valuation

NOI of Next Year	438,444	445,323	452,272	459,291	466,378	473,533	480,754	488,039	495,387	502,797	0	0	0
Divided by Sale Cap Rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	0.00%	0.00%	0.00%
Estimated Sales Price	7,307,393	7,422,042	7,537,866	7,654,848	7,772,971	7,892,216	8,012,560	8,133,980	8,256,450	8,379,944	0	0	0
Less Selling Cost	-219,222	-222,661	-226,136	-229,645	-233,189	-236,766	-240,377	-244,019	-247,694	-251,398	0	0	0
Less First Mortgage	-3,541,924	-3,481,180	-3,417,645	-3,351,191	-3,281,685	-3,208,986	-3,132,946	-3,053,414	-2,970,227	-2,883,220	0	0	0
Less Second Mortgage	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	0	0	0
Before Tax Cash from Sale	3,546,247	3,718,201	3,894,085	4,074,011	4,258,097	4,446,464	4,639,237	4,836,547	5,038,529	5,245,326	0	0	0
Less Estimated Tax Liability	-522,686	-578,699	-634,941	-691,407	-748,095	-805,000	-862,118	-919,445	-976,976	-1,034,705	0	0	0
After Tax Cash from Sale	3,023,561	3,139,502	3,259,144	3,382,604	3,510,002	3,641,464	3,777,119	3,917,101	4,061,553	4,210,620	0	0	0

Unleveraged Cash Flow from Sale Analysis



	Year: 1	Year: 2	Year: 3	Year: 4	Year: 5	Year: 6	Year: 7	Year: 8	Year: 9	Year: 10	Year: 20	Year: 30	Year: 40
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Valuation

NOI of Next Year	438,444	445,323	452,272	459,291	466,378	473,533	480,754	488,039	495,387	502,797	0	0	0
Divided by Sale Cap Rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	0.00%	0.00%	0.00%
Estimated Sales Price	7,307,393	7,422,042	7,537,866	7,654,848	7,772,971	7,892,216	8,012,560	8,133,980	8,256,450	8,379,944	0	0	0
Less Selling Cost	-219,222	-222,661	-226,136	-229,645	-233,189	-236,766	-240,377	-244,019	-247,694	-251,398	0	0	0
Less First Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0
Unleveraged Before Tax Cash from Sale	7,088,171	7,199,381	7,311,730	7,425,203	7,539,782	7,655,449	7,772,183	7,889,960	8,008,757	8,128,545	0	0	0
Less Estimated Tax Liability	-522,686	-578,699	-634,941	-691,407	-748,095	-805,000	-862,118	-919,445	-976,976	-1,034,705	0	0	0
Unleveraged After Tax Cash from Sale	6,565,485	6,620,681	6,676,789	6,733,795	6,791,687	6,850,449	6,910,065	6,970,515	7,031,781	7,093,840	0	0	0

Metrics Analysis



	Year: 1	Year: 2	Year: 3	Year: 4	Year: 5	Year: 6	Year: 7	Year: 8	Year: 9	Year: 10	Year: 20	Year: 30	Year: 40
IRR - PreTax Unleveraged	61.12%	32.63%	24.33%	20.38%	18.08%	16.58%	15.52%	14.74%	14.14%	13.67%	0.00%	0.00%	0.00%
IRR - PostTax Unleveraged	48.16%	26.04%	19.46%	16.31%	14.48%	13.28%	12.44%	11.82%	11.34%	10.97%	0.00%	0.00%	0.00%
IRR - PreTax Leveraged	229.56%	95.15%	64.01%	50.38%	42.76%	37.91%	34.55%	32.10%	30.24%	28.77%	0.00%	0.00%	0.00%
IRR - PostTax Leveraged	181.39%	79.01%	54.07%	42.95%	36.68%	32.65%	29.86%	27.81%	26.24%	25.00%	0.00%	0.00%	0.00%
NPV - PreTax Unleveraged	2,528,888	2,740,133	2,944,923	3,143,425	3,335,802	3,522,212	3,702,812	3,877,752	4,047,181	4,211,242	0	0	0
NPV - PostTax Unleveraged	1,949,773	2,053,783	2,156,086	2,256,633	2,355,383	2,452,297	2,547,347	2,640,505	2,731,751	2,821,068	0	0	0
NPV - PreTax Leveraged	2,453,240	2,660,885	2,862,120	3,057,113	3,246,027	3,429,019	3,606,246	3,777,857	3,944,000	4,104,819	0	0	0
NPV - PostTax Leveraged	1,928,154	2,079,643	2,226,649	2,369,240	2,507,489	2,641,469	2,771,251	2,896,911	3,018,523	3,136,162	0	0	0
COC - PreTax Unleveraged	9.11%	9.25%	9.40%	9.54%	9.69%	9.84%	9.99%	10.14%	10.30%	10.45%	0.00%	0.00%	0.00%
COC - PostTax Unleveraged	7.37%	7.47%	7.57%	7.67%	7.77%	7.87%	7.98%	8.08%	8.19%	8.29%	0.00%	0.00%	0.00%
COC - PreTax Leveraged	18.24%	18.82%	19.41%	20.00%	20.60%	21.21%	21.82%	22.43%	23.05%	23.68%	0.00%	0.00%	0.00%
COC - PostTax Leveraged	15.92%	16.25%	16.59%	16.93%	17.26%	17.60%	17.94%	18.27%	18.61%	18.95%	0.00%	0.00%	0.00%
Capitalization Rate	9.11%	9.25%	9.40%	9.54%	9.69%	9.84%	9.99%	10.14%	10.30%	10.45%	0.00%	0.00%	0.00%
Loan to Value Ratio	48.47%	46.90%	45.34%	43.78%	42.22%	40.66%	39.10%	37.54%	35.97%	34.41%	0.00%	0.00%	0.00%
Break Even Ratio	63.89%	63.47%	63.08%	62.70%	62.35%	62.01%	61.69%	61.39%	61.11%	60.84%	0.00%	0.00%	0.00%
Debt Service Coverage Ratio	1.95	1.98	2.01	2.04	2.07	2.10	2.14	2.17	2.20	2.23	0	0	0
Gross Rent Multiplier	7.50	7.35	7.21	7.07	6.93	6.79	6.66	6.53	6.40	6.28	0	0	0
Net Income Multiplier	10.43	10.26	10.11	9.95	9.80	9.65	9.50	9.36	9.22	9.08	0	0	0
Expense Ratio	26.73%	27.06%	27.39%	27.72%	28.07%	28.41%	28.76%	29.12%	29.48%	29.84%	0	0	0
Expense per Unit	3,149	3,253	3,359	3,470	3,584	3,702	3,824	3,950	4,080	4,215	0	0	0
Expense per Square Foot	3.15	3.25	3.36	3.47	3.58	3.70	3.82	3.95	4.08	4.21	0	0	0
Net Operating Income per Unit	8,633	8,769	8,906	9,045	9,186	9,328	9,471	9,615	9,761	9,908	0	0	0
Net Operating Income per Square Foot	8.63	8.77	8.91	9.05	9.19	9.33	9.47	9.62	9.76	9.91	0	0	0

IRR and NPV assume the property is sold in that year in order to make the metrics comparable across years. For example the IRR in year 3 assumes the property is sold in Year 3.

Tax Analysis



Year: 1	Year: 2	Year: 3	Year: 4	Year: 5	Year: 6	Year: 7	Year: 8	Year: 9	Year: 10	Year: 20	Year: 30	Year: 40
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Tax at Sale

Estimated Sales Price	7,307,393	7,422,042	7,537,866	7,654,848	7,772,971	7,892,216	8,012,560	8,133,980	8,256,450	8,379,944	0	0	0
Less Tax Basis at Sale	-4,693,964	-4,528,545	-4,363,161	-4,197,813	-4,032,498	-3,867,217	-3,701,970	-3,536,754	-3,371,570	-3,206,416	0	0	0
Total Tax Gain	2,613,429	2,893,497	3,174,704	3,457,035	3,740,473	4,024,998	4,310,590	4,597,226	4,884,880	5,173,527	0	0	0
Estimated Tax Liability	522,686	578,699	634,941	691,407	748,095	805,000	862,118	919,445	976,976	1,034,705	0	0	0

Tax from Operations

Net Operating Income	431,636	438,444	445,323	452,272	459,291	466,378	473,533	480,754	488,039	495,387	0	0	0
Less First Mortgage Interest	-160,812	-158,144	-155,353	-152,435	-149,382	-146,189	-142,849	-139,356	-135,702	-131,880	0	0	0
Less Second Mortgage Interest	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	0	0	0
Less Depreciation	-168,858	-168,858	-168,858	-168,858	-168,858	-168,858	-168,858	-168,858	-168,858	-168,858	0	0	0
Less Reserves Utilized	-5,000	-5,175	-5,356	-5,544	-5,738	-5,938	-6,146	-6,361	-6,584	-6,814	0	0	0
Taxable Income	96,966	106,267	115,755	125,436	135,313	145,393	155,680	166,178	176,895	187,834	0	0	0
Estimated Tax Liability	31,029	34,005	37,042	40,139	43,300	46,526	49,818	53,177	56,606	60,107	0	0	0

Unleveraged Tax from Operations

Net Operating Income	431,636	438,444	445,323	452,272	459,291	466,378	473,533	480,754	488,039	495,387	0	0	0
Less First Mortgage Interest	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Second Mortgage Interest	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Depreciation	-168,858	-168,858	-168,858	-168,858	-168,858	-168,858	-168,858	-168,858	-168,858	-168,858	0	0	0
Less Reserves Utilized	-5,000	-5,175	-5,356	-5,544	-5,738	-5,938	-6,146	-6,361	-6,584	-6,814	0	0	0
Unleveraged Taxable Income	257,778	264,410	271,108	277,870	284,695	291,582	298,528	305,534	312,597	319,714	0	0	0
Estimated Unleveraged Tax Liability	82,489	84,611	86,755	88,918	91,102	93,306	95,529	97,771	100,031	102,309	0	0	0