CREMODELS™
ARGUS Runs | Lease Abstracts | Excel Financial Modeling

Project Summary & Cash Flow
7/2/2014

PROPERTY NAME
LOCATION

Acquisition

Sources of Cash *(psf)*

		psf
Equity	$2,772,172	$26.07
Debt	$6,468,400	$60.82
	$9,240,572	$86.89

Uses of Cash *(psf)*

		psf
Purchase Price	$9,000,000	$84.63
Closing Costs	$200,000	$1.88
Acquisition Fee	$0	$0.00
Mortgage Broker Fees	$40,572	$0.38
Contingency	$0	$0.00
Capital Costs	$0	$0.00
Development Costs	$0	$0.00
Loan Origination Fees	$0	$0.00
Broker Commission	$0	$0.00
	$9,240,572	$86.89

Property Details

Total Square Feet	106,348
Acquisition Cap Rate (Year 1 NOI)	10.00%
In Place NOI	
Cap on In-place	

Expenses

	Year 1	Stabilized
OPEX	$4.69	$4.69
RE Taxes	$2.04	$2.04
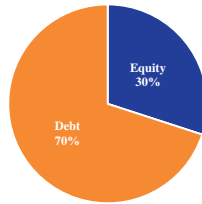
Financing Terms

Acquisition Loan Amount	$6,468,400
Initial Interest Rate	4.75%
IO Period	3 years
Amortization	30 years
Mezzanine Financing	0
Mezz Rate	0
Initial Constant	4.75%
Total Debt to Cost	70.00%
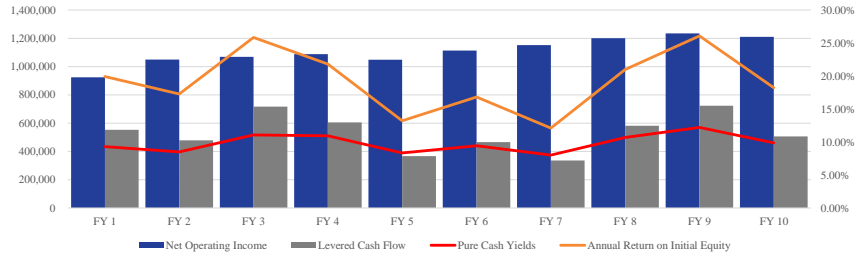
Disposition

Exit Assumptions

		psf
Building Sale	$15,362,667	$144.46
Closing Costs	($115,220)	($1.08)
Exit Price Adjustment	$0	$0.00
Debt Repayment	($6,154,191)	($57.87)
Net Residual	$9,093,255	$85.50
Holding Period (yr.)		6
Closing Costs (at exit)		0.75%
Exit Cap Rate		7.50%

Return Summary

Project Unleveraged Return	16.70%
Project Levered Return	35.37%
Net Profit	$9,505,459

Average Yields

Avg. Holding Period Income Yield	11.35%
Avg. Holding Period Cash Yield	9.60%
Avg. Holding Period ROE	19.14%

Land

Exit Value psf		N/A
Closing Costs		N/A
Buildable Square Feet		N/A
Land Sale	$0	N/A
Closing Costs	$0	N/A
Net Residual	$0	N/A

Annual Asset Appreciation	9.32%

Property NOI & Cash Flow Returns

	FY 1	FY 2	FY 3	FY 4	FY 5	FY 6	FY 7	FY 8	FY 9	FY 10
Net Operating Income	924,190	1,049,668	1,068,474	1,087,926	1,048,112	1,113,661	1,152,200	1,200,295	1,234,494	1,210,265
NOI/PSF	$8.69	$9.87	$10.05	$10.23	$9.86	$10.47	$10.83	$11.29	$11.61	$11.38
NOI Growth	NA	13.58%	1.79%	1.82%	-3.66%	6.25%	3.46%	4.17%	2.85%	-1.96%
Income Yields	10.00%	11.36%	11.56%	11.77%	11.34%	12.05%	12.47%	12.99%	13.36%	13.10%
Corporate Expenses	5,000	5,125	5,253	5,384	5,519	5,657	5,798	5,943	6,092	6,244
Tenant Improvements	28,403	157,783	14,880	36,056	165,016	142,275	251,930	122,509	52,340	177,576
Leasing Costs	15,216	84,526	7,972	19,316	88,402	76,220	134,964	65,628	28,040	95,130
Capital Reserves	15,952	16,431	16,924	17,431	17,954	18,493	19,048	19,619	20,208	20,814
Security Deposits	0	0	0	(9,704)	0	0	0	0	(9,704)	0
Investment of Capital	0	0	0	9,703	0	0	0	0	9,703	0
Unleveraged Cash Flow	859,619	785,803	1,023,445	1,009,740	771,221	871,016	740,460	986,596	1,127,815	910,501
Pure Cash Yields	9.30%	8.50%	11.08%	10.93%	8.35%	9.43%	8.01%	10.68%	12.21%	9.85%
Loan Draws										
Debt Payment	307,249	307,249	307,249	404,907	404,907	404,907	404,907	404,907	404,907	404,907
Funded Reserves										
Levered Cash Flow	$552,370	$478,554	$716,196	$604,833	$366,314	$466,109	$335,553	$581,689	$722,908	$505,594
Ending Loan Balance	6,468,400	6,468,400	6,468,400	6,368,588	6,263,930	6,154,191	6,039,125	5,918,472	5,791,962	5,659,310
Annual Return on Initial Equity	19.93%	17.26%	25.84%	21.82%	13.21%	16.81%	12.10%	20.98%	26.08%	18.24%
Debt Coverage (NOI)	3.01	3.42	3.48	2.69	2.59	2.75	N/A	N/A	N/A	N/A
Debt Yield (NOI)	14.29%	16.23%	16.52%	17.08%	16.73%	18.10%	N/A	N/A	N/A	N/A

Unleveraged Returns

Unleveraged Return	Net Cash	% of Return
Total Return	$11,327,718	
Return of Asset Cash Flow	$5,320,843	46.97%
Return on Sale Price	$6,006,875	53.03%
IRR	16.70%	
Equity Multiple	2.23	
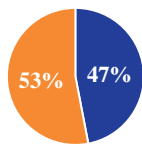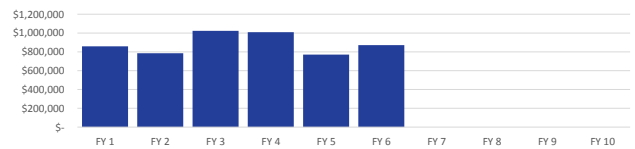
	FY 1	FY 2	FY 3	FY 4	FY 5	FY 6	FY 7	FY 8	FY 9	FY 10
Unleveraged CF	$(9,240,572)	$859,619	$785,803	$1,023,445	$1,009,740	$771,221	$16,118,463	$-	$-	$-
Purchase/Residual	$(9,240,572)	$-	$-	$-	$-	$-	$15,247,447	$-	$-	$-

Leveraged Returns

Leveraged Return	Net Cash	% of Return
Total Return	$9,505,459	
Return of Asset Cash Flow	$3,184,376	33.50%
Return on Sale Price	$6,321,084	66.50%
IRR	35.37%	
Equity Multiple	4.43	
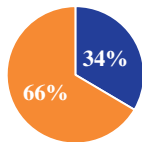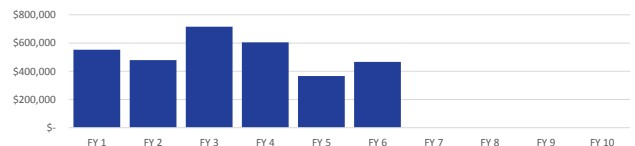
	FY 1	FY 2	FY 3	FY 4	FY 5	FY 6	FY 7	FY 8	FY 9	FY 10
Leveraged CF	$(2,772,172)	$552,370	$478,554	$716,196	$604,833	$366,314	$9,559,364	$-	$-	$-
Purchase/Residual	$(2,772,172)	$-	$-	$-	$-	$-	$9,093,255	$-	$-	$-

NOTES: