

CASHFLOW SUMMARY and DCF RESULTS

XXX MAIN ST, MAINTOWN USA 00050

Year (End)	0	1	2	3	4	5	6	7	8	9	10	11	12
	11/1/2008	11/1/2009	11/1/2010	11/1/2011	11/1/2012	11/1/2013	11/1/2014	11/1/2015	11/1/2016	11/1/2017	11/1/2018	11/1/2019	11/1/2020
Total Cash Outlay	(416,600.00)												
Gross Operating Income		207,600	213,828	220,243	226,850	233,656	240,665	247,885	255,322	262,981	270,871	278,997	287,367
Gross Operating Expenses		30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Net Operating Income		177,600	183,828	190,243	196,850	203,656	210,665	217,885	225,322	232,981	240,871	248,997	257,367
Mortgage Payments		151,030	151,030	151,030	151,030	151,030	151,030	151,030	151,030	151,030	151,030	151,030	151,030
Pre-tax Cashflow		26,570	32,798	39,213	45,820	52,625	59,635	66,855	74,291	81,951	89,841	97,967	106,337
Pre-Tax Cash-on-Cash Return		6.38%	7.87%	9.41%	11.00%	12.63%	14.31%	16.05%	17.83%	19.67%	21.57%	23.52%	25.52%
Income Taxes (Credits)		0	0	0	0	0	0	8,310	11,598	14,548	17,618	20,813	24,140
After-tax Cashflow		26,570	32,798	39,213	45,820	52,625	59,635	58,545	62,694	67,403	72,223	77,154	82,197
After-Tax Cash-on-Cash Return		6.38%	7.87%	9.41%	11.00%	12.63%	14.31%	14.05%	15.05%	16.18%	17.34%	18.52%	19.73%
Gross Sale Proceeds													1,439,210
Capital Gains Taxes													307,939
Total After-Tax Cashflow (CFAT)	(416,600.00)	26,570	32,798	39,213	45,820	52,625	59,635	58,545	62,694	67,403	72,223	77,154	1,213,468
LTV (Loan to Value)		82.95%	79.34%	75.82%	72.41%	69.08%	65.84%	62.67%	59.57%	56.55%	53.58%	50.67%	47.81%
DCR (Debt Coverage Ratio)		1.18	1.22	1.26	1.30	1.35	1.39	1.44	1.49	1.54	1.59	1.65	1.70
Cumulative After-Tax Cash on Cash Return		6.38%	14.25%	23.66%	34.66%	47.29%	61.61%	75.66%	90.71%	106.89%	124.23%	142.75%	434.02%
Total Debt		1,783,407	1,765,526	1,746,256	1,725,491	1,703,114	1,678,999	1,653,013	1,625,009	1,594,831	1,562,310	1,527,264	1,489,498
Total Equity		366,593	459,869	556,796	657,548	762,312	871,284	984,675	1,102,705	1,225,609	1,353,639	1,487,058	1,626,149
Return on Equity (CFAT/Total Equity)		7.25%	7.13%	7.04%	6.97%	6.90%	6.84%	5.95%	5.69%	5.50%	5.34%	5.19%	74.62%

ASSUMPTIONS

Purchase Price	\$2,000,000.00
Initial Capital Improvements	\$150,000.00
Total Cash Invested	\$416,600.00
Holding Term	12 Years
Discount Rate for DCF Valuation	10.00%
Type of Resale Calculation	Same Cap Rate
Buy-in and Resale Cap Rate	8.26%
Annual Rent Growth	3.00%
Annual Operating Expenses Growth	0.00%

Buy-in GRM	10.36
Buy-in \$/Sq Ft	204.76
Buy-in DCR	1.18
Buy-in Cash/Cash (Pre-Tax)	6.38%

DCF ANALYSIS RESULTS:

Sale Price	\$3,115,647.22
PV of Property given Discount Rate	\$2,406,746.38
After-Tax Leveraged IRR of Investment	16.77%
PV of Cash Investment given Discount Rate	\$707,765.91
After-Tax Leveraged MIRR of Investment	10.98%
Cumulative Cash-on-Cash Return Achieved	434.02%

Net Present Value of Property	\$ 406,746.38
Net Present Value of Investment	\$ 291,165.91

Proceeds of Sale in Year 12

Sales Price	3,115,647.22
1st Mortgage Payoff	1,489,498.03
2nd Mortgage Payoff	-
Cost of Sale	186,938.83
Capital Gains	307,938.65
After-Tax Cash	1,131,271.71

Assessment

NPV of Property is Positive. Required Rate of Return will be Exceeded
 NPV of Investment is Positive. Required Rate of Return will be Exceeded

