

1920 Randall Ave, Concord, CA 94520 - Analysis for

Unlevered & Levered Analysis



UNLEVERED SUMMARY

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Net Operating Income	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531	\$69,556	\$71,643	\$73,792	\$76,006	\$78,286	\$80,635
Cash Flow Before Debt Service	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531	\$69,556	\$71,643	\$73,792	\$76,006	\$78,286	\$80,635
Cap Rate	10.00%	10.25%	10.50%	10.75%	11.00%	11.25%	11.50%	11.75%	12.00%	12.25%	12.25%
Gross Valuation	\$0	\$602,878	\$606,180	\$609,847	\$613,867	\$618,234	\$622,939	\$627,976	\$633,341	\$639,029	\$658,200
Unlevered Income Return	10.00%	10.30%	10.61%	10.93%	11.26%	11.59%	11.94%	12.30%	12.67%	13.05%	13.44%
Unlevered Cash Return	10.00%	10.30%	10.61%	10.93%	11.26%	11.59%	11.94%	12.30%	12.67%	13.05%	13.44%
Unlevered IRR		6.29%	8.08%	9.06%	9.70%	10.16%	10.53%	10.82%	11.07%	11.29%	11.58%

PURCHASE

Square Footage: RSF

Purchase price:

\$325 Per RSF

CASH FLOWS

Occupancy :

Year 1 NOI: **\$60,000**

Year 1 Cap Rate: **10.00%**

SALE

Holding period:

Sale Year NOI: **\$78,286**

Forward Year NOI: **\$80,635**

Sale Cap Rate :

Sale Capitalization NOI:

Sale Valuation: **\$639,029** | **\$346/RSF**

UNLEVERED RETURNS

IRR: **11.29%**

Equity Multiple : **2.092x**

Net Cash Flow: **\$672,571**

NPV @ : **\$47,271**

% NCF from Residual : **46.62%**

LEVERED ANALYSIS

Loan sized by: **Loan To Value**

Amortizing: **Yes**

Loan To Value: **65.00%**

Year 1 DSCR: **2.349x**

Year 1 Debt Yield : **15.13%**

Interest rate :

Principal Remaining at Exit Date: **\$322,495**

IRR: **21.03%**

Equity Multiple: **3.238x**

Net Cash Flow: **\$491,144**

NPV @ : **\$155,402**

PARTNER EQUITY CONTRIBUTIONS

Sponsor: **100.00%**

PARTNER EQUITY IRR/MULTIPLE

Sponsor: /

Investor: /

Equity Partner: /

SOURCES & USES OF FUNDS

USES OF FUNDS (acquisition only)		
Purchase Price	\$599,950	97.40%
Acquisition Costs	\$16,000	2.60%
Loan Fee	\$0	
Total Uses	\$615,950	100.00%
SOURCES OF FUNDS (including any deficits)		
Sponsor/Owner Equity	\$219,482	35.63%
Partner Equity	\$0	
Third Party Investor Equity	\$0	
Senior Acquisition Loan	\$396,468	64.37%
Total Sources	\$615,950	100.00%

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Annual Cash Flow

	Total	Time 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
For the year ending												
Total Reimbursement Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Potential Gross Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Revenue	\$825,399	\$0	\$72,000	\$74,160	\$76,385	\$78,676	\$81,037	\$83,468	\$85,972	\$88,551	\$91,207	\$93,944
Total Operating Expenses	\$137,567	\$0	\$12,000	\$12,360	\$12,731	\$13,113	\$13,506	\$13,911	\$14,329	\$14,758	\$15,201	\$15,657
Net Operating Income	\$687,833	\$0	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531	\$69,556	\$71,643	\$73,792	\$76,006	\$78,286
Total Leasing & Capital Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow Before Debt Service	\$687,833	\$0	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531	\$69,556	\$71,643	\$73,792	\$76,006	\$78,286
Asset Management Fee to Sponsor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Renovation Budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
One-Time Fees												
Acquisition Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Broker Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Recording Fees/Misc.	(\$6,000)	(\$6,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposition Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total One-Time Fees	(\$6,000)	(\$6,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ACQUISITION/DISPOSITION												
Property Purchase Price	(\$599,950)	(\$599,950)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acquisition Transaction Costs	(\$10,000)	(\$10,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposition Net Proceeds	\$600,687	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$600,687
UNLEVERED CASH FLOW	\$672,571	(\$615,950)	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531	\$69,556	\$71,643	\$73,792	\$76,006	\$678,974
Unlevered IRR : 11.29%												
Unlevered Equity Multiple : 2.092x												
Debt Service												
Debt Service	(\$255,399)	\$0	(\$25,540)	(\$25,540)	(\$25,540)	(\$25,540)	(\$25,540)	(\$25,540)	(\$25,540)	(\$25,540)	(\$25,540)	(\$25,540)
Net Revenue After Debt Service	\$417,172	(\$615,950)	\$34,460	\$36,260	\$38,114	\$40,024	\$41,991	\$44,017	\$46,103	\$48,253	\$50,466	\$653,434
Financing Cash Flows												
Sponsor Equity incl. Acquisition Loan Fees	(\$219,482)	(\$219,482)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sponsor Deficit Draw	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partner Equity incl. Acquisition Loan Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partner Deficit Draw	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investor Equity incl. Acquisition Loan Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investor Deficit Draw	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Senior Loan Proceeds (at Acquisition)	\$396,468	\$396,468	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Senior Loan Repayment (at End of Year)	(\$322,495)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$322,495)
LEVERED CASH FLOW	\$491,144	(\$219,482)	\$34,460	\$36,260	\$38,114	\$40,024	\$41,991	\$44,017	\$46,103	\$48,253	\$50,466	\$330,939
Levered IRR : 21.03%												
Levered Equity Multiple : 3.238x												
Leveraged Yield (Levered Cash Flow/Equity)			15.70%	16.52%	17.37%	18.24%	19.13%	20.05%	21.01%	21.98%	22.99%	24.03%
Debt Coverage Ratio (NOI/Debt Service)			2.349x	2.420x	2.492x	2.567x	2.644x	2.723x	2.805x	2.889x	2.976x	3.065x

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