

Investment Analysis - No Rent Growth

8222 S 48th St - Promenade at South Mountain
4/5/2019

Existing Property Data			
Total SF	109,481		
Leased	77,732		
Occupancy	71.0%	77,732	
Vacancy	29.0%	31,749	
In Place NOI	\$807,666	FS Rent	
Avg Net Rent/SF	\$10.39	\$17.50	
Cap Rate	8.00%	Assumption	
Purchase Price	\$10,095,825	\$92.22	

Projected Property Data			
Total SF	109,481		
Leased	77,732		
Occupancy	71.0%	77,732	
Vacancy	29.0%	31,749	
NOI	\$958,122	New FS Rate by Yr 3	
Avg Net Rent/SF	\$12.33	\$19.44	
Cap Rate	8.00%		
Sales Price	\$11,976,520	\$109.39	

3 Year Exit Strategy			
1) Rent Growth Forecast (total)	0.00%	0.00% per year	- Total Absorption
2) Annual Increase - Avg w/New Rents	3.00%		
3) Improve Cap Rate by	0.00%		
4) Building Upgrades	\$0		

CAPEX			
Deferred Maint		\$0	Estimated
New Tenant TI/Leasing Expenses for:	0,000 SF	\$0	
Additional Upgrade CAPEX		\$0	Estimated
Total CAPEX		\$0	\$0.00 /SF

New Lease Expenses	
New Lease Space	0
TI Cost/SF	\$40.00
TI Total	\$0
Comm at 8%	\$0
Total New Tenant Costs	\$0

Financing Assumptions			
Total Acquisition w/ CAPEX		\$10,095,825	\$92.22 /SF
Equity	40%	\$4,038,330	
Debt	60%	\$6,057,495	
Term (Years)	25		
Rate	5.50%		

Sale Figures at Year 3	
Sales Price	\$11,976,520
Sales Expense	\$718,591
Loan Payoff	\$5,689,129
Proceeds	\$5,568,799

Projected Investment Returns					
	May-19	May-20	May-21	May-22	
	<u>Year 0</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	
Absorbtion (SF)		-	-	-	
Leased SF	77,732	77,732	77,732	77,732	
Avg Lease Rate (NET)	\$11.28	\$11.62	\$11.97	\$12.33	
NOI	\$807,666	\$903,121	\$930,215	\$958,122	
Debt Svc	-\$446,380	-\$446,380	-\$446,380	-\$446,380	Equity Multiple
Before Tax Cash Flow		\$456,742	\$483,835	\$511,742	1.74
Cash on Cash		11.31%	11.98%	12.67%	
Sale Proceeds				\$5,568,799	IRR
Internal Rate of Return	-\$4,038,330	\$456,742	\$483,835	\$6,080,541	22.11%

Historical & Projected Absorption

2016	10,375
2017	28,390
2018	38,815
In Place Occupancy	77,732
In Place Occupancy	71.00%
PROJECTED 2019	8,810
PROJECTED 2020	8,810
PROJECTED 2021	8,810
2019-2021 Total	26,430
TOTAL	104,010
TOTAL BLDG	109,481
OCCUPANCY	95.00%