

Preliminary Investment Analysis

4/4/2019

10821 N 23rd Avenue Phoenix AZ - Industrial
New 10 Year Lease Term

Existing Property Data		
Total SF	40,980	
Leased	40,980	
Occupancy	100.0%	
Vacancy	0.0%	
In Place NOI	\$226,210	
Avg Net Rent/SF	\$5.52 NNN	
Cap Rate	8.00% Assumption	
Purchase Price	\$2,827,625	\$69.00 /SF

Improved Property Data (Yr 5 - Assumptions)		
Total SF	40,980	
Leased	40,980	
Occupancy	100.0%	
Vacancy	0.0%	
NOI	\$262,239	
Avg Net Rent/SF	\$6.40 NNN	
Cap Rate	7.50%	
Sales Price	\$3,496,525	\$85.32 /SF

5 Year Strategy		
1) Increase occupancy by	0.00%	0.00%
2) Annual Increases	3.00%	
3) Improve Cap Rate by	0.50%	
4) Additional Building Improvements	\$ -	
5) Reduce property taxes	\$ -	

CAPEX		
Deferred Maint	\$0.00	Validated
New Tenant TI Expenses (5 years)	\$0.00	
Addl. Upgrade CAPEX	\$0.00	Estimated
	\$0.00	

New Lease Expenses	
New Lease Space	0
TI Cost/SF	\$0.00
TI Total	\$0
Comm at 8%	\$0
Total New Tenant Costs	\$0

Financing Assumptions		
Total Acquisition w/ CAPEX		\$2,827,625
Equity	30%	\$848,288
Debt	70%	\$1,979,338
Term (Years)	20	
Rate	5.0%	

Sale Assumptions at Year 5	
Sales Price	\$3,496,525
Sales Expense	\$209,792
Loan Payoff	\$1,651,853
Proceeds	\$1,634,880

Projected Investment Returns						
	May-19	May-20	May-21	May-22	May-23	May-24
	<u>Year 0</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Absorbtion (SF)		0	-	-	-	-
Leased SF	40,980	40,980	40,980	40,980	40,980	40,980
Avg Lease Rate (NET)	\$5.52	\$5.69	\$5.86	\$6.03	\$6.21	\$6.40
NOI	\$0	\$232,996	\$239,986	\$247,186	\$254,601	\$262,239
Debt Svc	-\$156,753	-\$156,753	-\$156,753	-\$156,753	-\$156,753	-\$156,753
Before Tax Cash Flow		\$76,243	\$83,233	\$90,433	\$97,848	\$105,486
Cash on Cash Return		8.99%	9.81%	10.66%	11.53%	12.44%
Sale Proceeds						\$1,634,880
Cash Flow w/ Sale Proceeds	-\$848,288	\$76,243	\$83,233	\$90,433	\$97,848	\$1,740,367
IRR	22.27%					
Equity Multiple	2.46					