

Cash Flow and Resale Detailed Report - Years 1 -20

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RealData Centre - Analysis of Cash Flows

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GROSS INCOME	96,791	197,241	201,578	204,144	205,414	206,620	208,012	209,442	210,911	212,420
- Vacancy & Credit Allowance	2,904	5,917	6,047	6,124	6,162	6,199	6,240	6,283	6,327	6,373
- Operating Expenses	23,472	44,166	45,762	47,351	48,956	50,627	52,377	54,205	56,113	58,105
NET OPERATING INCOME	70,415	147,157	149,769	150,669	150,296	149,795	149,395	148,954	148,471	147,942
Capitalization Rate.	11.95%	13.48%	14.37%	15.07%	15.03%	14.98%	14.87%	14.90%	14.85%	14.79%
Debt Coverage Ratio	0.77	1.19	1.97	2.23	2.22	1.72	1.72	1.71	1.71	1.70
- Debt Service, First Mortgage	38,259	68,427	74,128	65,750	65,750	0	0	0	0	0
- Debt Service, Second Mortgage	53,169	53,169	0	0	0	0	0	0	0	0
- Debt Service, Third Mortgage	300	1,800	1,800	1,800	1,800	0	0	0	0	0
- Debt Service, Refinance	0	0	0	0	0	87,003	87,003	87,003	87,003	87,003
+ Proceeds of Second Mortgage, Less Pts (after BOY 1)	100,000	0	0	0	0	0	0	0	0	0
+ Proceeds of Third Mortgage, Less Pts (after BOY 1)	15,000	0	0	0	0	0	0	0	0	0
+ Proceeds of Refinance, Less Points	0	0	0	0	0	106,663	0	0	0	0
- Funded Reserves*	100,000	0	0	0	0	0	0	0	0	0
Interest Earned on Funded Reserves	2,333	4,093	1,528	1,589	1,652	1,718	1,787	1,858	1,933	2,010
- Capital Additions*	10,000	8,000	2,000	0	0	0	5,000	0	0	0
- Tenant Improvements	0	84,000	40,000	0	0	0	0	0	0	0
- Leasing Commissions	0	0	0	0	0	0	0	0	0	0
CASH FLOW BEFORE TAXES	93,687	-68,238	31,841	83,119	82,746	169,455	57,392	61,952	61,468	60,939
Cash on Cash Return (CFBT/Initial investment)	34.32%	-14.58%	6.80%	17.76%	17.68%	36.21%	12.26%	13.24%	13.13%	13.02%
Reserves Utilized	0	68,238	0	0	0	0	0	0	0	0
Reserves Remaining	102,333	38,188	39,716	41,305	42,957	44,675	46,462	48,321	50,253	52,263
NET CASH FLOW AFTER UTILIZING RESERVES	93,687	0	31,841	83,119	82,746	169,455	57,392	61,952	61,468	60,939
Cumulative Cash flow after Reserves	93,687	93,687	125,528	208,647	291,393	460,848	518,240	580,192	641,661	702,600

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
GROSS INCOME	213,970	215,562	217,199	218,880	220,608	222,384	224,210	226,086	228,015	229,999
- Vacancy & Credit Allowance	6,419	6,467	6,516	6,566	6,618	6,672	6,726	6,783	6,840	0
- Operating Expenses	60,187	62,362	64,634	67,009	69,491	72,085	74,799	77,636	80,603	83,983
NET OPERATING INCOME	147,364	146,734	146,049	145,305	144,499	143,627	142,685	141,668	140,572	146,016
Capitalization Rate.	14.74%	14.67%	14.60%	14.53%	14.45%	14.36%	14.27%	14.17%	14.06%	14.60%
Debt Coverage Ratio	1.69	1.69	1.68	1.67	1.66	1.65	1.64	1.63	1.62	1.68
- Debt Service, First Mortgage	0	0	0	0	0	0	0	0	0	0
- Debt Service, Second Mortgage	0	0	0	0	0	0	0	0	0	0
- Debt Service, Third Mortgage	0	0	0	0	0	0	0	0	0	0
- Debt Service, Refinance	87,003	87,003	87,003	87,003	87,003	87,003	87,003	87,003	87,003	87,003
+ Proceeds of Second Mortgage, Less Pts (after BOY 1)	0	0	0	0	0	0	0	0	0	0
+ Proceeds of Third Mortgage, Less Pts (after BOY 1)	0	0	0	0	0	0	0	0	0	0
+ Proceeds of Refinance, Less Points	0	0	0	0	0	0	0	0	0	0
- Funded Reserves*	0	0	0	0	0	0	0	0	0	0
Interest Earned on Funded Reserves	2,091	2,174	2,261	2,352	2,446	2,543	2,645	2,751	2,861	2,975
- Capital Additions*	0	0	0	0	0	0	0	0	0	0
- Tenant Improvements	0	0	0	0	0	0	0	0	0	0
- Leasing Commissions	0	0	0	0	0	0	0	0	0	0
CASH FLOW BEFORE TAXES	60,361	59,731	59,046	58,302	57,497	56,625	55,682	54,665	53,569	59,013
Cash on Cash Return (CFBT/Initial investment)	12.90%	12.76%	12.62%	12.46%	12.29%	12.10%	11.90%	11.68%	11.45%	12.61%
Reserves Utilized	0	0	0	0	0	0	0	0	0	0
Reserves Remaining	54,354	56,528	58,789	61,141	63,587	66,130	68,775	71,526	74,387	77,363
NET CASH FLOW AFTER UTILIZING RESERVES	60,361	59,731	59,046	58,302	57,497	56,625	55,682	54,665	53,569	59,013
Cumulative Cash flow after Reserves	762,961	822,692	881,738	940,041	997,537	1,054,162	1,109,844	1,164,509	1,218,079	1,277,092

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
PROJECTED SELLING PRICE	1,097,000	1,338,000	1,362,000	1,370,000	1,366,000	1,362,000	1,358,000	1,354,000	1,350,000	1,345,000
Selling Price Based on Capitalization Rate of 11.00%										
- Costs of Sale	76,790	93,660	95,340	95,900	95,620	95,340	95,060	94,780	94,500	94,150
- First Mortgage Payoff	647,708	643,880	640,408	635,277	629,637	0	0	0	0	0
- Second Mortgage Payoff	51,430	0	0	0	0	0	0	0	0	0
- Third Mortgage Payoff	15,000	15,000	15,000	15,000	15,000	0	0	0	0	0
- Refinance Payoff	0	0	0	0	0	738,868	725,134	709,962	693,202	674,686
+ Balance of Reserve Fund	102,333	38,188	39,716	41,305	42,957	44,675	46,462	48,321	50,253	52,263
BEFORE-TAX SALE PROCEEDS	408,405	623,648	650,968	665,127	668,700	572,467	584,268	597,578	612,552	628,428
Internal Rate of Return, Before Tax	21.58%	33.86%	26.09%	23.55%	21.77%	20.37%	19.63%	19.14%	18.75%	18.43%
Modified Internal Rate of Return, Before Tax	21.58%	30.38%	22.80%	20.27%	18.37%	16.83%	15.74%	14.96%	14.33%	13.81%
PV, Net Operating Inc. & Sale Price less Costs of Sale	1,027,857	1,238,119	1,263,866	1,276,234	1,280,047	1,283,433	1,286,488	1,289,226	1,291,664	1,293,491
EQUITY, excluding reserves	382,862	679,120	706,592	719,723	721,363	623,132	632,866	644,038	656,798	670,314
RETURN ON EQUITY (CFBT/equity)	41.95%	-10.05%	4.51%	11.55%	11.47%	10.08%	9.07%	9.62%	9.36%	9.09%

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
PROJECTED SELLING PRICE	1,340,000	1,334,000	1,328,000	1,321,000	1,314,000	1,306,000	1,297,000	1,288,000	1,278,000	1,327,000
Selling Price Based on Capitalization Rate of 11.00%										
- Costs of Sale	93,800	93,380	92,960	92,470	91,980	91,420	90,790	90,160	89,460	92,890
- First Mortgage Payoff	0	0	0	0	0	0	0	0	0	0
- Second Mortgage Payoff	0	0	0	0	0	0	0	0	0	0
- Third Mortgage Payoff	0	0	0	0	0	0	0	0	0	0
- Refinance Payoff	654,231	631,635	606,672	579,096	548,632	514,978	477,800	436,728	391,357	341,234
+ Balance of Reserve Fund	54,354	56,528	58,789	61,141	63,587	66,130	68,775	71,526	74,387	77,363
BEFORE-TAX SALE PROCEEDS	646,323	665,513	687,157	710,575	736,975	765,732	797,186	832,638	871,571	970,239
Internal Rate of Return, Before Tax	18.16%	17.94%	17.75%	17.58%	17.43%	17.30%	17.19%	17.08%	16.99%	17.00%
Modified Internal Rate of Return, Before Tax	13.36%	12.98%	12.64%	12.34%	12.08%	11.84%	11.62%	11.42%	11.24%	11.17%
PV, Net Operating Inc. & Sale Price less Costs of Sale	1,295,116	1,296,279	1,297,310	1,297,992	1,298,588	1,298,920	1,299,041	1,299,134	1,299,067	1,306,614
EQUITY, excluding reserves	685,769	702,365	721,328	741,904	765,368	791,022	819,200	851,272	886,643	985,766
RETURN ON EQUITY (CFBT/equity)	8.80%	8.50%	8.19%	7.86%	7.51%	7.16%	6.80%	6.42%	6.04%	5.99%

NOTES

- 1) If this analysis includes a partial first year, then the IRR, MIRR and PV calculations use estimated full year amounts for cash flow and NOI.
- 2) *First-year capital additions and funded reserves are treated as part of the initial cash investment and do not affect first year cash flow.
- 3) If the projected selling price for any year(s) above displays "see note 3," then the value shown for those years has been entered directly by the user of this software, overriding the value that was calculated by the software.

DISCLAIMERS

The information and calculations presented in this analysis are believed to be accurate, but are not guaranteed. They are intended for the purposes of projection and analysis, and should not be used for preparation of income tax returns.

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