

The Plaza
111 Main St.
Huntington Beach, CA 92323



- ❖ Very well maintained building and premise in quite established residential community
- ❖ Long-term tenants that are predominately professionals at under market rents with low turnover
- ❖ Parking available for each unit in the building
- ❖ Easy access to freeways
- ❖ Superb location two blocks restaurants and shopping
- ❖ Cash-On-Cash Return of 23% (based on market rents)
- ❖ Newly listed. Won't last long on the market

Your Name
312.555.1212
you@yourcompany.com

Your Corporate Logo

PROPERTY

Property: The Plaza
Property Address: 111 Main St.
 Hunington Beach, CA 92323

PURCHASE INFORMATION

Property Type: Investment (Residential)
Purchase Price: \$950,000
Fair Market Value: \$950,000
Units: 12
Sq. Footage: 13,500
Annual Appreciation: 3%
Resale Costs: 8%

FINANCIAL INFORMATION

Down Payment: \$285,000
Passive Loss Rules: No
Closing Costs: \$0
LT Capital Gain: 20%

LOANS

	Debt	Term	Interest Rate	Monthly Payment	LO Costs
First	\$665,000	30 years	6.75%	\$4,313.18	

INCOME & EXPENSES

Total Annual Income: \$139,335
Avg. Monthly Income: \$968
Total Annual Expenses: (\$40,832)
Monthly Expenses: (\$3,403)

CONTACT INFORMATION

Your Name
312.555.1212
you@yourcompany.com

DISCLAIMER: All information is believed to be accurate.

The calculations and data presented are deemed to be accurate, but not guaranteed. They are intended for the purpose of illustrative projections and analysis. The information provided is not intended to replace or serve as substitute for any legal, accounting, investment, real estate, tax or other professional advice, consultation or service. The user of this software should consult with a professional in the respective legal, accounting, tax or other professional area before making any decisions.

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ACQUISITION COSTS

Purchase Price, Points and Closing	\$950,000
Investment - Cash	\$285,000
First Loan	\$665,000

INVESTMENT INFORMATION

Purchase Price	\$950,000
Price per Unit	\$79,167
Price per Sq.Ft.	\$70.37
Annual Income per Unit	\$12,725
Annual Expenses per Unit	(\$3,403)

INCOME, EXPENSES & CASH FLOW

Gross Scheduled Income	\$152,700
Vacancy and Credits	(\$13,365)
Operating Expenses	(\$40,832)
Net Operating Income	\$98,503
Debt Service	(\$51,758)
Cash Flow Before Taxes	\$46,745
Total Interest	(\$44,671)
Depreciation and Amortization	(\$21,154)
Taxable Income (Loss)	\$32,678
Tax Savings (Costs)	(\$10,457)
Cash Flow After Taxes	\$36,288

FINANCIAL INDICATORS

Cash on Cash Return Before Taxes	16.40%
Internal Rate of Return	N/A
Present Value at 11%	\$899,750
Debt Coverage Ratio	1.90
Capitalization Rate	10.37%
Gross Rent Multiplier	6.22
Gross Income / Rentable SF	\$11.31
Gross Expenses / Rentable SF	(\$3.02)
Operating Expense Ratio	29.30%

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PRO FORMA RENT SCHEDULE

	Units	Total Sq. Ft.	Avg. Rent	Rent / Sq. Ft.
Current	12	13,500	\$1,060.42	\$0.08
Market	12	14,000	\$1,150.00	\$0.08

INCOME

	Pro Forma	Actuals
Gross Scheduled Rent	\$165,600	\$152,700
Less Vacancy (pro Forma at 5%)	(\$8,280)	(\$13,365)
Misc. Income	\$0	\$0
Gross Operating Income	\$157,320	\$139,335

EXPENSES

Property Management Fee	\$9,162	\$9,162
Building Insurance	\$7,400	\$7,400
Utilities	\$3,250	\$3,250
Trash Removal	\$1,820	\$1,820
Janitorial	\$3,200	\$3,200
Grounds Maintenance	\$2,200	\$2,200
Repairs	\$5,200	\$5,200
Taxes - Real Estate	\$8,600	\$8,600
Total Expenses	(\$40,832)	(\$40,832)

PRO FORMA ANALYSIS

Net Operating Income	\$116,488	\$98,503
Less Debt Service	(\$51,758)	(\$51,758)
Cash Flow Before Taxes	\$64,730	\$46,745
Cash-on-Cash Return	23%	16%

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Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
GROSS INCOME	\$152,700	\$157,281	\$161,999	\$166,859	\$171,865	\$177,021	\$182,332	\$187,802	\$193,436	\$199,239
Vacancy and Credits	(\$13,365)	(\$13,766)	(\$14,179)	(\$14,604)	(\$15,042)	(\$15,494)	(\$15,959)	(\$16,437)	(\$16,930)	(\$17,438)
Operating Expenses	(\$40,832)	(\$41,656)	(\$42,499)	(\$43,360)	(\$44,241)	(\$45,142)	(\$46,062)	(\$47,004)	(\$47,967)	(\$48,951)
NET OPERATING INCOME	\$98,503	\$101,859	\$105,322	\$108,895	\$112,582	\$116,386	\$120,311	\$124,361	\$128,539	\$132,849
Capital Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Loan Payment	(\$51,758)	(\$51,758)	(\$51,758)	(\$51,758)	(\$51,758)	(\$51,758)	(\$51,758)	(\$51,758)	(\$51,758)	(\$51,758)
CASH FLOW (b/t)	\$46,745	\$50,101	\$53,563	\$57,137	\$60,823	\$64,628	\$68,553	\$72,602	\$76,781	\$81,091
Cash On Cash Return b/t	16.40%	17.58%	18.79%	20.05%	21.34%	22.68%	24.05%	25.47%	26.94%	28.45%
NET OPERATING INCOME	\$98,503	\$101,859	\$105,322	\$108,895	\$112,582	\$116,386	\$120,311	\$124,361	\$128,539	\$132,849
Depreciation & Amortization	(\$21,154)	(\$23,077)	(\$23,077)	(\$23,077)	(\$23,077)	(\$23,077)	(\$23,077)	(\$23,077)	(\$23,077)	(\$23,077)
Loan Interest	(\$44,671)	(\$44,177)	(\$43,650)	(\$43,085)	(\$42,481)	(\$41,835)	(\$41,144)	(\$40,405)	(\$39,615)	(\$38,769)
TAXABLE INCOME (LOSS)	\$32,678	\$34,604	\$38,595	\$42,733	\$47,024	\$51,474	\$56,090	\$60,878	\$65,847	\$71,003
Income Taxes	(\$10,457)	(\$11,073)	(\$12,350)	(\$13,674)	(\$15,048)	(\$16,472)	(\$17,949)	(\$19,481)	(\$21,071)	(\$22,721)
CASH FLOW (a/t)	\$36,288	\$39,027	\$41,213	\$43,462	\$45,776	\$48,156	\$50,604	\$53,121	\$55,710	\$58,370
Cash On Cash Return a/t	12.73%	13.69%	14.46%	15.25%	16.06%	16.90%	17.76%	18.64%	19.55%	20.48%

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Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Property Value	\$978,500	\$1,007,855	\$1,038,091	\$1,069,233	\$1,101,310	\$1,134,350	\$1,168,380	\$1,203,432	\$1,239,535	\$1,276,721
Resale Expenses	(\$78,280)	(\$80,628)	(\$83,047)	(\$85,539)	(\$88,105)	(\$90,748)	(\$93,470)	(\$96,275)	(\$99,163)	(\$102,138)
Proceeds b/f Debt Payoff	\$900,220	\$927,227	\$955,043	\$983,695	\$1,013,206	\$1,043,602	\$1,074,910	\$1,107,157	\$1,140,372	\$1,174,583
Original Property Value	\$950,000	\$950,000	\$950,000	\$950,000	\$950,000	\$950,000	\$950,000	\$950,000	\$950,000	\$950,000
Capital Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation	(\$21,154)	(\$44,231)	(\$67,308)	(\$90,385)	(\$113,462)	(\$136,538)	(\$159,615)	(\$182,692)	(\$205,769)	(\$228,846)
Adjusted Tax Basis	\$928,846	\$905,769	\$882,692	\$859,615	\$836,538	\$813,462	\$790,385	\$767,308	\$744,231	\$721,154
Resale Tax Gain (Loss)	(\$28,626)	\$21,457	\$72,351	\$124,079	\$176,667	\$230,140	\$284,525	\$339,849	\$396,141	\$453,429
Resale Tax Benefit (Cost)	\$5,725	(\$4,291)	(\$14,470)	(\$24,816)	(\$35,333)	(\$46,028)	(\$56,905)	(\$67,970)	(\$79,228)	(\$90,686)
Loan Payoff	(\$657,913)	(\$650,332)	(\$642,224)	(\$633,550)	(\$624,273)	(\$614,351)	(\$603,737)	(\$592,384)	(\$580,240)	(\$567,252)
Net Proceeds from Resale	\$248,032	\$272,603	\$298,350	\$325,328	\$353,599	\$383,223	\$414,268	\$446,803	\$480,903	\$516,645

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Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Multiplier	6.41	6.41	6.41	6.41	6.41	6.41	6.41	6.41	6.41	6.41
Capitalization Rate	10.07%	10.11%	10.15%	10.18%	10.22%	10.26%	10.30%	10.33%	10.37%	10.41%
Cash On Cash Return b/t	16.40%	17.58%	18.79%	20.05%	21.34%	22.68%	24.05%	25.47%	26.94%	28.45%
Cash On Cash Return a/t	12.73%	13.69%	14.46%	15.25%	16.06%	16.90%	17.76%	18.64%	19.55%	20.48%
Debt Coverage Ratio	1.90	1.97	2.03	2.10	2.18	2.25	2.32	2.40	2.48	2.57
Gross Income per Sq. Ft.	\$11.31	\$11.65	\$12.00	\$12.36	\$12.73	\$13.11	\$13.51	\$13.91	\$14.33	\$14.76
Expenses per Sq. Ft.	(\$3.02)	(\$3.09)	(\$3.15)	(\$3.21)	(\$3.28)	(\$3.34)	(\$3.41)	(\$3.48)	(\$3.55)	(\$3.63)
Net Income Multiplier	9.93	9.89	9.86	9.82	9.78	9.75	9.71	9.68	9.64	9.61
Operating Expense Ratio	29.30%	29.03%	28.75%	28.48%	28.21%	27.95%	27.69%	27.43%	27.18%	26.93%
Loan To Value Ratio	67.24%	64.53%	61.87%	59.25%	56.68%	54.16%	51.67%	49.22%	46.81%	44.43%

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Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Rental Income	\$152,700	\$157,281	\$161,999	\$166,859	\$171,865	\$177,021	\$182,332	\$187,802	\$193,436	\$199,239
Miscellaneous Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GROSS INCOME	\$152,700	\$157,281	\$161,999	\$166,859	\$171,865	\$177,021	\$182,332	\$187,802	\$193,436	\$199,239
Vacancy and Credits	(\$13,365)	(\$13,766)	(\$14,179)	(\$14,604)	(\$15,042)	(\$15,494)	(\$15,959)	(\$16,437)	(\$16,930)	(\$17,438)
GROSS OPERATING INCOME	\$139,335	\$143,515	\$147,821	\$152,255	\$156,823	\$161,527	\$166,373	\$171,364	\$176,505	\$181,801
Expenses										
Property Management Fee	(\$9,162)	(\$9,437)	(\$9,720)	(\$10,012)	(\$10,312)	(\$10,621)	(\$10,940)	(\$11,268)	(\$11,606)	(\$11,954)
Building Insurance	(\$7,400)	(\$7,548)	(\$7,699)	(\$7,853)	(\$8,010)	(\$8,170)	(\$8,334)	(\$8,500)	(\$8,670)	(\$8,844)
Utilities	(\$3,250)	(\$3,315)	(\$3,381)	(\$3,449)	(\$3,518)	(\$3,588)	(\$3,660)	(\$3,733)	(\$3,808)	(\$3,884)
Trash Removal	(\$1,820)	(\$1,856)	(\$1,894)	(\$1,931)	(\$1,970)	(\$2,009)	(\$2,050)	(\$2,091)	(\$2,132)	(\$2,175)
Janitorial	(\$3,200)	(\$3,232)	(\$3,264)	(\$3,297)	(\$3,330)	(\$3,363)	(\$3,397)	(\$3,431)	(\$3,465)	(\$3,500)
Grounds Maintenance	(\$2,200)	(\$2,244)	(\$2,289)	(\$2,335)	(\$2,381)	(\$2,429)	(\$2,478)	(\$2,527)	(\$2,578)	(\$2,629)
Repairs	(\$5,200)	(\$5,252)	(\$5,305)	(\$5,358)	(\$5,411)	(\$5,465)	(\$5,520)	(\$5,575)	(\$5,631)	(\$5,687)
Taxes - Real Estate	(\$8,600)	(\$8,772)	(\$8,947)	(\$9,126)	(\$9,309)	(\$9,495)	(\$9,685)	(\$9,879)	(\$10,076)	(\$10,278)
Total Expenses	(\$40,832)	(\$41,656)	(\$42,499)	(\$43,360)	(\$44,241)	(\$45,142)	(\$46,062)	(\$47,004)	(\$47,967)	(\$48,951)
NET OPERATING INCOME	\$98,503	\$101,859	\$105,322	\$108,895	\$112,582	\$116,386	\$120,311	\$124,361	\$128,539	\$132,849

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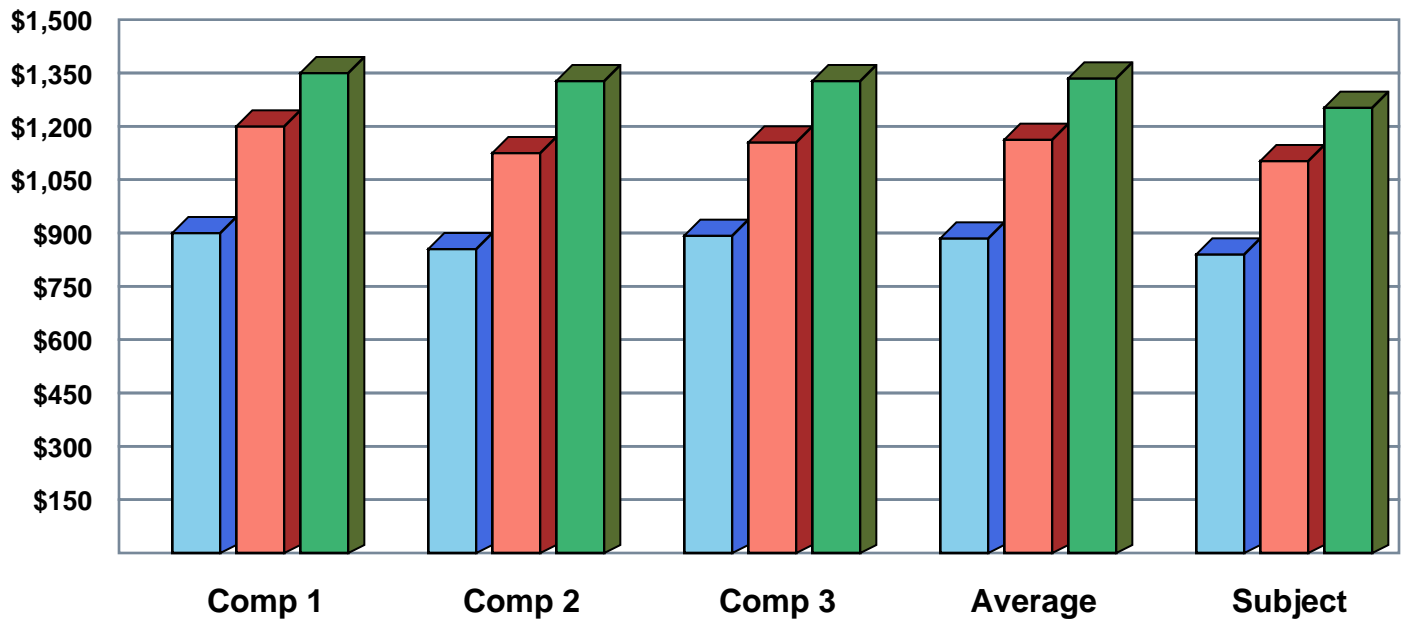
Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
GROSS INCOME	\$11.31	\$11.65	\$12.00	\$12.36	\$12.73	\$13.11	\$13.51	\$13.91	\$14.33	\$14.76
Vacancy and Credits	(\$0.99)	(\$1.02)	(\$1.05)	(\$1.08)	(\$1.11)	(\$1.15)	(\$1.18)	(\$1.22)	(\$1.25)	(\$1.29)
GROSS OPERATING INCOME	\$10.32	\$10.63	\$10.95	\$11.28	\$11.62	\$11.96	\$12.32	\$12.69	\$13.07	\$13.47
Property Management Fee	(\$0.68)	(\$0.70)	(\$0.72)	(\$0.74)	(\$0.76)	(\$0.79)	(\$0.81)	(\$0.83)	(\$0.86)	(\$0.89)
Expenses										
Building Insurance	(\$0.55)	(\$0.56)	(\$0.57)	(\$0.58)	(\$0.59)	(\$0.61)	(\$0.62)	(\$0.63)	(\$0.64)	(\$0.66)
Utilities	(\$0.24)	(\$0.25)	(\$0.25)	(\$0.26)	(\$0.26)	(\$0.27)	(\$0.27)	(\$0.28)	(\$0.28)	(\$0.29)
Trash Removal	(\$0.13)	(\$0.14)	(\$0.14)	(\$0.14)	(\$0.15)	(\$0.15)	(\$0.15)	(\$0.15)	(\$0.16)	(\$0.16)
Janitorial	(\$0.24)	(\$0.24)	(\$0.24)	(\$0.24)	(\$0.25)	(\$0.25)	(\$0.25)	(\$0.25)	(\$0.26)	(\$0.26)
Grounds Maintenance	(\$0.16)	(\$0.17)	(\$0.17)	(\$0.17)	(\$0.18)	(\$0.18)	(\$0.18)	(\$0.19)	(\$0.19)	(\$0.19)
Repairs	(\$0.39)	(\$0.39)	(\$0.39)	(\$0.40)	(\$0.40)	(\$0.40)	(\$0.41)	(\$0.41)	(\$0.42)	(\$0.42)
Taxes - Real Estate	(\$0.64)	(\$0.65)	(\$0.66)	(\$0.68)	(\$0.69)	(\$0.70)	(\$0.72)	(\$0.73)	(\$0.75)	(\$0.76)
Total Expenses	(\$3.02)	(\$3.09)	(\$3.15)	(\$3.21)	(\$3.28)	(\$3.34)	(\$3.41)	(\$3.48)	(\$3.55)	(\$3.63)
NET OPERATING INCOME	\$7.30	\$7.55	\$7.80	\$8.07	\$8.34	\$8.62	\$8.91	\$9.21	\$9.52	\$9.84

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Total Income	\$152,700	\$157,281	\$161,999	\$166,859	\$171,865	\$177,021	\$182,332	\$187,802	\$193,436	\$199,239
Unit 1	\$13,800	\$14,214	\$14,640	\$15,080	\$15,532	\$15,998	\$16,478	\$16,972	\$17,481	\$18,006
Unit 2	\$13,200	\$13,596	\$14,004	\$14,424	\$14,857	\$15,302	\$15,761	\$16,234	\$16,721	\$17,223
Unit 3	\$10,800	\$11,124	\$11,458	\$11,801	\$12,155	\$12,520	\$12,896	\$13,283	\$13,681	\$14,092
Unit 4	\$14,100	\$14,523	\$14,959	\$15,407	\$15,870	\$16,346	\$16,836	\$17,341	\$17,861	\$18,397
Unit 5	\$13,800	\$14,214	\$14,640	\$15,080	\$15,532	\$15,998	\$16,478	\$16,972	\$17,481	\$18,006
Unit 6	\$10,800	\$11,124	\$11,458	\$11,801	\$12,155	\$12,520	\$12,896	\$13,283	\$13,681	\$14,092
Unit 7	\$13,200	\$13,596	\$14,004	\$14,424	\$14,857	\$15,302	\$15,761	\$16,234	\$16,721	\$17,223
Unit 8	\$13,800	\$14,214	\$14,640	\$15,080	\$15,532	\$15,998	\$16,478	\$16,972	\$17,481	\$18,006
Unit 9	\$10,800	\$11,124	\$11,458	\$11,801	\$12,155	\$12,520	\$12,896	\$13,283	\$13,681	\$14,092
Unit 10	\$14,100	\$14,523	\$14,959	\$15,407	\$15,870	\$16,346	\$16,836	\$17,341	\$17,861	\$18,397
Unit 11	\$10,200	\$10,506	\$10,821	\$11,146	\$11,480	\$11,825	\$12,179	\$12,545	\$12,921	\$13,309
Unit 12	\$14,100	\$14,523	\$14,959	\$15,407	\$15,870	\$16,346	\$16,836	\$17,341	\$17,861	\$18,397

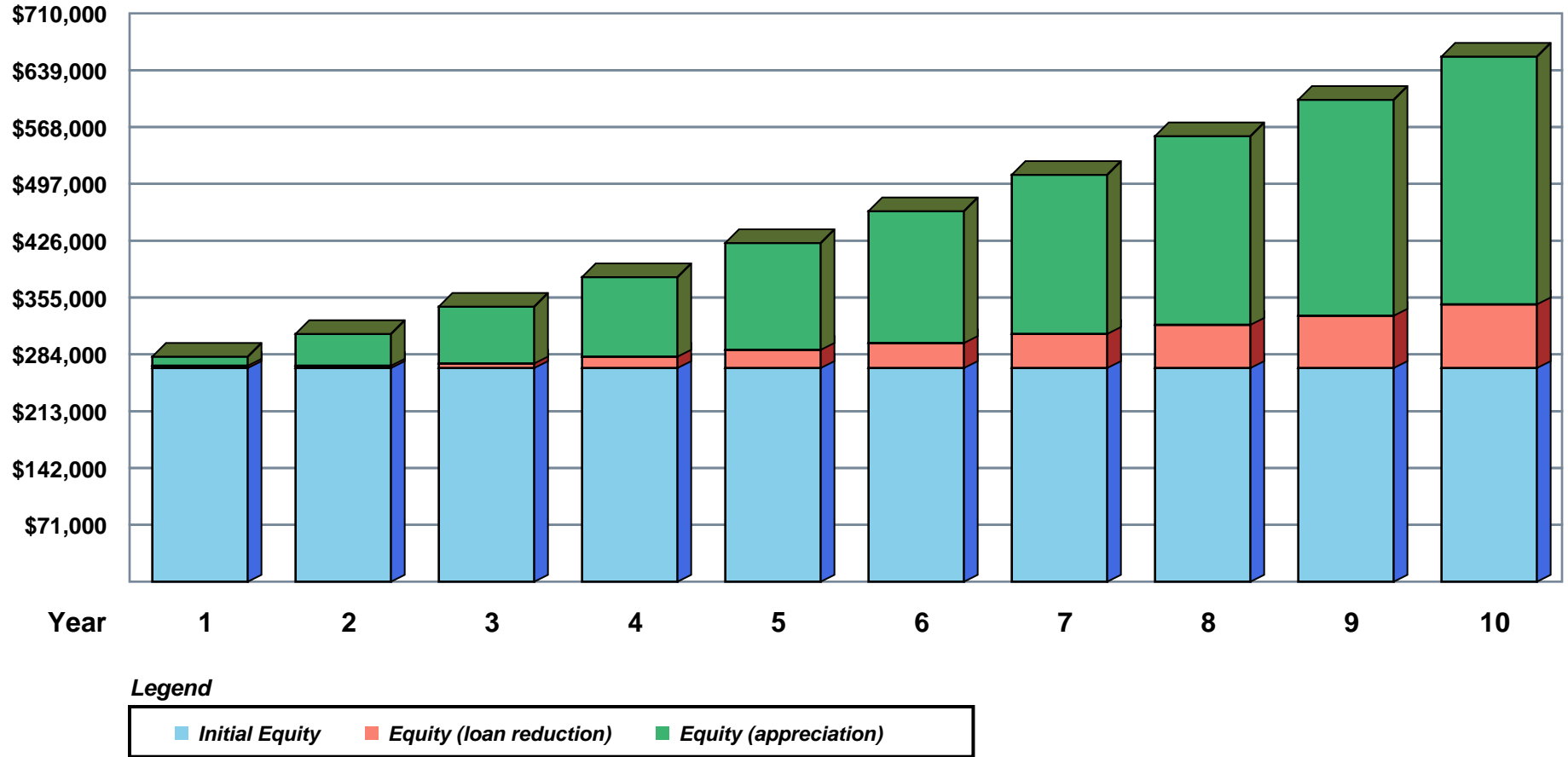
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Legend

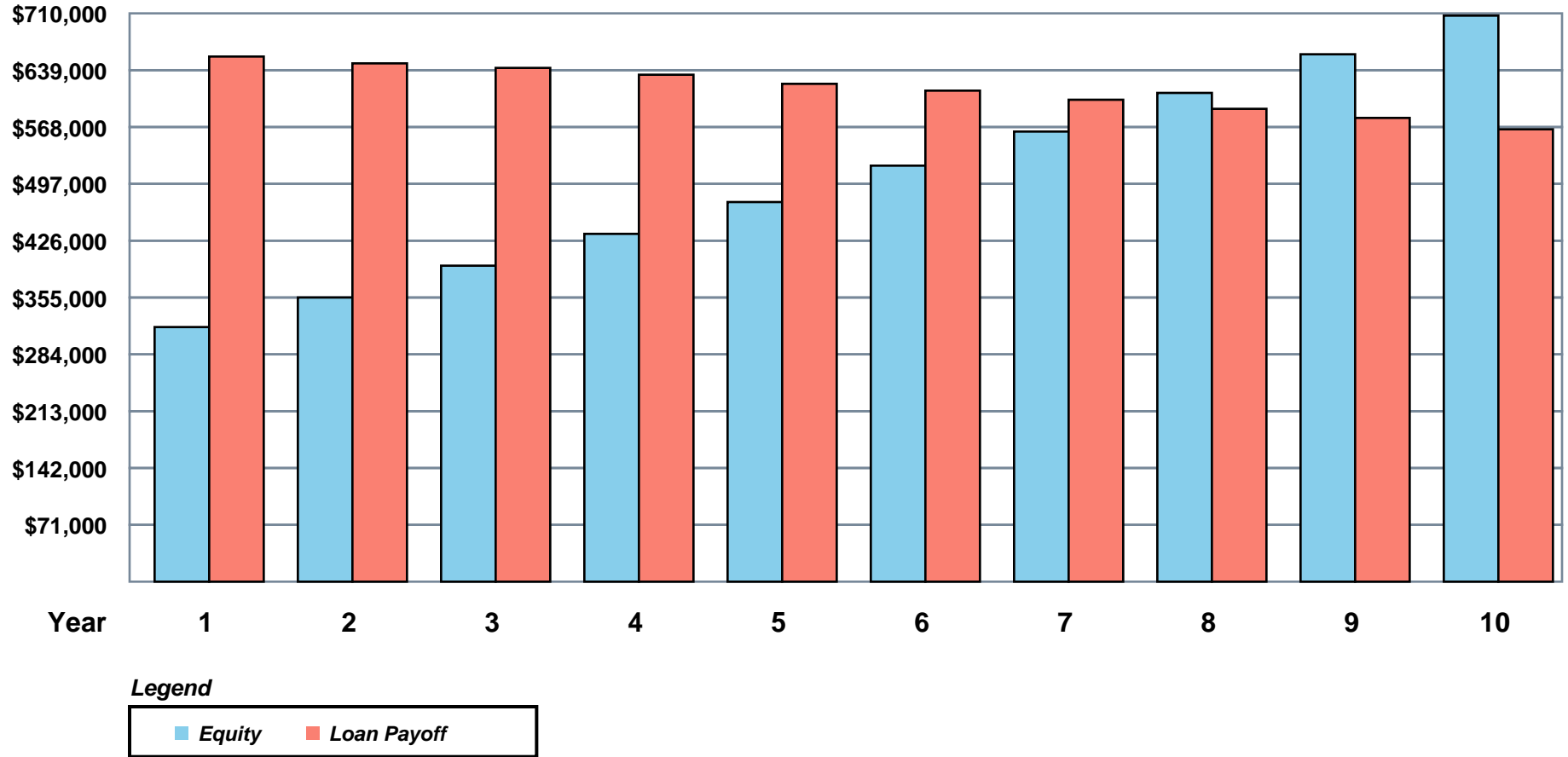


Address	Number of Units	Studio	One Bedroom	Two Bedroom	Year Built
223 Prospect St Newport Beach Ca 92663	5	\$950	\$1,250	\$1,400	1989
269 Cedar St Newport Beach Ca 92663	6	\$900	\$1,175	\$1,375	1983
225 Colton St Newport Beach Ca 92663	10	\$940	\$1,200	\$1,375	1987
Average	7.0	\$930	\$1,208	\$1,383	1986
Subject	8	\$890	\$1,150	\$1,300	1992

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