

Property Report



3502 Berkeley Rd, East Cleveland, OH 44118

Overview

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Purchase Info

Square Feet	1,632
Purchase Price	\$75,000
Initial Cash Invested	\$78,500

Income Analysis

	Monthly	Annual
Net Operating Income	\$579	\$6,948
Cash Flow	\$579	\$6,948

Financial Metrics

Cap Rate (Purchase Price)	9.3%
Cash on Cash Return (Year 1)	8.9%
Internal Rate of Return (Year 10)	11.1%
Sale Price (Year 10)	\$100,794



Purchase Analysis

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Purchase Info	
Purchase Price	\$75,000
+ Buying Costs	\$3,500
+ Initial Improvements	\$0
= Initial Cash Invested	\$78,500
Square Feet	1,632
Cost per Square Foot	\$46
Monthly Rent per Square Foot	\$0.74

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	5.2
Operating Expense Ratio	47.6%
Cap Rate (Purchase Price)	9.3%
Cash on Cash Return	8.9%

Assumptions	
Appreciation Rate	3.0%
Vacancy Rate	8.0%
Income Inflation Rate	3.0%
Expense Inflation Rate	3.0%
LTV for Refinance	70.0%
Selling Costs	\$5,250

Income	Monthly	Annual
Gross Rent	\$1,200	\$14,400
Vacancy Loss	-\$96	-\$1,152
Operating Income	\$1,104	\$13,248

Expenses (% of Income)	Monthly	Annual
Cleaning & Maintenance (8%)	-\$83	-\$1,000
Insurance (6%)	-\$67	-\$800
Management Fees (8%)	-\$83	-\$1,000
Taxes (26%)	-\$292	-\$3,500
Operating Expenses (48%)	-\$525	-\$6,300

Net Performance	Monthly	Annual
Net Operating Income	\$579	\$6,948
- Year 1 Improvements	-\$0	-\$0
= Cash Flow	\$579	\$6,948

Buy and Hold Projection

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Income	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Gross Rent	\$14,400	\$14,832	\$15,277	\$16,207	\$18,789	\$25,250	\$33,935
Vacancy Loss	-\$1,152	-\$1,187	-\$1,222	-\$1,297	-\$1,503	-\$2,020	-\$2,715
Operating Income	\$13,248	\$13,645	\$14,055	\$14,911	\$17,286	\$23,230	\$31,220

Expenses	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Cleaning & Maintenance	-\$1,000	-\$1,030	-\$1,061	-\$1,126	-\$1,305	-\$1,754	-\$2,357
Insurance	-\$800	-\$824	-\$849	-\$900	-\$1,044	-\$1,403	-\$1,885
Management Fees	-\$1,000	-\$1,030	-\$1,061	-\$1,126	-\$1,305	-\$1,754	-\$2,357
Taxes	-\$3,500	-\$3,605	-\$3,713	-\$3,939	-\$4,567	-\$6,137	-\$8,248
Operating Expenses	-\$6,300	-\$6,489	-\$6,684	-\$7,091	-\$8,220	-\$11,047	-\$14,846

Income Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Net Operating Income	\$6,948	\$7,156	\$7,371	\$7,820	\$9,066	\$12,183	\$16,373
- Improvements	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
= Cash Flow	\$6,948	\$7,156	\$7,371	\$7,820	\$9,066	\$12,183	\$16,373
Cap Rate (Purchase Price)	9.3%	9.5%	9.8%	10.4%	12.1%	16.2%	21.8%
Cap Rate (Market Value)	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Cash on Cash Return	8.9%	9.1%	9.4%	10.0%	11.5%	15.5%	20.9%
Return on Equity	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%

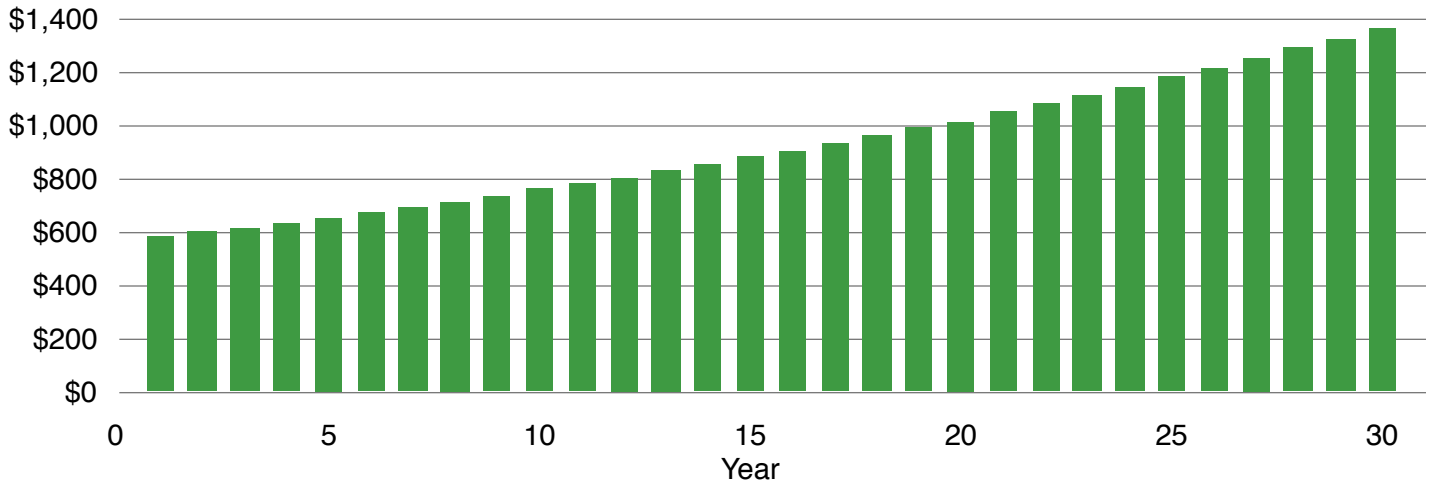
Loan Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Market Value	\$77,250	\$79,568	\$81,955	\$86,946	\$100,794	\$135,458	\$182,045
- Loan Balance	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
= Equity	\$77,250	\$79,568	\$81,955	\$86,946	\$100,794	\$135,458	\$182,045
Potential Cash-Out Refi	\$54,075	\$55,697	\$57,368	\$60,862	\$70,556	\$94,821	\$127,431

Sale Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Equity	\$77,250	\$79,568	\$81,955	\$86,946	\$100,794	\$135,458	\$182,045
- Selling Costs	-\$5,408	-\$5,570	-\$5,737	-\$6,086	-\$7,056	-\$9,482	-\$12,743
= Proceeds After Sale	\$71,842	\$73,998	\$76,218	\$80,859	\$93,738	\$125,976	\$169,302
+ Cumulative Cash Flow	\$6,948	\$14,104	\$21,476	\$36,888	\$79,651	\$186,695	\$330,554
- Initial Cash Invested	-\$78,500	-\$78,500	-\$78,500	-\$78,500	-\$78,500	-\$78,500	-\$78,500
= Net Profit	\$290	\$9,602	\$19,193	\$39,247	\$94,889	\$234,172	\$421,356
Internal Rate of Return	0.4%	6.2%	8.2%	9.8%	11.1%	11.6%	11.8%
Return on Investment	0%	12%	24%	50%	121%	298%	537%

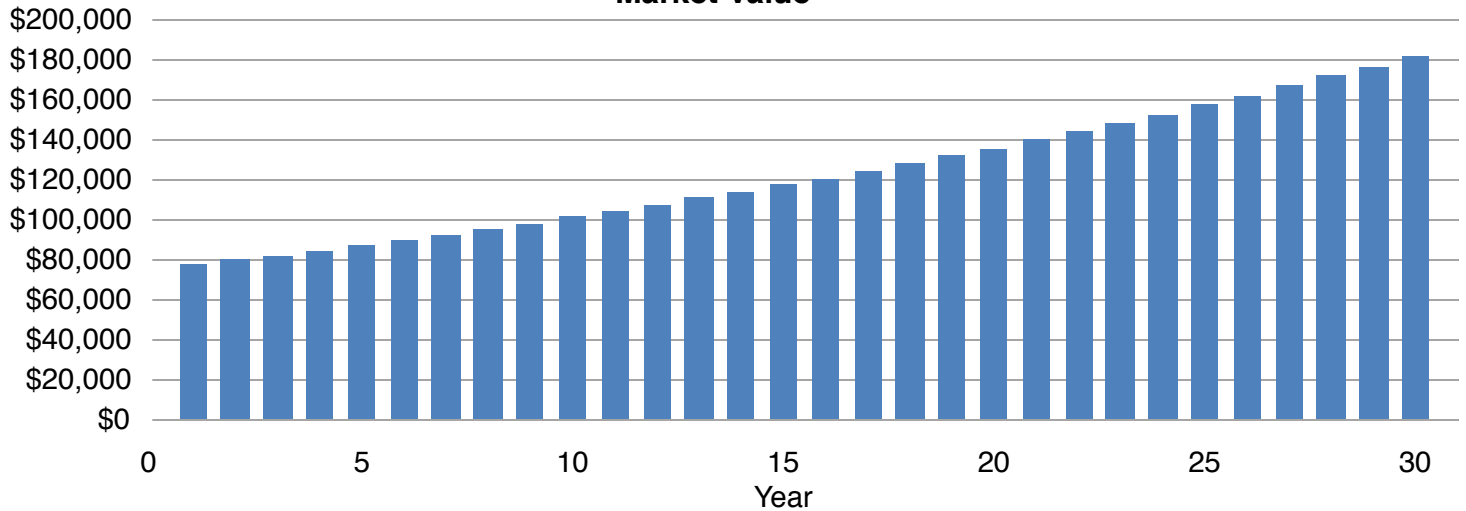
Graphs

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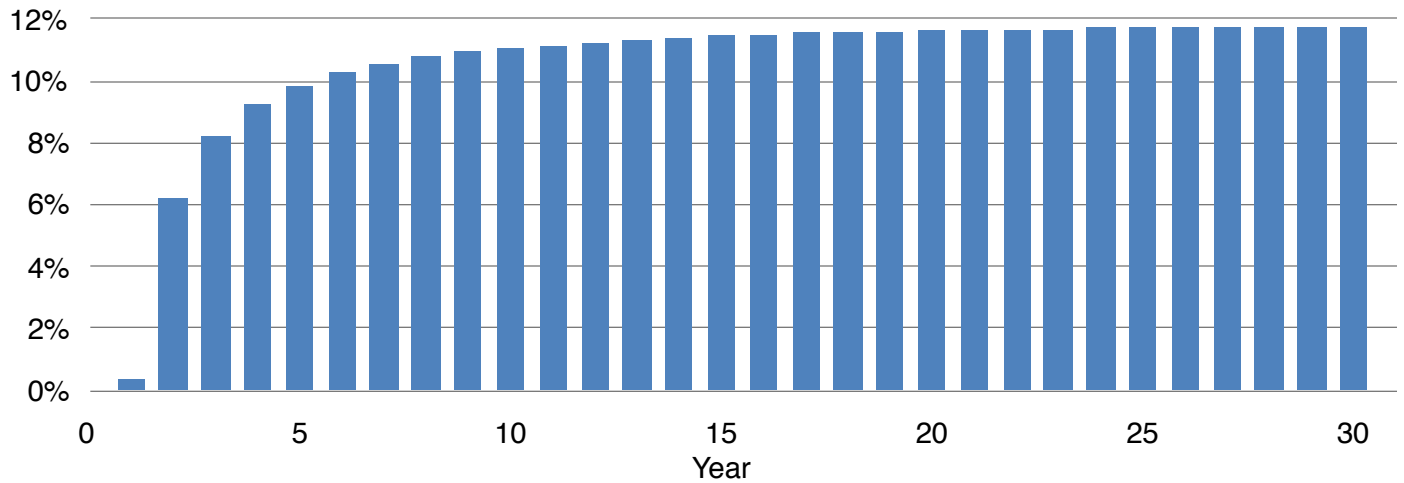
Monthly Cash Flow



Market Value

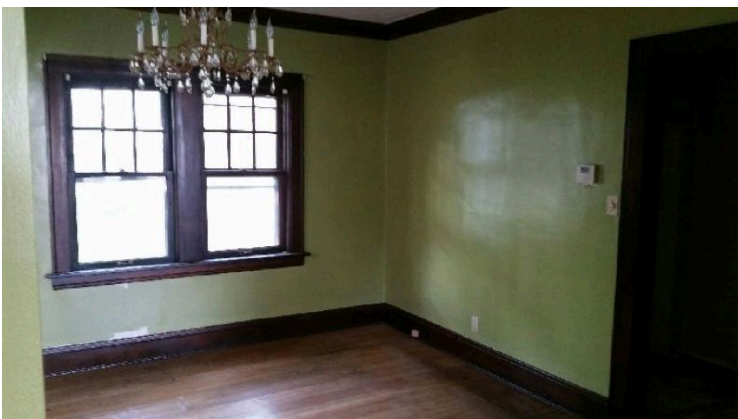
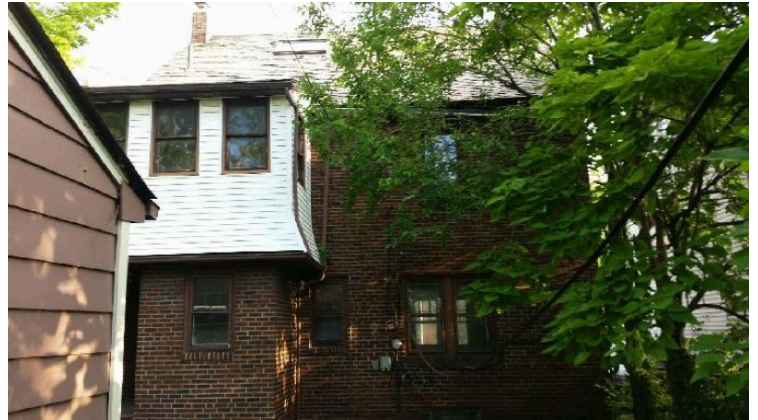


Internal Rate of Return (IRR)



Photos

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