

# Property Report

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## **SAN FRANCISCO**

701 Buena Vista West  
San Francisco, CA 94117

# Overview

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### Purchase Info

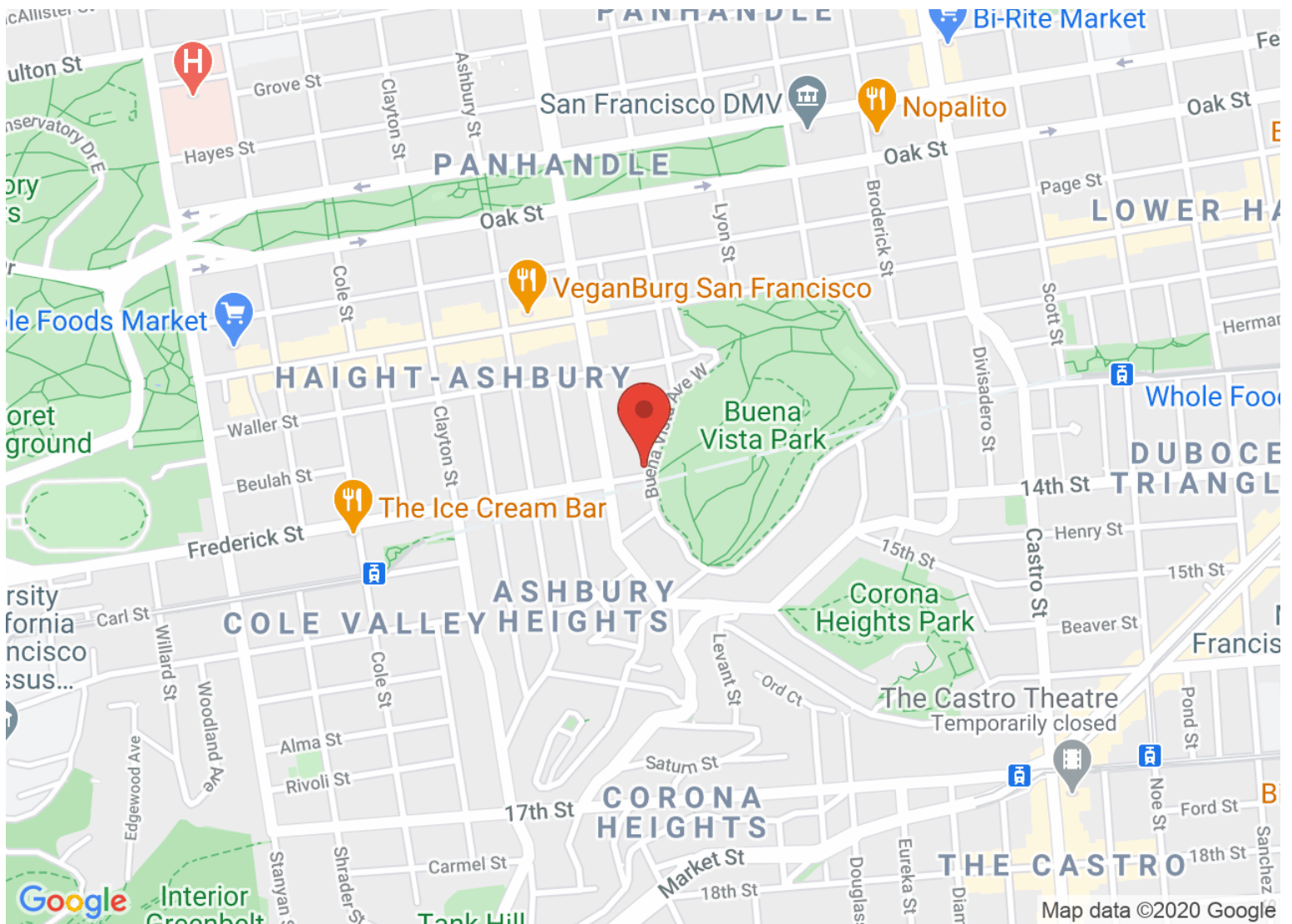
Square Feet	7,524
Purchase Price	\$7,000,000
Initial Cash Invested	\$1,890,000

### Income Analysis

	Monthly	Annual
Net Operating Income	\$64,783	\$777,400
Cash Flow	\$29,855	\$358,259

### Financial Metrics

Cap Rate (Purchase Price)	11.1%
Cash on Cash Return (Year 1)	19.0%
Internal Rate of Return (Year 10)	26.1%
Sale Price (Year 10)	\$9,407,415



# Purchase Analysis

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Purchase Info	
Purchase Price	\$7,000,000
- First Mortgage	<b>-\$5,250,000</b>
- Second Mortgage	-\$0
<b>= Downpayment</b>	<b>\$1,750,000</b>
+ Buying Costs	\$140,000
+ Initial Improvements	\$0
<b>= Initial Cash Invested</b>	<b>\$1,890,000</b>
Square Feet	7,524
Cost per Square Foot	\$930
Monthly Rent per Square Foot	\$11.30

Mortgages	First	Second
Loan-To-Cost Ratio	75%	0%
Loan-To-Value Ratio	75%	0%
Loan Amount	\$5,250,000	\$0
Loan Type	Amortizing	
Term	30 Years	
Interest Rate	7%	
<b>Payment</b>	<b>\$34,928.38</b>	<b>\$0.00</b>

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	6.9
Operating Expense Ratio	17.2%
Debt Coverage Ratio	1.85
Cap Rate (Purchase Price)	11.1%
<b>Cash on Cash Return</b>	<b>19.0%</b>

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	\$490,000

Income	Monthly	Annual
Gross Rent	\$85,000	\$1,020,000
Vacancy Loss	<b>-\$6,800</b>	<b>-\$81,600</b>
<b>Operating Income</b>	<b>\$78,200</b>	<b>\$938,400</b>

Expenses (% of Income)	Monthly	Annual
Cleaning & Maintenance (6%)	<b>-\$4,667</b>	<b>-\$56,000</b>
Insurance (4%)	<b>-\$2,917</b>	<b>-\$35,000</b>
Taxes (7%)	<b>-\$5,833</b>	<b>-\$70,000</b>
<b>Operating Expenses (17%)</b>	<b>-\$13,417</b>	<b>-\$161,000</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$64,783</b>	<b>\$777,400</b>
- Mortgage Payments	<b>-\$34,928</b>	<b>-\$419,141</b>
- Year 1 Improvements	-\$0	-\$0
<b>= Cash Flow</b>	<b>\$29,855</b>	<b>\$358,259</b>

## 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	\$1,020,000	\$1,050,600	\$1,082,118	\$1,148,019	\$1,330,869	\$1,788,576	\$2,403,697
Vacancy Loss	-\$81,600	-\$84,048	-\$86,569	-\$91,842	-\$106,469	-\$143,086	-\$192,296
<b>Operating Income</b>	<b>\$938,400</b>	<b>\$966,552</b>	<b>\$995,549</b>	<b>\$1,056,177</b>	<b>\$1,224,399</b>	<b>\$1,645,490</b>	<b>\$2,211,401</b>

Expenses	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Cleaning & Maintenance	-\$56,000	-\$57,680	-\$59,410	-\$63,028	-\$73,067	-\$98,196	-\$131,968
Insurance	-\$35,000	-\$36,050	-\$37,132	-\$39,393	-\$45,667	-\$61,373	-\$82,480
Taxes	-\$70,000	-\$72,100	-\$74,263	-\$78,786	-\$91,334	-\$122,745	-\$164,960
<b>Operating Expenses</b>	<b>-\$161,000</b>	<b>-\$165,830</b>	<b>-\$170,805</b>	<b>-\$181,207</b>	<b>-\$210,068</b>	<b>-\$282,314</b>	<b>-\$379,407</b>

Income Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
<b>Net Operating Income</b>	<b>\$777,400</b>	<b>\$800,722</b>	<b>\$824,744</b>	<b>\$874,971</b>	<b>\$1,014,331</b>	<b>\$1,363,176</b>	<b>\$1,831,994</b>
- Mortgage Payments	-\$419,141	-\$419,141	-\$419,141	-\$419,141	-\$419,141	-\$419,141	-\$419,141
- Improvements	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
<b>= Cash Flow</b>	<b>\$358,259</b>	<b>\$381,581</b>	<b>\$405,603</b>	<b>\$455,830</b>	<b>\$595,190</b>	<b>\$944,035</b>	<b>\$1,412,853</b>
Cap Rate (Purchase Price)	11.1%	11.4%	11.8%	12.5%	14.5%	19.5%	26.2%
Cap Rate (Market Value)	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%
<b>Cash on Cash Return</b>	<b>19.0%</b>	<b>20.2%</b>	<b>21.5%</b>	<b>24.1%</b>	<b>31.5%</b>	<b>49.9%</b>	<b>74.8%</b>
Return on Equity	17.8%	16.7%	15.8%	14.4%	12.1%	9.8%	8.3%

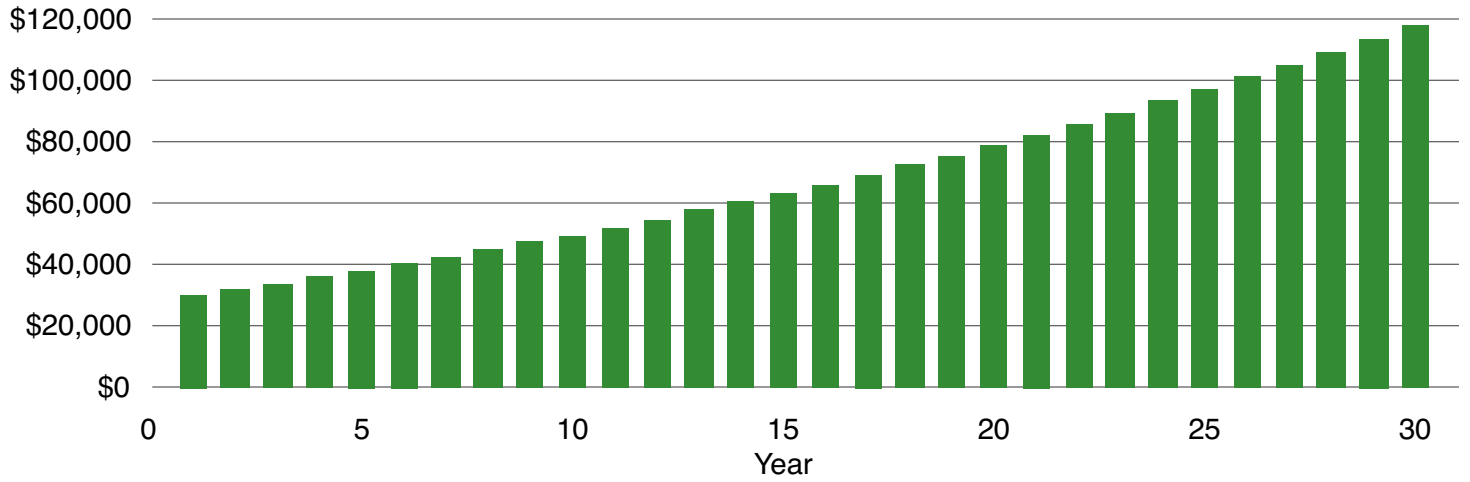
Loan Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Market Value	\$7,210,000	\$7,426,300	\$7,649,089	\$8,114,919	\$9,407,415	\$12,642,779	\$16,990,837
- Loan Balance	-\$5,196,670	-\$5,139,485	-\$5,078,166	-\$4,941,909	-\$4,505,150	-\$3,008,255	-\$1
<b>= Equity</b>	<b>\$2,013,330</b>	<b>\$2,286,815</b>	<b>\$2,570,923</b>	<b>\$3,173,010</b>	<b>\$4,902,264</b>	<b>\$9,634,524</b>	<b>\$16,990,836</b>
Loan-to-Value Ratio	72.1%	69.2%	66.4%	60.9%	47.9%	23.8%	0.0%
Potential Cash-Out Refi	-\$149,670	\$58,925	\$276,197	\$738,534	\$2,080,040	\$5,841,690	\$11,893,585

Sale Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Equity	\$2,013,330	\$2,286,815	\$2,570,923	\$3,173,010	\$4,902,264	\$9,634,524	\$16,990,836
- Selling Costs	-\$504,700	-\$519,841	-\$535,436	-\$568,044	-\$658,519	-\$884,995	-\$1,189,359
<b>= Proceeds After Sale</b>	<b>\$1,508,630</b>	<b>\$1,766,974</b>	<b>\$2,035,487</b>	<b>\$2,604,966</b>	<b>\$4,243,745</b>	<b>\$8,749,530</b>	<b>\$15,801,478</b>
+ Cumulative Cash Flow	\$358,259	\$739,841	\$1,145,444	\$2,031,619	\$4,720,614	\$12,506,218	\$24,410,911
- Initial Cash Invested	-\$1,890,000	-\$1,890,000	-\$1,890,000	-\$1,890,000	-\$1,890,000	-\$1,890,000	-\$1,890,000
<b>= Net Profit</b>	<b>-\$23,111</b>	<b>\$616,815</b>	<b>\$1,290,931</b>	<b>\$2,746,585</b>	<b>\$7,074,360</b>	<b>\$19,365,747</b>	<b>\$38,322,389</b>
<b>Internal Rate of Return</b>	<b>-1.2%</b>	<b>16.5%</b>	<b>22.1%</b>	<b>25.5%</b>	<b>26.1%</b>	<b>25.1%</b>	<b>24.8%</b>
Return on Investment	-1%	33%	68%	145%	374%	1,025%	2,028%

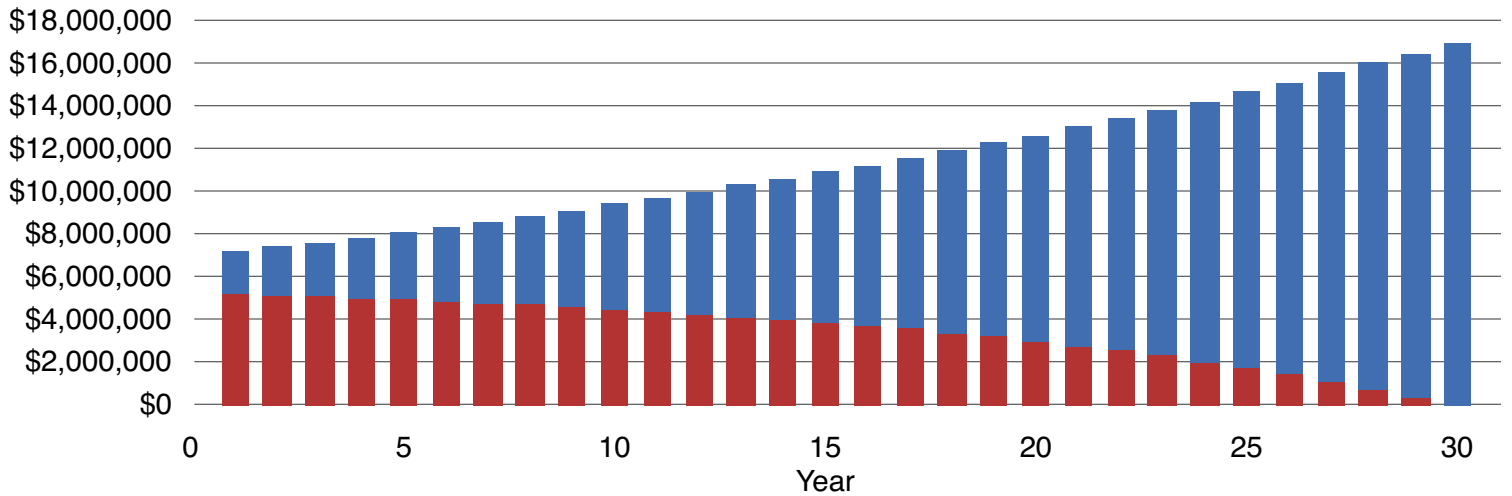
# Graphs

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### Monthly Cash Flow



■ Loan Balance + ■ Equity = Market Value



### Internal Rate of Return (IRR)

