

Office Building Return on Investment

500 S. Palm Canyon - Palm Springs, CA Office Building

year	annual net operating income after expenses and before interest expense	loan amount	interest per year	net income after interest	return on investment
1	\$ 474,967	\$ 4,200,000	\$ 273,000	\$ 201,967	11.2%
2	\$ 516,633	\$ 4,200,000	\$ 273,000	\$ 243,633	13.5%
3	\$ 550,462	\$ 4,200,000	\$ 273,000	\$ 277,462	15.4%
4	\$ 565,598	\$ 4,200,000	\$ 273,000	\$ 292,598	16.3%
5	\$ 589,944	\$ 4,200,000	\$ 273,000	\$ 316,944	17.6%
6	\$ 615,088	\$ 4,200,000	\$ 273,000	\$ 342,088	19.0%

DEBT / EQUITY

Sale Price Assumed	\$6,000,000	<=====]
down payment	\$1,800,000]
assumed debt	\$4,200,000]

SALE PRICE ANALYSIS

year 1 cap rate	sale price
6%	\$ 7,916,117
7%	\$ 6,785,243
8%	\$ 5,937,088
9%	\$ 5,277,411
10%	\$ 4,749,670

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