

Sample Retail Property

2163 Ingram, Dayton OH 45407

OFFERING MEMORANDUM

Sample Retail Property

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Legal questions should be discussed by the party with an attorney. Tax questions should be discussed by the party with a certified public accountant or tax attorney. Title questions should be discussed by the party with a title officer or attorney. Questions regarding the condition of the property and whether the property complies with applicable governmental requirements should be discussed by the party with appropriate engineers, architects, contractors, other consultants and governmental agencies. All properties and services are marketed by 3CRE Advisors in compliance with all applicable fair housing and equal opportunity laws.

SAMPLE RETAIL PROPERTY

01

Financial Analysis

Income & Expense Analysis

Multi-Year Cash Flow Assumptions

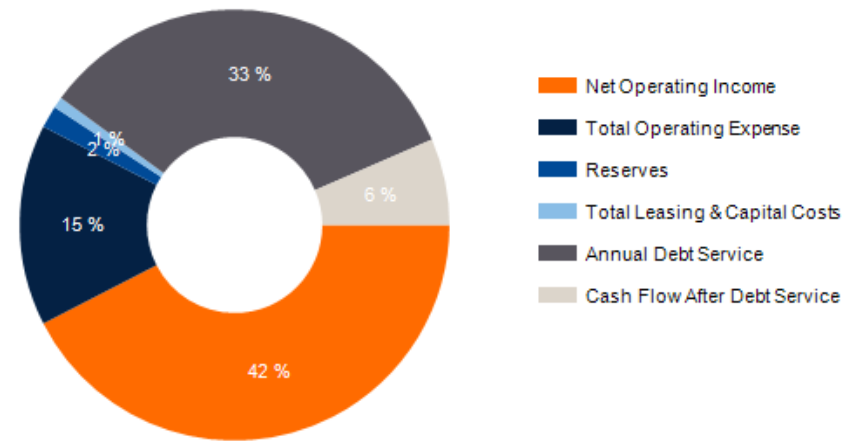
Cash Flow Analysis

Financial Metrics

Disposition Sensitivity Analysis

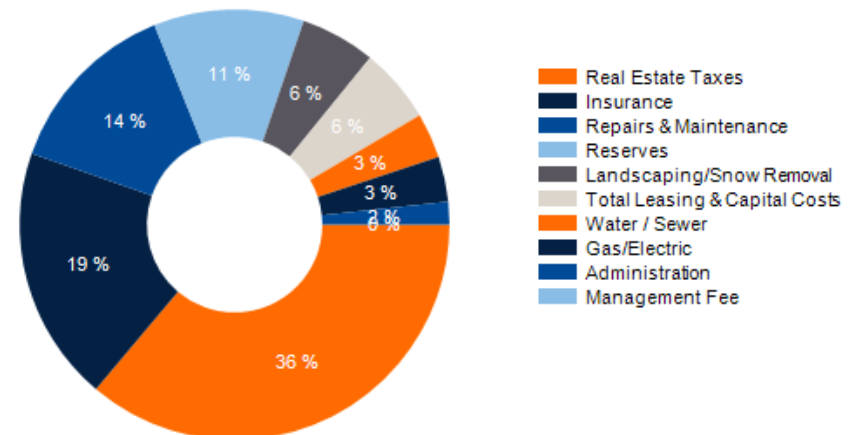
INCOME	CURRENT		PRO FORMA	
Gross Potential Rent	\$136,650	74.8 %	\$136,650	74.8 %
CAM	\$21,864	12.0 %	\$21,864	12.0 %
Real Estate Tax	\$15,961	8.7 %	\$15,961	8.7 %
Insurance	\$8,199	4.5 %	\$8,199	4.5 %
General Vacancy	\$6,833	5.0 %	\$6,833	5.0 %
Concessions	\$2,733	2.0 %	\$2,733	2.0 %
Effective Gross Income	\$173,109		\$173,109	
Less Expenses	\$45,405	26.22 %	\$45,405	26.22 %
Net Operating Income	\$127,703	73.77 %	\$127,703	73.77 %
Annual Debt Service	\$100,671		\$100,671	
Cash flow	\$19,532		\$19,532	
Debt Coverage Ratio	1.27		1.27	

REVENUE ALLOCATION CURRENT



EXPENSES	CURRENT	PRO FORMA
Real Estate Taxes	\$16,000	\$16,000
Insurance	\$8,500	\$8,500
Management Fee	\$8,655	\$8,655
Repairs & Maintenance	\$6,000	\$6,000
Water / Sewer	\$1,500	\$1,500
Landscaping/Snow Removal	\$2,500	\$2,500
Gas/Electric	\$1,500	\$1,500
Administration	\$750	\$750
Total Operating Expense	\$45,405	\$45,405
Reserves	\$5,000	\$5,000
Total Leasing & Capital Costs	\$2,500	\$2,500
Annual Debt Service	\$100,671	\$100,671
% of EGI	26.22 %	26.22 %

DISTRIBUTION OF EXPENSES CURRENT



GLOBAL

Offering Price	\$2,000,000
Analysis Period	10 year(s)
Exit Cap Rate	7.50 %

INCOME - Growth Rates

Gross Potential Rent	3.00 %
CAM	3.00 %
Real Estate Tax	3.00 %
Insurance	3.00 %

EXPENSES - Growth Rates

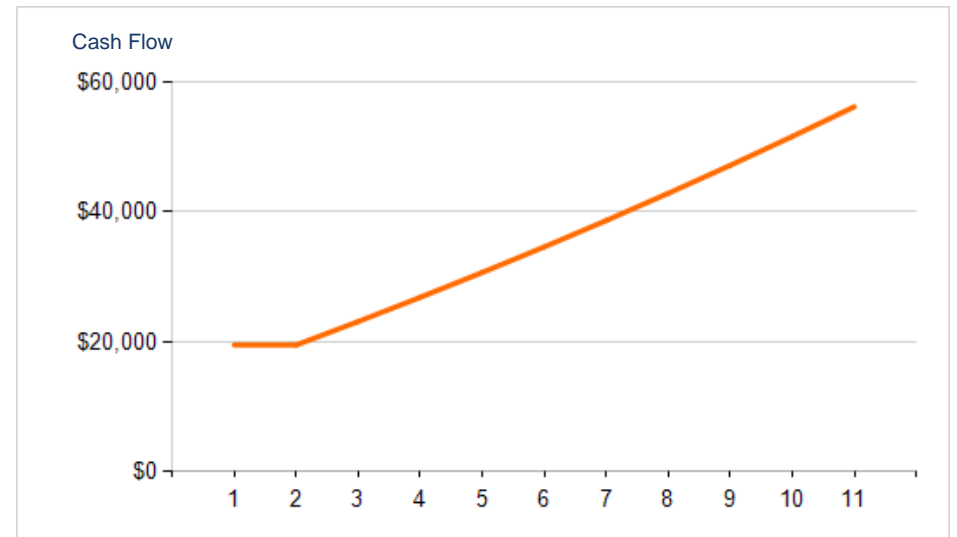
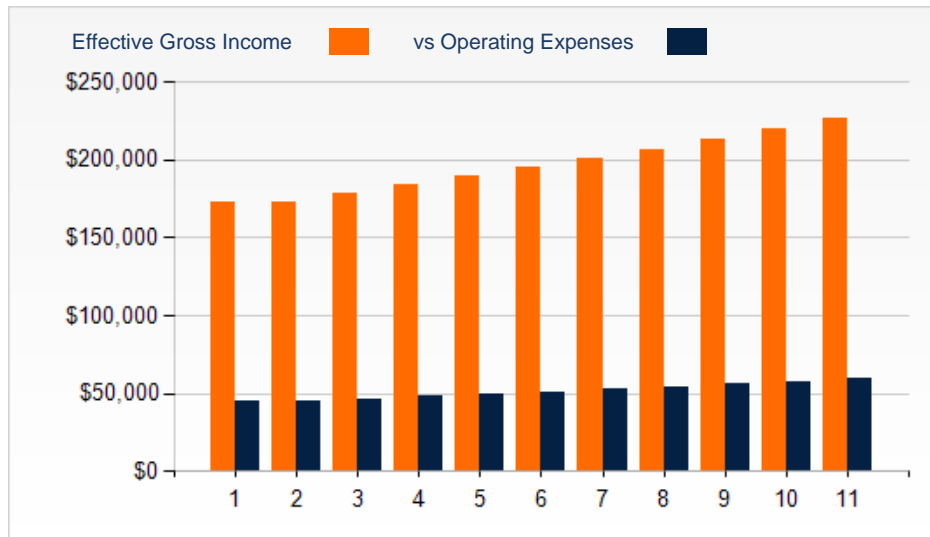
Real Estate Taxes	3.00 %
Insurance	3.00 %
Repairs & Maintenance	3.00 %
Water / Sewer	3.00 %
Landscaping/Snow Removal	3.00 %
Gas/Electric	3.00 %
Administration	3.00 %
Reserves	3.00 %
Total Leasing & Capital Costs	3.00 %

PROPOSED FINANCING

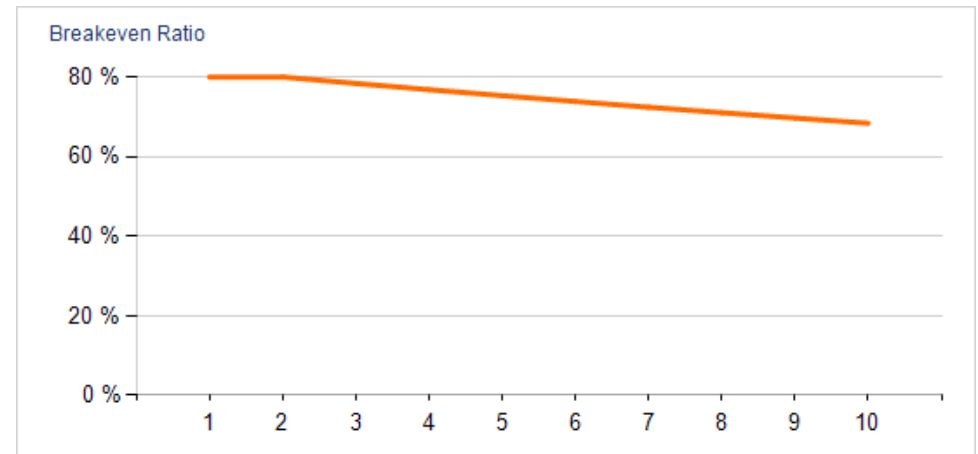
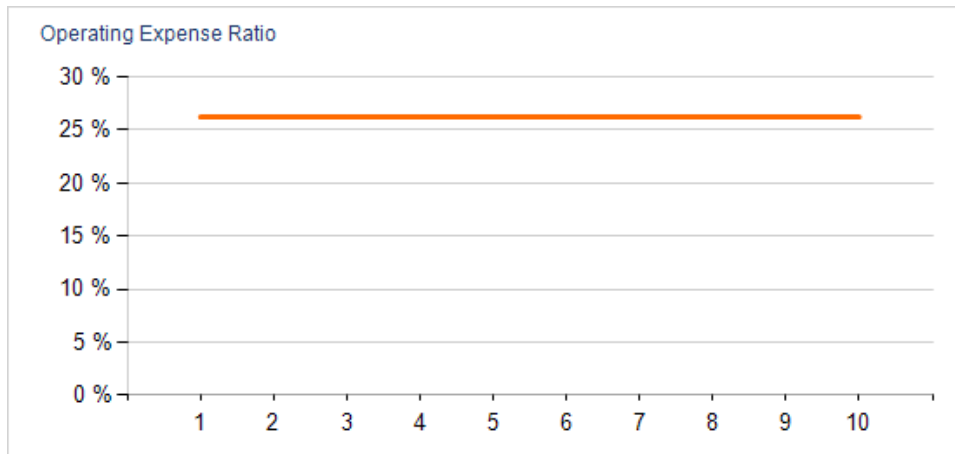
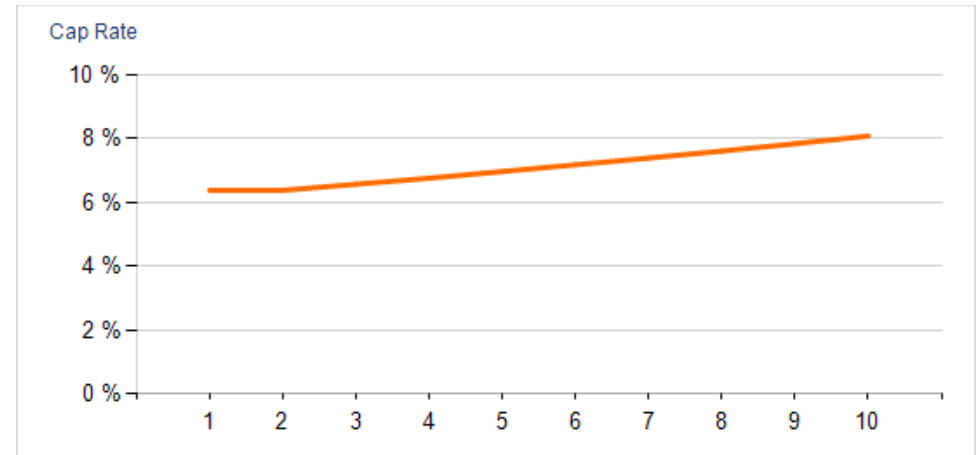
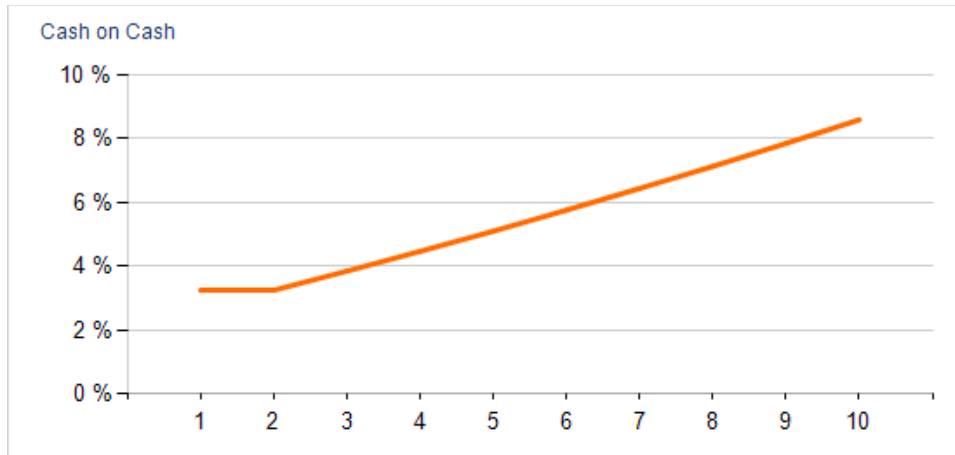
Mortgage	
Loan Type	Amortized
Down Payment	\$600,000
Loan Amount	\$1,400,000
Interest Rate	5.25 %
Loan Terms	5 Years
Annual Debt Service	\$100,671
Loan to Value	70 %
Amortization Period	25 Years

CASH FLOW

Calendar Year	CURRENT	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Potential Revenue											
Gross Rental Income	\$136,650	\$136,650	\$140,750	\$144,972	\$149,321	\$153,801	\$158,415	\$163,167	\$168,062	\$173,104	\$178,297
CAM	\$21,864	\$21,864	\$22,520	\$23,196	\$23,891	\$24,608	\$25,346	\$26,107	\$26,890	\$27,697	\$28,528
Real Estate Tax	\$15,961	\$15,961	\$16,440	\$16,933	\$17,441	\$17,964	\$18,503	\$19,058	\$19,630	\$20,219	\$20,825
Insurance	\$8,199	\$8,199	\$8,445	\$8,698	\$8,959	\$9,228	\$9,505	\$9,790	\$10,084	\$10,386	\$10,698
Gross Potential Income	\$182,674	\$182,674	\$188,154	\$193,799	\$199,613	\$205,601	\$211,769	\$218,122	\$224,666	\$231,406	\$238,348
General Vacancy	-\$6,833	-\$6,833	-\$7,037	-\$7,249	-\$7,466	-\$7,690	-\$7,921	-\$8,158	-\$8,403	-\$8,655	-\$8,915
Concessions	-\$2,733	-\$2,733	-\$2,815	-\$2,899	-\$2,986	-\$3,076	-\$3,168	-\$3,263	-\$3,361	-\$3,462	-\$3,566
Effective Gross Income	\$173,109	\$173,109	\$178,302	\$183,651	\$189,160	\$194,835	\$200,680	\$206,701	\$212,902	\$219,289	\$225,867
Operating Expenses											
Real Estate Taxes	\$16,000	\$16,000	\$16,480	\$16,974	\$17,484	\$18,008	\$18,548	\$19,105	\$19,678	\$20,268	\$20,876
Insurance	\$8,500	\$8,500	\$8,755	\$9,018	\$9,288	\$9,567	\$9,854	\$10,149	\$10,454	\$10,768	\$11,091
Management Fee	\$8,655	\$8,655	\$8,915	\$9,183	\$9,458	\$9,742	\$10,034	\$10,335	\$10,645	\$10,964	\$11,293
Repairs & Maintenance	\$6,000	\$6,000	\$6,180	\$6,365	\$6,556	\$6,753	\$6,956	\$7,164	\$7,379	\$7,601	\$7,829
Water / Sewer	\$1,500	\$1,500	\$1,545	\$1,591	\$1,639	\$1,688	\$1,739	\$1,791	\$1,845	\$1,900	\$1,957
Landscaping/Snow Removal	\$2,500	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814	\$2,898	\$2,985	\$3,075	\$3,167	\$3,262
Gas/Electric	\$1,500	\$1,500	\$1,545	\$1,591	\$1,639	\$1,688	\$1,739	\$1,791	\$1,845	\$1,900	\$1,957
Administration	\$750	\$750	\$773	\$796	\$820	\$844	\$869	\$896	\$922	\$950	\$979
Total Operating Expense	\$45,405	\$45,405	\$46,768	\$48,171	\$49,616	\$51,104	\$52,637	\$54,216	\$55,843	\$57,518	\$59,244
Net Operating Income	\$127,703	\$127,703	\$131,534	\$135,480	\$139,545	\$143,731	\$148,043	\$152,484	\$157,059	\$161,770	\$166,624
Reserves	\$5,000	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524
Total Leasing & Capital Costs	\$2,500	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814	\$2,898	\$2,985	\$3,075	\$3,167	\$3,262
Annual Debt Service	\$100,671	\$100,671	\$100,671	\$100,671	\$100,671	\$100,671	\$100,671	\$100,671	\$100,671	\$100,671	\$100,671
Cash Flow	\$19,532	\$19,532	\$23,138	\$26,852	\$30,678	\$34,618	\$38,677	\$42,858	\$47,163	\$51,599	\$56,167



Calendar Year	CURRENT	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cash on Cash Return b/t	3.26 %	3.26 %	3.86 %	4.48 %	5.11 %	5.77 %	6.45 %	7.14 %	7.86 %	8.60 %	9.36 %
CAP Rate	6.39 %	6.39 %	6.58 %	6.77 %	6.98 %	7.19 %	7.40 %	7.62 %	7.85 %	8.09 %	8.33 %
Debt Coverage Ratio	1.27	1.27	1.31	1.35	1.39	1.43	1.47	1.51	1.56	1.61	1.66
Operating Expense Ratio	26.22 %	26.22 %	26.22 %	26.22 %	26.22 %	26.22 %	26.22 %	26.22 %	26.22 %	26.22 %	26.22 %
Loan to Value	70.05 %	68.67 %	67.19 %	65.57 %	64.02 %	62.31 %	60.46 %	58.54 %	56.55 %	54.47 %	52.23 %
Breakeven Ratio	79.97 %	79.97 %	78.36 %	76.80 %	75.29 %	73.82 %	72.39 %	71.01 %	69.67 %	68.36 %	67.09 %



5 YEAR SENSITIVITY ANALYSIS

EXIT CAP RATE	PROJECTED SALES PRICE	SALES PRICE PSF	PROCEEDS AFTER LOAN PAYOFF	IRR
6.50%	\$2,211,245	\$0	\$965,269	11.68%
6.75%	\$2,129,347	\$0	\$883,371	10.22%
7.00%	\$2,053,299	\$0	\$807,323	8.78%
7.25%	\$1,982,496	\$0	\$736,519	7.33%
7.50%	\$1,916,412	\$0	\$670,436	5.89%
7.75%	\$1,854,593	\$0	\$608,616	4.43%
8.00%	\$1,796,637	\$0	\$550,660	2.97%
8.25%	\$1,742,193	\$0	\$496,217	1.49%
8.50%	\$1,690,952	\$0	\$444,976	-0.02%

10 YEAR SENSITIVITY ANALYSIS

EXIT CAP RATE	PROJECTED SALES PRICE	SALES PRICE PSF	PROCEEDS AFTER LOAN PAYOFF	IRR
6.50%	\$2,563,439	\$0	\$1,432,790	11.96%
6.75%	\$2,468,497	\$0	\$1,337,847	11.40%
7.00%	\$2,380,336	\$0	\$1,249,687	10.86%
7.25%	\$2,298,256	\$0	\$1,167,606	10.33%
7.50%	\$2,221,647	\$0	\$1,090,998	9.80%
7.75%	\$2,149,981	\$0	\$1,019,332	9.29%
8.00%	\$2,082,794	\$0	\$952,145	8.78%
8.25%	\$2,019,679	\$0	\$889,030	8.27%
8.50%	\$1,960,277	\$0	\$829,627	7.78%