

## Girdwood Income Property Construction Analysis

The following analysis was created by Kevin Cross to determine the necessary rental rate on a income/rental property built in Girdwood AK to break even, with no profit margin for the owner, and no income reserves.

Assumptions:

- New Construction 5800 sq foot 6 plex
- Units are 900 sq ft, 2 bed one bath, W/D in unit.
- \$288 a Sq ft to build
- \$250,000 Land cost.
- \$24,100 Prop Tax (13.6 mil)

Price Inputs							
Price	\$1,920,400.00		Rent 1	\$2,875.00	2bd 1bth	Rent 11	
Loan Type	Conventional		Rent 2	\$2,875.00	2bd 1bth	Rent 12	
% Down	20.0%		Rent 3	\$2,875.00	2bd 1bth	Rent 13	
Interest Rate	7.0%		Rent 4	\$2,875.00	2bd 1bth	Rent 14	
Haz Insurance	\$9,602.00	0.50%	Rent 5	\$2,875.00	2bd 1bth	Rent 15	
Annual Taxes	\$24,100.00		Rent 6	\$2,875.00	2bd 1bth	Rent 16	
Closing Costs	\$38,408		Rent 7	\$0.00		Rent 17	
Closing %	2%		Rent 8	\$0.00		Rent 18	
Amortization	30	Years	Rent 9	\$0.00		Rent 19	
	\$10,161.90		Rent 10	\$0.00		Rent 20	
Monthly Payment	\$12,970.40						
Income Analysis							
Income				Utilities Breakdown			
Rental Income	\$17,250.00			Water/Sewer		\$250.00	
Coin Op Laundry	\$0.00			Gas		\$385.00	
Total Income	\$17,250.00			Electric		\$45.00	
				Refuse <		\$230.00	
Expense				Lawn / Snow		\$200.00	
Mortgage Payment	\$10,161.90			Other	Janitorail	\$0.00	
Taxes	\$2,008.33			Other	Security	\$0.00	
Insurance	\$800.17			Total Utilities		\$1,110.00	
Utilities	\$1,110.00						
Management	\$1,725.00	10%	Rate	Annual Income		\$207,000.00	
Reserves	\$862.50	5%	Rate	Annual Expense		\$206,224.77	
Vacancy	\$517.50	3%	Rate	Annual Net Income		\$775.23	
MISC				Annual Reserves		\$16,560.00	
Total Expenses	\$17,185.40			Total Monthly Cash		\$64.60	
Financial Outcomes							
Cash on Cash	0.2%	(10-12% Minimum)		Down Payment		\$422,488.00	
Capitalization Rate	6.4%	(7-8% Minimum)		Desired Captilization	8%	\$1,533,975	
Debt Cov Ratio	1.01	(1.25 Minimum)		Desired ROI	0%	\$0.00	
Principal Reduction	\$3,395.27	(Monthly)		Total Monthly yield		\$3,459.87	
Monthly Tax Savings	\$0.00			Total Benefit Over 5 Years		\$207,592.18	
Tax Bracket				Gross Rent Multiplier		0.90%	

The minimum rent for self-sufficiency would need to be **\$2875 plus Electric.**

To meet the investor minimums of a 1.25 DSCR, rent would need to be **\$3400 plus Electric.**