

21 N. SAGINAW STREET

Pontiac, Michigan

Offered for Sale by:

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INVESTMENT INFORMATION

PROPERTY: 21 North Saginaw Street
Pontiac, MI 48342

DESCRIPTION: A well maintained 3-story downtown retail building with full basement and loft units on the 2nd and 3rd levels (4 units each w/ separately metered utilities). Metered parking in front of the building and municipal lot nearby.

LOCATION/MARKET: Located on the west side of N. Saginaw, north of Pike Street and south of Huron (M-59)

SELLER'S MOTIVATION: Seller has moved and is no longer running business from site.

PARCEL ID#: 14-29-476-016

LEGAL DESCRIPTION: T3N, R10E, SEC 29 ORIGINAL PLAT LOT 92 S
21 FT OF N 37 FT

ZONING: Downtown Business District

UTILITIES: Gas, Water and Electric on site

SURROUNDING BUSINESSES: Pontiac Grill, Pike Street, Strand Theater, POH Medical Center, Bo's Brewery

SIZE: Building 11,552 Square Foot
1st Floor 2,888 Square Foot (*Available*)

CURRENT OCCUPANCY: 1st Floor Vacant
2nd & 3rd Floor Occupied w/ loft office/apartment

PRICE: ~~Price Reduced \$410,000.00~~ \$350,000.00
\$30.30 per Square Foot

TERMS OF SALE: Cash, New Mortgage, or Terms Acceptable to the Seller

CURRENT INCOME: 21 C (1st Floor) Vacant
2A, 2B, 3A, 3B \$550.00 ea. per mo.
(\$2,200.00 per mo. total income)

NOTE: 1st Floor Available for Retail/Office, with kitchen-apartment

Proforma Income Statement

21 N. Saginaw

The following is an AS IS analysis of 21 N. Saginaw in Downtown Pontiac, MI if purchased at the asking price. The 1st Floor had a former Hair Salon tenant in the front section of about 1,600 square feet . A 1st floor apartment is adjacent to this retail tenant (unit 1B) and is currently occupied but it could provide a live-in situation for a new owner or expansion of the 1st Floor retail presence.

Analysis is based on a 7% mortgage with a 20-year amortization with 25% down payment. There is a 5% vacancy factor built into the analysis.

An investment return can be improved if any of the aforementioned variables change.

	2009	2010	2011	2012	2013
Gross Income					
Hair Salon	\$14,400	\$15,000	\$15,600	\$16,200	\$16,800
1B - Vacant	5,400	5,562	5,729	5,901	6,078
2A	6,600	6,798	7,002	7,212	7,428
2B	6,600	6,798	7,002	7,212	7,428
3A	7,200	7,416	7,638	7,868	8,104
3B	8,400	8,652	8,912	9,179	9,454
Total Gross Income	\$48,600	\$50,226	\$51,883	\$53,571	\$55,292
Less: Vacancy & Credit Loss	2,430	2,511	2,594	2,679	2,765
Effective Income	\$46,170	\$47,715	\$49,289	\$50,893	\$52,528
Less: Operating Expenses					
Taxes	1,204	1,204	1,204	1,204	1,204
Utilities	3,100	3,100	3,100	3,100	3,100
Maintenance-Supplies	2,400	2,400	2,400	2,400	2,400
Telephone	420	420	420	420	420
Supplies/Repairs/Replacements	3,214	3,214	3,214	3,214	3,214
Total Operating Expenses	\$10,338	\$10,338	\$10,338	\$10,338	\$10,338
Net Operating Income	\$35,832	\$37,377	\$38,951	\$40,555	\$42,190
Less: Debt Service	24,422	24,422	24,422	24,422	24,422
Net Operating Cash Flow	\$11,410	\$12,955	\$14,529	\$16,133	\$17,768
Taxable Income and Taxes					
(Losses Carried Forward)					
Taxable Revenues	\$46,170	\$47,715	\$49,289	\$50,893	\$52,528
Less: Deducted Expenses	10,338	10,338	10,338	10,338	10,338
Less: Interest Expense	18,177	17,726	17,242	16,723	16,166
Less: Amortized Points	131	131	131	131	131
Less: Depreciation	8,600	8,974	8,974	8,974	8,600
Ordinary Income	\$8,923	\$10,545	\$12,603	\$14,726	\$17,292
Taxable Income	8,923	10,545	12,603	14,726	17,292

(Cum Suspended Losses)	0	0	0	0	0
Taxes Due (- = Savings)	3,123	3,691	4,411	5,154	6,052
Cash Flow After Tax	\$8,287	\$9,264	\$10,118	\$10,979	\$11,716
Sale Proceeds:					
Sale Value	\$358,320	\$373,767	\$389,506	\$405,547	\$421,898
Less: Sale Costs (6%)	21,499	22,426	23,370	24,333	25,314
Less: Loan Repayment	256,255	249,559	242,379	234,680	226,424
Sale Proceeds Before Tax	80,566	101,782	123,757	146,535	170,160
Less: Taxes due to Sale	(4,350)	1,309	6,683	11,235	15,830
Sale Proceeds After Tax	84,915	100,473	117,074	135,300	154,331
Ratio Analysis:					
Profitability Ratios					
Capitalization Rate	10.24%	10.68%	11.13%	11.59%	12.05%
Cash on Cash Before Tax	11.40%	12.94%	14.51%	16.11%	17.75%
Debt Coverage Ratio	1.467	1.530	1.595	1.661	1.728
Breakeven Occupancy	71.5%	69.2%	67.0%	64.9%	62.9%
IRR Before Tax		13.7%	20.5%	23.1%	24.2%

The data and calculations presented herein, while not guaranteed,
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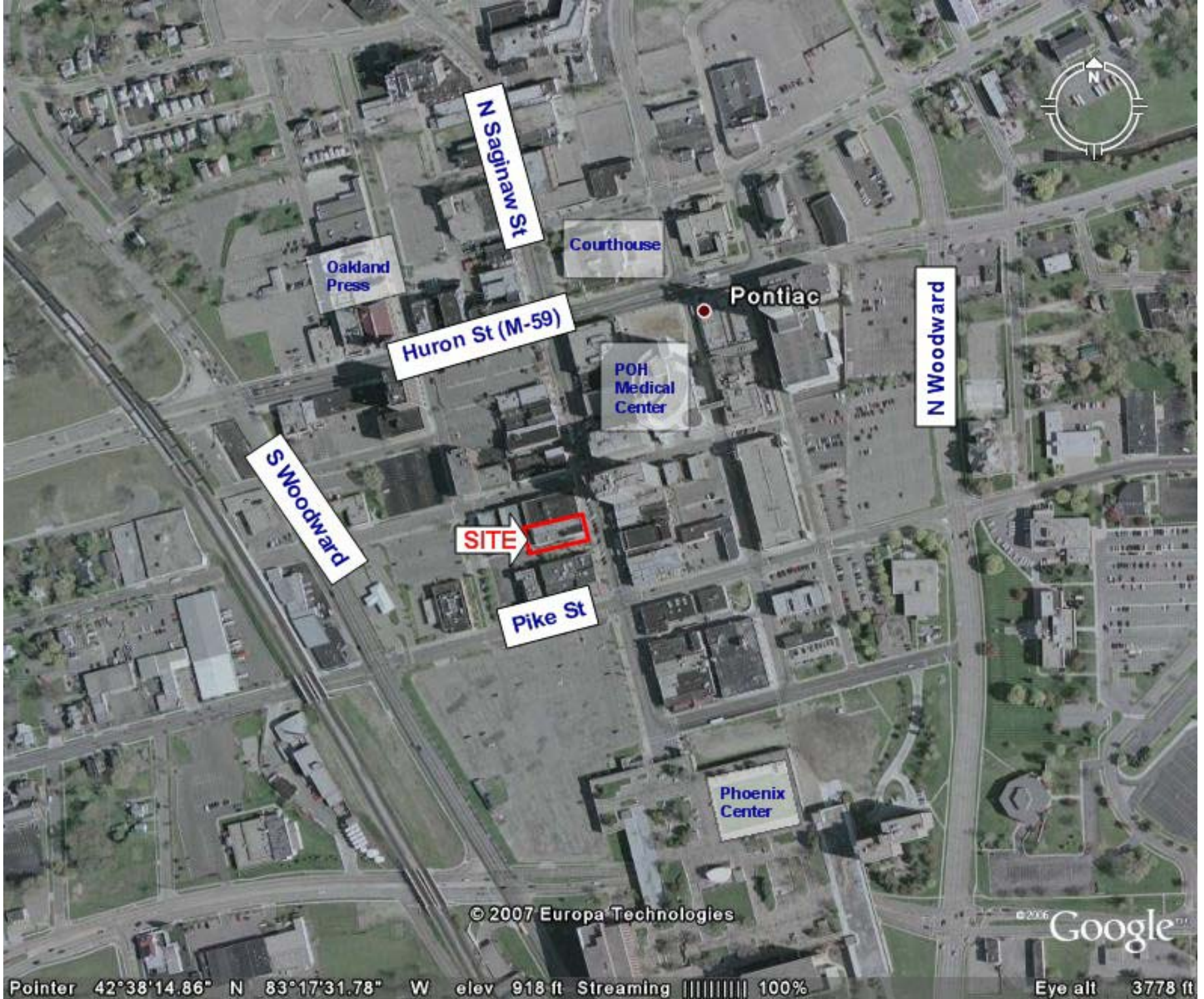
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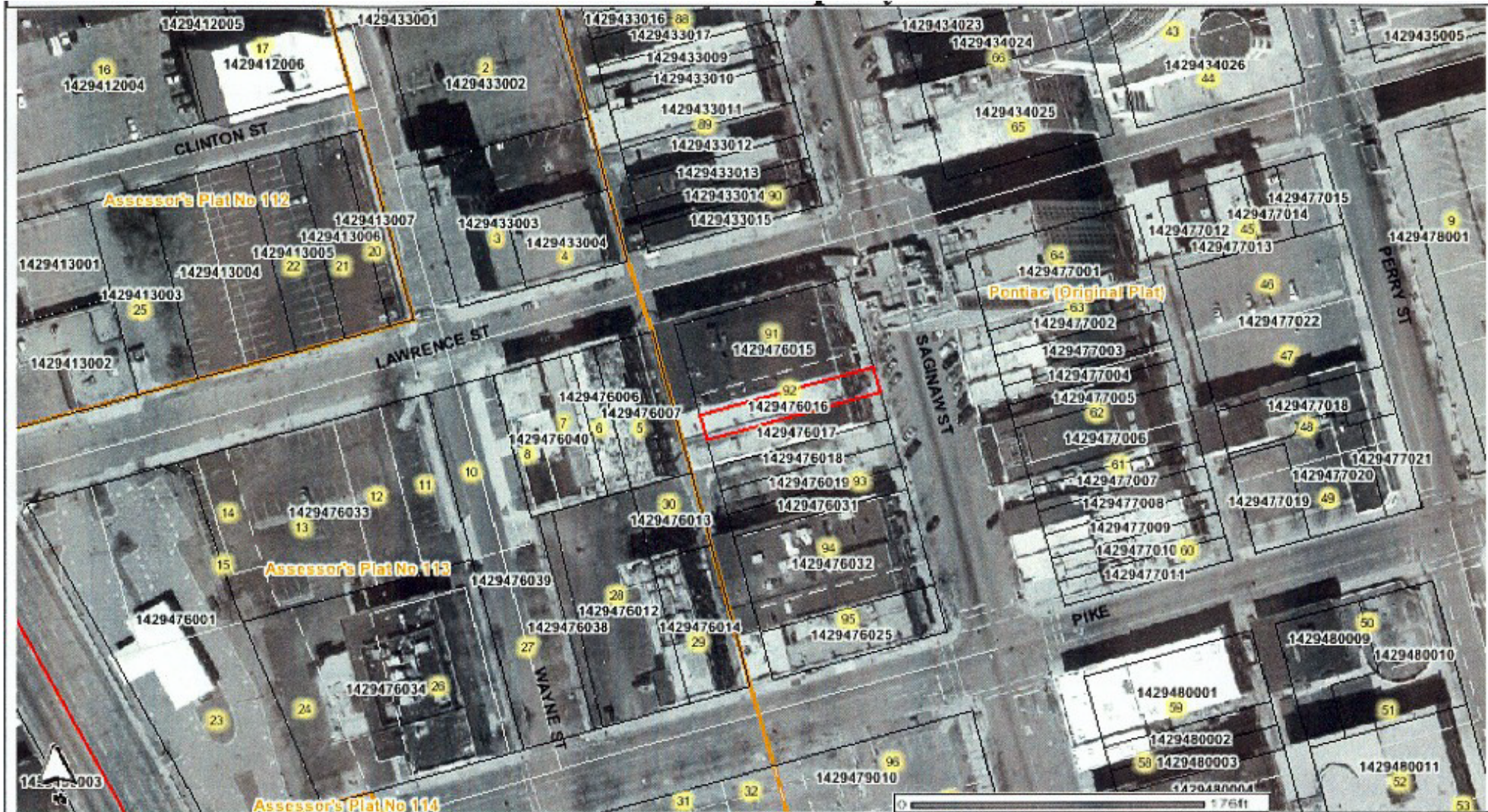


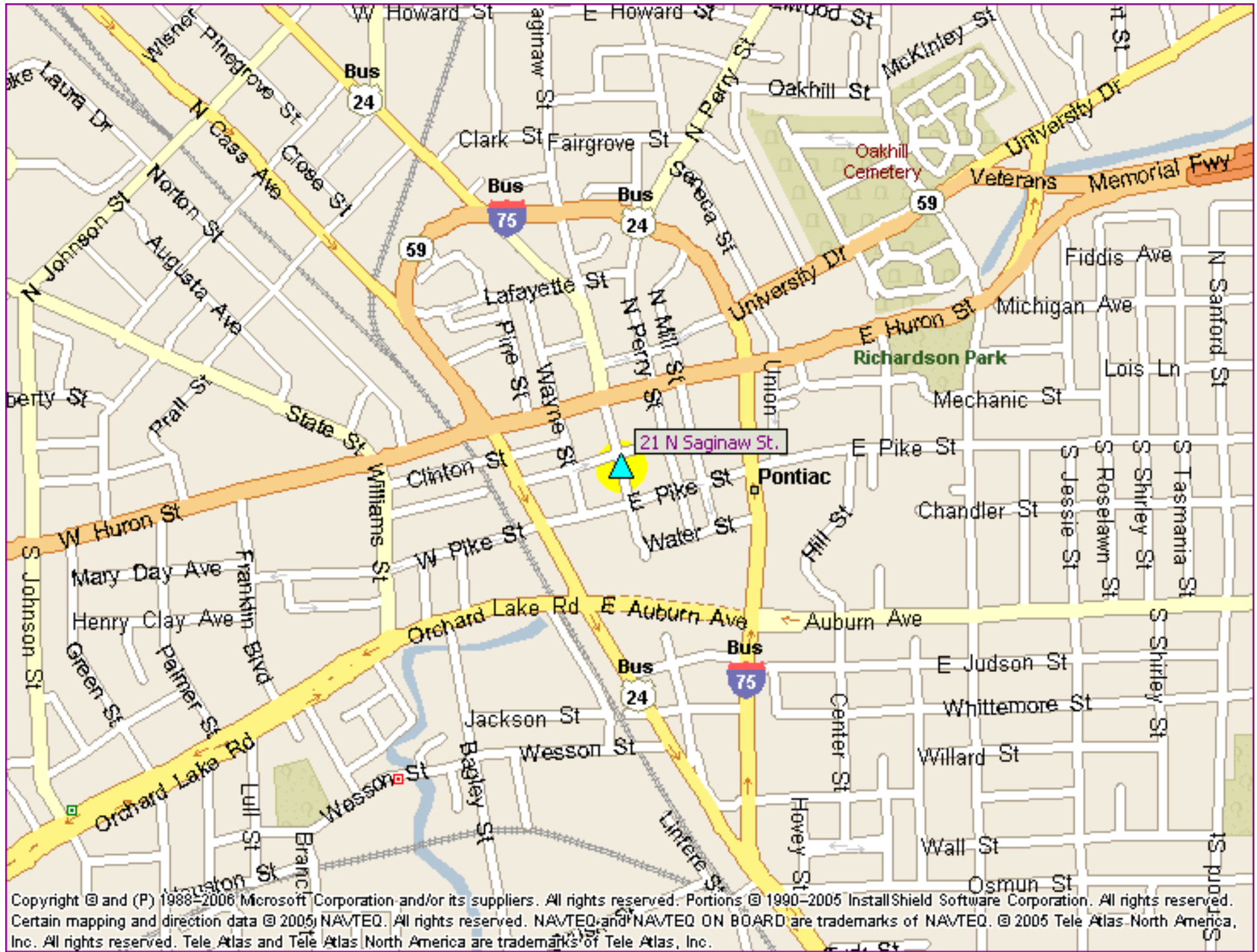
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