

GENDRON

COMMERCIAL BOSTON

Berlin Rite Aid

200 Pleasant Street, Berlin, NH



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ANALYSIS

Analysis Date Scenario **May 2016 Parking Lot Included**

PROPERTY

Property Berlin Rite Aid
Property Address 200 Pleasant Street
Berlin, NH



PURCHASE INFORMATION

Property Type Retail
Purchase Price \$1,145,000
Fair Market Value \$1,145,000
Tenants 2
Total Rentable Sq. Ft. 7,520
Resale Valuation 2.5% (annual appreciation)
Resale Expenses 4.0%

FINANCIAL INFORMATION

Down Payment \$286,250
Closing Costs \$10,000
LT Capital Gain 28.00%
Federal Tax Rate 35.0%
Discount Rate 6.00%

LOANS

	Debt	Term	Amortization	Rate	Payment	LO Costs
Fixed	\$858,750	25 years	25 years	4.0%	\$4,533	

INCOME & EXPENSES

Gross Operating Income \$93,000
Monthly GOI \$7,750
Total Annual Expenses (\$11,309)
Monthly Expenses (\$942)

CONTACT INFORMATION

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The subject property is comprised of two parcels in Berlin NH. One lot is a corner lot located at the corner of Mason Street and Pleasant St with an address of 200 Pleasant Street in Berlin, NH. Current Tenant is Rite Aid. 7,520 +/- SF building and sits on .38 Acres of land. Approximately 18+/- parking spots. Current Lease extension period expires 1/31/19. Rite Aid has (2) additional 5-year option periods.



The second lot is located next to the Rite Aid parcel on Pleasant St. It is a vacant lot used for additional parking. This is a 0.13 AC lot which runs until 1/31/19. There are 3 remaining options to extended this lease agreement for 5 year periods pushing this lease out until 2034, should all renewals be used.

Property Information:

Effective living ares: 7,520

Total Lot Size between two parcel: 0.51 AC

218 FT of Frontage on Pleasant Street

130 FT of Frontage on Mason Street

Book/Page: 661/212

Approximately 5,800 +/- cars a day!

Rite Aid Annual Income: \$84,000.00

Parking Lot Lease Annual Income: \$9,000

Total Annual Income: \$93,000

PROFESSIONAL BIO

John R. Gendron is a commercial real estate broker specializing in the selling, leasing and development of all types of commercial properties. He earned the designation of CCIM (Certified Commercial Investment Member) and holds several real estate broker licenses including Maine, New Hampshire, New York, Massachusetts, Florida and Connecticut. He is a past President, Vice President and Treasurer of the York County Board of Realtors, past President of Maine Homebuilders Association, past Director of the State of Maine Realtors Association, past Director of Portland Chamber of Commerce, past Director of Greater Portland Landmarks; past Member of Mercy Hospital Board of Trustees, and past Director of McAuley Residence.





Front View



Rear View



Inside



Inside



Citizens Across Street

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Potential Lease Revenue										
Base Rental Income	\$93,000	\$93,000	\$96,450	\$106,800	\$106,800	\$106,800	\$106,800	\$110,698	\$122,390	\$122,390
Lease-up Vacancy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent Abatement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Turnover Vacancy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expense Reimbursements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Potential Lease Costs										
Tenant Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lease Commissions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Lease Cash Flow	\$93,000	\$93,000	\$96,450	\$106,800	\$106,800	\$106,800	\$106,800	\$110,698	\$122,390	\$122,390
Additional Information										
Sq. Ft. Expires	0	0	0	0	0	0	0	0	0	0
Dollars Expires	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Description	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Potential Lease Revenue										
Base Rental Income	\$122,390	\$122,390	\$122,665	\$123,490	\$123,490	\$123,490	\$123,490	\$123,490	\$123,490	\$123,490
Lease-up Vacancy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent Abatement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Turnover Vacancy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expense Reimbursements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Potential Lease Costs										
Tenant Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lease Commissions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Lease Cash Flow	\$122,390	\$122,390	\$122,665	\$123,490	\$123,490	\$123,490	\$123,490	\$123,490	\$123,490	\$123,490
Additional Information										
Sq. Ft. Expires	0	0	7,520	7,520	7,520	7,520	7,520	7,520	7,520	7,520
Dollars Expires	\$0	\$0	\$111,090	\$111,090	\$111,090	\$111,090	\$111,090	\$123,490	\$123,490	\$123,490

ACQUISITION COSTS

Purchase Price, Points and Closing Costs	\$1,155,000
Investment - Cash	\$297,750
First Loan	\$858,750

INVESTMENT INFORMATION

Purchase Price	\$1,145,000
Price per Tenant	\$572,500
Price per Sq. Ft.	\$152.26

INCOME, EXPENSES & CASH FLOW

Gross Scheduled Income	\$93,000
Total Vacancy and Credits	\$0
Operating Expenses	(\$11,309)
Net Operating Income	\$81,692
Debt Service	(\$54,394)
Cash Flow Before Taxes	\$27,298
Total Interest (Debt Service)	(\$33,978)
Depreciation and Amortization	(\$28,378)
Taxable Income (Loss)	\$19,335
Tax Savings (Costs)	(\$6,767)
Cash Flow After Taxes	\$20,531

FINANCIAL INDICATORS

Cash on Cash Return Before Taxes	9.17%
Optimal Internal Rate of Return (yr 6)	15.24%
Debt Coverage Ratio	1.50
Capitalization Rate	7.13%
Gross Income / Square Feet	\$12.37
Gross Expenses / Square Feet	(\$1.50)
Operating Expense Ratio	12.16%

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
GROSS SCHEDULED INCOME	\$93,000	\$93,000	\$96,450	\$106,800	\$106,800	\$106,800	\$106,800	\$110,698	\$122,390	\$122,390
Total Operating Expenses	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)
NET OPERATING INCOME	\$81,692	\$81,692	\$85,142	\$95,492	\$95,492	\$95,492	\$95,492	\$99,389	\$111,082	\$111,082
Loan Payment	(\$54,394)	(\$54,394)	(\$54,394)	(\$54,394)	(\$54,394)	(\$54,394)	(\$54,394)	(\$54,394)	(\$54,394)	(\$54,394)
NET CASH FLOW (b/t)	\$27,298	\$27,298	\$30,748	\$41,098	\$41,098	\$41,098	\$41,098	\$44,995	\$56,688	\$56,688
Cash On Cash Return b/t	9.17%	9.17%	10.33%	13.80%	13.80%	13.80%	13.80%	15.11%	19.04%	19.04%
NET OPERATING INCOME	\$81,692	\$81,692	\$85,142	\$95,492	\$95,492	\$95,492	\$95,492	\$99,389	\$111,082	\$111,082
Depreciation	(\$28,378)	(\$29,614)	(\$29,614)	(\$29,614)	(\$29,614)	(\$29,614)	(\$29,614)	(\$29,614)	(\$29,614)	(\$29,614)
Loan Interest	(\$33,978)	(\$33,147)	(\$32,281)	(\$31,380)	(\$30,443)	(\$29,467)	(\$28,451)	(\$27,394)	(\$26,294)	(\$25,149)
TAXABLE INCOME (LOSS)	\$19,335	\$18,931	\$23,246	\$34,497	\$35,435	\$36,411	\$37,426	\$42,381	\$55,173	\$56,318
Income Taxes	(\$6,767)	(\$6,626)	(\$8,136)	(\$12,074)	(\$12,402)	(\$12,744)	(\$13,099)	(\$14,833)	(\$19,311)	(\$19,711)
CASH FLOW (a/t)	\$20,531	\$20,672	\$22,612	\$29,024	\$28,696	\$28,354	\$27,999	\$30,162	\$37,377	\$36,977
Cash On Cash Return a/t	6.90%	6.94%	7.59%	9.75%	9.64%	9.52%	9.40%	10.13%	12.55%	12.42%

Footnotes: b/t = before taxes; a/t = after taxes

Description	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
GROSS SCHEDULED INCOME	\$122,390	\$122,390	\$122,665	\$123,490	\$123,490	\$123,490	\$123,490	\$123,490	\$123,490	\$123,490
Total Operating Expenses	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)
NET OPERATING INCOME	\$111,082	\$111,082	\$111,357	\$112,182	\$112,182	\$112,182	\$112,182	\$112,182	\$112,182	\$112,182
Loan Payment	(\$54,394)	(\$54,394)	(\$54,394)	(\$54,394)	(\$54,394)	(\$54,394)	(\$54,394)	(\$54,394)	(\$54,394)	(\$54,394)
NET CASH FLOW (b/t)	\$56,688	\$56,688	\$56,963	\$57,788	\$57,788	\$57,788	\$57,788	\$57,788	\$57,788	\$57,788
Cash On Cash Return b/t	19.04%	19.04%	19.13%	19.41%	19.41%	19.41%	19.41%	19.41%	19.41%	19.41%
NET OPERATING INCOME	\$111,082	\$111,082	\$111,357	\$112,182	\$112,182	\$112,182	\$112,182	\$112,182	\$112,182	\$112,182
Depreciation	(\$29,614)	(\$29,614)	(\$29,614)	(\$29,614)	(\$29,614)	(\$29,614)	(\$29,614)	(\$29,614)	(\$29,614)	(\$28,389)
Loan Interest	(\$23,958)	(\$22,718)	(\$21,427)	(\$20,084)	(\$18,687)	(\$17,232)	(\$15,718)	(\$14,142)	(\$12,502)	(\$10,795)
TAXABLE INCOME (LOSS)	\$57,509	\$58,749	\$60,315	\$62,483	\$63,881	\$65,335	\$66,850	\$68,425	\$70,065	\$72,997
Income Taxes	(\$20,128)	(\$20,562)	(\$21,110)	(\$21,869)	(\$22,358)	(\$22,867)	(\$23,397)	(\$23,949)	(\$24,523)	(\$25,549)
CASH FLOW (a/t)	\$36,560	\$36,126	\$35,853	\$35,919	\$35,430	\$34,920	\$34,391	\$33,839	\$33,265	\$32,239
Cash On Cash Return a/t	12.28%	12.13%	12.04%	12.06%	11.90%	11.73%	11.55%	11.36%	11.17%	10.83%

Footnotes: b/t = before taxes;a/t = after taxes

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	12.62	12.94	12.78	11.83	12.13	12.43	12.74	12.60	11.68	11.98
Capitalization Rate	7.13%	7.13%	7.44%	8.34%	8.34%	8.34%	8.34%	8.68%	9.70%	9.70%
Cash On Cash Return b/t	9.17%	9.17%	10.33%	13.80%	13.80%	13.80%	13.80%	15.11%	19.04%	19.04%
Cash On Cash Return a/t	6.90%	6.94%	7.59%	9.75%	9.64%	9.52%	9.40%	10.13%	12.55%	12.42%
Debt Coverage Ratio	1.50	1.50	1.57	1.76	1.76	1.76	1.76	1.83	2.04	2.04
Gross Income per Sq. Ft.	\$12.37	\$12.37	\$12.83	\$14.20	\$14.20	\$14.20	\$14.20	\$14.72	\$16.28	\$16.28
Expenses per Sq. Ft.	(\$1.50)	(\$1.50)	(\$1.50)	(\$1.50)	(\$1.50)	(\$1.50)	(\$1.50)	(\$1.50)	(\$1.50)	(\$1.50)
Net Income Multiplier	14.37	14.73	14.48	13.24	13.57	13.91	14.25	14.04	12.87	13.19
Operating Expense Ratio	12.16%	12.16%	11.72%	10.59%	10.59%	10.59%	10.59%	10.22%	9.24%	9.24%
Loan To Value Ratio	71.43%	67.92%	64.47%	61.08%	57.74%	54.46%	51.22%	48.04%	44.90%	41.81%

Footnotes: b/t = before taxes; a/t = after taxes

Description	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Gross Rent Multiplier	12.28	12.58	12.87	13.10	13.43	13.76	14.11	14.46	14.82	15.19
Capitalization Rate	9.70%	9.70%	9.73%	9.80%	9.80%	9.80%	9.80%	9.80%	9.80%	9.80%
Cash On Cash Return b/t	19.04%	19.04%	19.13%	19.41%	19.41%	19.41%	19.41%	19.41%	19.41%	19.41%
Cash On Cash Return a/t	12.28%	12.13%	12.04%	12.06%	11.90%	11.73%	11.55%	11.36%	11.17%	10.83%
Debt Coverage Ratio	2.04	2.04	2.05	2.06	2.06	2.06	2.06	2.06	2.06	2.06
Gross Income per Sq. Ft.	\$16.28	\$16.28	\$16.31	\$16.42	\$16.42	\$16.42	\$16.42	\$16.42	\$16.42	\$16.42
Expenses per Sq. Ft.	(\$1.50)	(\$1.50)	(\$1.50)	(\$1.50)	(\$1.50)	(\$1.50)	(\$1.50)	(\$1.50)	(\$1.50)	(\$1.50)
Net Income Multiplier	13.52	13.86	14.17	14.42	14.78	15.15	15.53	15.92	16.32	16.72
Operating Expense Ratio	9.24%	9.24%	9.22%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%
Loan To Value Ratio	38.76%	35.76%	32.80%	29.88%	27.00%	24.15%	21.34%	18.57%	15.83%	13.12%

Footnotes: b/t = before taxes; a/t = after taxes

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Rental Income	\$93,000	\$93,000	\$96,450	\$106,800	\$106,800	\$106,800	\$106,800	\$110,698	\$122,390	\$122,390
GROSS SCHEDULED INCOME	\$93,000	\$93,000	\$96,450	\$106,800	\$106,800	\$106,800	\$106,800	\$110,698	\$122,390	\$122,390
GROSS OPERATING INCOME	\$93,000	\$93,000	\$96,450	\$106,800	\$106,800	\$106,800	\$106,800	\$110,698	\$122,390	\$122,390
Expenses										
Replacement Reserves	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)
Property & Liability Insurance	(\$2,200)	(\$2,200)	(\$2,200)	(\$2,200)	(\$2,200)	(\$2,200)	(\$2,200)	(\$2,200)	(\$2,200)	(\$2,200)
Parking Lot Taxes	(\$335)	(\$335)	(\$335)	(\$335)	(\$335)	(\$335)	(\$335)	(\$335)	(\$335)	(\$335)
Taxes - Real Estate	(\$7,274)	(\$7,274)	(\$7,274)	(\$7,274)	(\$7,274)	(\$7,274)	(\$7,274)	(\$7,274)	(\$7,274)	(\$7,274)
TOTAL OPERATING EXPENSES	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)
NET OPERATING INCOME	\$81,692	\$81,692	\$85,142	\$95,492	\$95,492	\$95,492	\$95,492	\$99,389	\$111,082	\$111,082

Description	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Rental Income	\$122,390	\$122,390	\$122,665	\$123,490	\$123,490	\$123,490	\$123,490	\$123,490	\$123,490	\$123,490
GROSS SCHEDULED INCOME	\$122,390	\$122,390	\$122,665	\$123,490	\$123,490	\$123,490	\$123,490	\$123,490	\$123,490	\$123,490
GROSS OPERATING INCOME	\$122,390	\$122,390	\$122,665	\$123,490	\$123,490	\$123,490	\$123,490	\$123,490	\$123,490	\$123,490
Expenses										
Replacement Reserves	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)
Property & Liability Insurance	(\$2,200)	(\$2,200)	(\$2,200)	(\$2,200)	(\$2,200)	(\$2,200)	(\$2,200)	(\$2,200)	(\$2,200)	(\$2,200)
Parking Lot Taxes	(\$335)	(\$335)	(\$335)	(\$335)	(\$335)	(\$335)	(\$335)	(\$335)	(\$335)	(\$335)
Taxes - Real Estate	(\$7,274)	(\$7,274)	(\$7,274)	(\$7,274)	(\$7,274)	(\$7,274)	(\$7,274)	(\$7,274)	(\$7,274)	(\$7,274)
TOTAL OPERATING EXPENSES	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)	(\$11,309)
NET OPERATING INCOME	\$111,082	\$111,082	\$111,357	\$112,182	\$112,182	\$112,182	\$112,182	\$112,182	\$112,182	\$112,182



