

# 48 River Street Sanford, ME

48 River St., Sanford, ME 04073



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**Real Estate Investment Details**

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**ANALYSIS**

**Analysis Date:** January 2012  
**Scenario:** 2012



**PROPERTY**

**Property:** 48 River Street Sanford, ME  
**Property Address:** 48 River St.  
 Sanford, ME 04073  
**Year Built:** 1975

**PURCHASE INFORMATION**

**Property Type:** Commercial  
**Purchase Price:** \$495,000  
**Fair Market Value:** \$495,000  
**Tenants:** 2  
**Total Rentable Sq. Ft.:** 4,000  
**Resale Valuation:** 2.0% (annual appreciation)  
**Resale Expenses:** 4.0%

**FINANCIAL INFORMATION**

**Down Payment:** \$99,000  
**Closing Costs:** \$10,000  
**LT Capital Gain:** 15.00%  
**Federal Tax Rate:** 35.0%  
**State Tax Rate:** 8.0%  
**Discount Rate:** 8.00%

**LOANS**

	Debt	Term	Rate	Payment	LO Costs
Fixed	\$396,000	20 yrs	6.5%	\$2,952	

**INCOME & EXPENSES**

**Gross Operating Income:** \$41,800  
**Monthly GOI:** \$3,483  
**Total Annual Expenses:** \$0

**CONTACT INFORMATION**

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The calculations and data presented are deemed to be accurate, but not guaranteed. They are intended for the purpose of illustrative projections and analysis. The information provided is not intended to replace or serve as substitute for any legal, accounting, investment, real estate, tax or other professional advice, consultation or service. The user of this software should consult with a professional in the respective legal, accounting, tax or other professional area before making any decisions.

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## Biography



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### **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.



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## Property Description



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### **48 River St. Sanford, ME**

The Property is located in beautiful Sanford, Maine in York County. Sanford, along with its sister-village of Springvale totals a population of about 14,500.

Sanford is positioned about 40 minutes (approx.) from Downtown Portland, and about 90 Minutes from Boston, MA (approx.).



Map/Lot: J27/42

Building Built: 1975

Assessed Value: \$161,100.00

Land Area: 0.56 Acres

Living Area: 1st Floor - 4,000 SF  
Basement - 4,000 SF

## ACQUISITION COSTS

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<b>Purchase Price, Points and Closing Costs</b>	\$505,000
<b>Investment - Cash</b>	\$109,000
<b>First Loan</b>	\$396,000

## INVESTMENT INFORMATION

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<b>Purchase Price</b>	\$495,000
<b>Price per Tenant</b>	\$247,500
<b>Price per Sq. Ft.</b>	\$123.75

## INCOME, EXPENSES & CASH FLOW

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<b>Gross Scheduled Income</b>	\$44,000
<b>Total Vacancy and Credits</b>	(\$2,200)
<b>Operating Expenses</b>	\$0
<b>Net Operating Income</b>	\$41,800
<b>Debt Service</b>	(\$35,430)
<b>Cash Flow Before Taxes</b>	\$6,370
<b>Total Interest (Debt Service)</b>	(\$25,446)
<b>Depreciation and Amortization</b>	(\$9,926)
<b>Taxable Income (Loss)</b>	\$6,428
<b>Tax Savings (Costs)</b>	(\$2,764)
<b>Cash Flow After Taxes</b>	\$3,606

## FINANCIAL INDICATORS

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<b>Cash on Cash Return Before Taxes</b>	5.84%
<b>Optimal Internal Rate of Return (yr 8)</b>	12.90%
<b>Debt Coverage Ratio</b>	1.18
<b>Capitalization Rate</b>	8.44%
<b>Gross Income / Square Feet</b>	\$11.00



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## Cash Flow Analysis



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Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>GROSS SCHEDULED INCOME</b>	\$44,000	\$44,880	\$45,778	\$46,693	\$47,627	\$48,580	\$49,551	\$50,542	\$51,553	\$52,584
General Vacancy	(\$2,200)	(\$2,244)	(\$2,289)	(\$2,335)	(\$2,381)	(\$2,429)	(\$2,478)	(\$2,527)	(\$2,578)	(\$2,629)
Total Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>NET OPERATING INCOME</b>	\$41,800	\$42,636	\$43,489	\$44,358	\$45,246	\$46,151	\$47,074	\$48,015	\$48,975	\$49,955
Loan Payment	(\$35,430)	(\$35,430)	(\$35,430)	(\$35,430)	(\$35,430)	(\$35,430)	(\$35,430)	(\$35,430)	(\$35,430)	(\$35,430)
<b>NET CASH FLOW (b/t)</b>	\$6,370	\$7,206	\$8,059	\$8,929	\$9,816	\$10,721	\$11,644	\$12,585	\$13,546	\$14,525
Cash On Cash Return b/t	5.84%	6.61%	7.39%	8.19%	9.01%	9.84%	10.68%	11.55%	12.43%	13.33%
<b>NET OPERATING INCOME</b>	\$41,800	\$42,636	\$43,489	\$44,358	\$45,246	\$46,151	\$47,074	\$48,015	\$48,975	\$49,955
Depreciation	(\$9,926)	(\$10,359)	(\$10,359)	(\$10,359)	(\$10,359)	(\$10,359)	(\$10,359)	(\$10,359)	(\$10,359)	(\$9,935)
Loan Interest	(\$25,446)	(\$24,777)	(\$24,064)	(\$23,303)	(\$22,491)	(\$21,624)	(\$20,700)	(\$19,713)	(\$18,661)	(\$17,537)
<b>TAXABLE INCOME (LOSS)</b>	\$6,428	\$7,500	\$9,066	\$10,697	\$12,396	\$14,168	\$16,015	\$17,943	\$19,956	\$22,483
Income Taxes	(\$2,764)	(\$3,225)	(\$3,898)	(\$4,600)	(\$5,330)	(\$6,092)	(\$6,887)	(\$7,716)	(\$8,581)	(\$9,668)
<b>CASH FLOW (a/t)</b>	\$3,606	\$3,981	\$4,161	\$4,329	\$4,486	\$4,629	\$4,757	\$4,870	\$4,965	\$4,858
Cash On Cash Return a/t	3.31%	3.65%	3.82%	3.97%	4.12%	4.25%	4.36%	4.47%	4.55%	4.46%

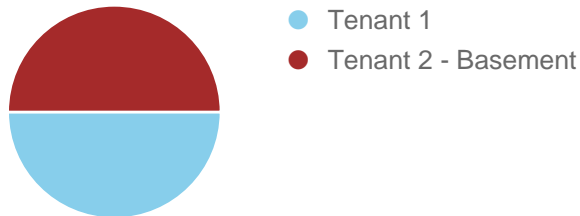
Footnotes: b/t = before taxes; a/t = after taxes



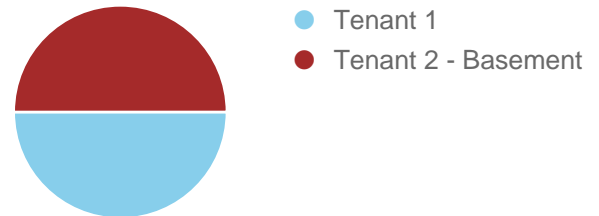
**TENANT MIXES**

Suite	Tenants	Approx. SqFt	Avg. Rents	Monthly	Mkt Rents	Monthly
1	Tenant 1	4000	\$2,667	\$2,667	\$2,333	\$2,333
2	Tenant 2 -	4000	\$1,000	\$1,000	\$1,000	\$1,000
2		8,000		\$3,667		\$3,333

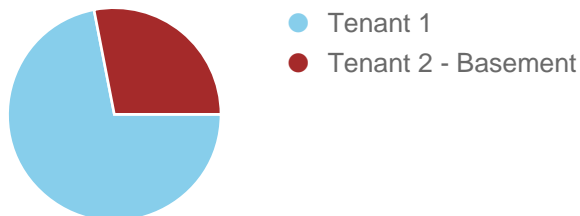
**TENANT MIX**



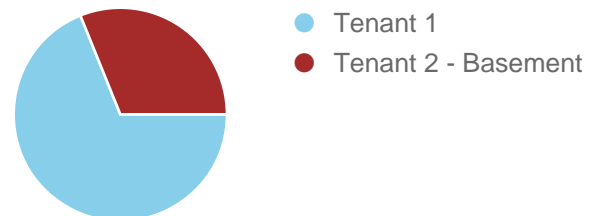
**TENANT MIX SQUARE FEET**



**TENANT MIX INCOME**



**TENANT MIX MARKET INCOME**



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## Financial Indicators



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Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	11.47	11.48	11.48	11.48	11.48	11.48	11.48	11.48	11.48	11.48
Capitalization Rate	8.44%	8.61%	8.79%	8.96%	9.14%	9.32%	9.51%	9.70%	9.89%	10.09%
Cash On Cash Return b/t	5.84%	6.61%	7.39%	8.19%	9.01%	9.84%	10.68%	11.55%	12.43%	13.33%
Cash On Cash Return a/t	3.31%	3.65%	3.82%	3.97%	4.12%	4.25%	4.36%	4.47%	4.55%	4.46%
Debt Coverage Ratio	1.18	1.20	1.23	1.25	1.28	1.30	1.33	1.36	1.38	1.41
Gross Income per Sq. Ft.	\$11.00	\$11.22	\$11.44	\$11.67	\$11.91	\$12.14	\$12.39	\$12.64	\$12.89	\$13.15
Expenses per Sq. Ft.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net Income Multiplier	12.08	12.08	12.08	12.08	12.08	12.08	12.08	12.08	12.08	12.08
Operating Expense Ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Loan To Value Ratio	76.45%	72.89%	69.29%	65.67%	62.02%	58.32%	54.59%	50.81%	46.98%	43.09%

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

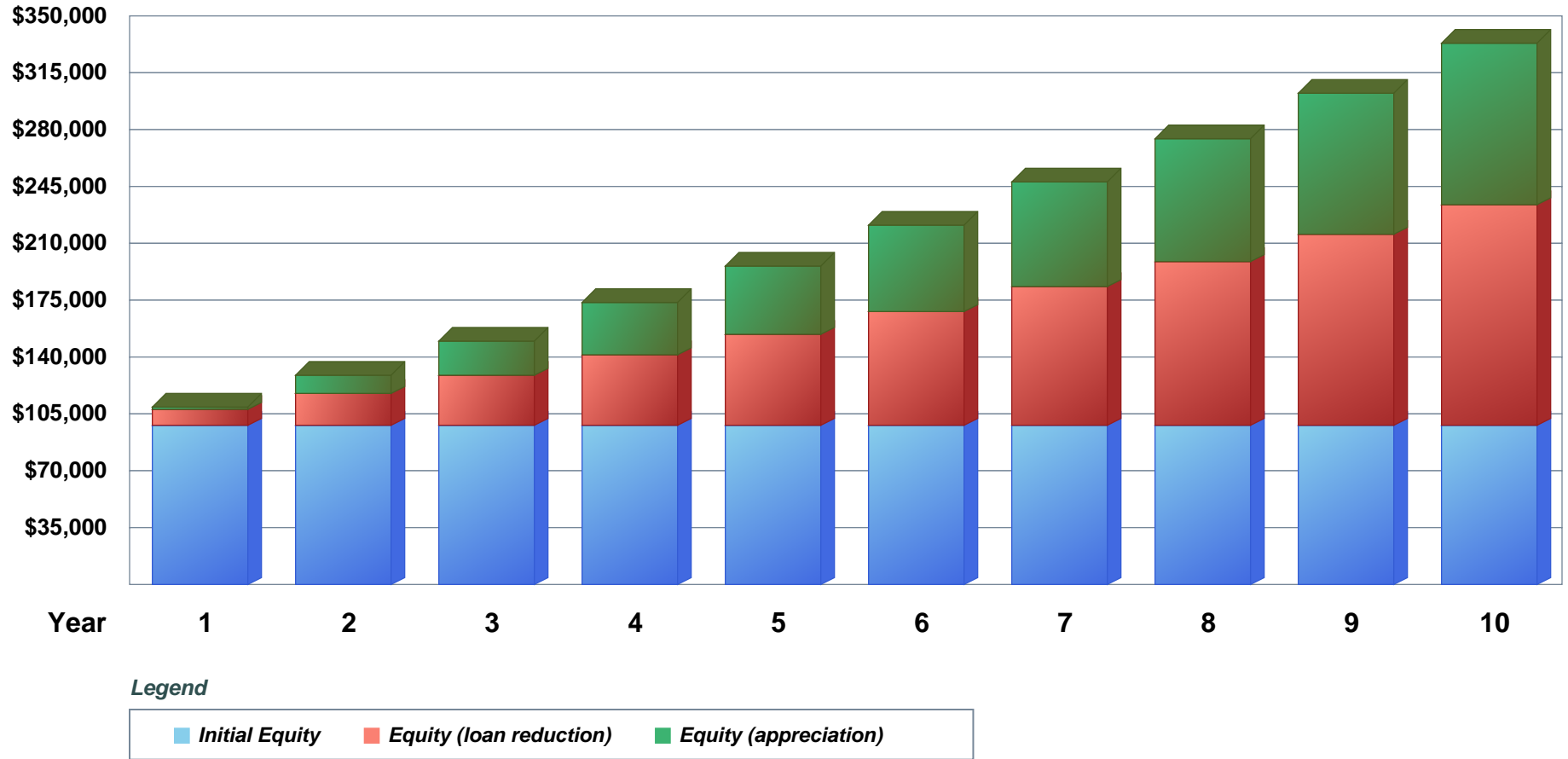
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## Property Equity Analysis



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## Equity vs. Debt



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