

5 Washington St. Biddeford, ME

5 Washington Ave., Biddeford, ME 04005



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ANALYSIS

Analysis Date: August 2011



PROPERTY

Property: 5 Washington St. Biddeford, ME
Property Address: 5 Washington Ave.
 Biddeford, ME 04005
Year Built: 1925

PURCHASE INFORMATION

Property Type: Commercial
Purchase Price: \$695,000
Fair Market Value: \$469,430
Tenants: 16
Total Rentable Sq. Ft.: 11,649
Resale Valuation: 2.5% (annual appreciation)
Resale Expenses: 4.0%

FINANCIAL INFORMATION

Down Payment: \$173,750
Closing Costs: \$10,000
LT Capital Gain: 15.00%
Federal Tax Rate: 35.0%
State Tax Rate: 8.0%
Discount Rate: 5.00%

LOANS

	Debt	Term	Rate	Payment	LO Costs
Fixed	\$521,250	20 yrs	6.5%	\$3,886	\$5,213

INCOME & EXPENSES

Gross Operating Income: \$100,032
Monthly GOI: \$8,336
Total Annual Expenses: (\$45,525)
Monthly Expenses: (\$3,794)

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.

5 Washington St. Biddeford, ME

Biography



5 Washington Ave.
Biddeford, ME 04005

John Gendron, CCIM
207-939-8500

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.



5 Washington St. Biddeford, ME

Property Description



5 Washington Ave.
Biddeford, ME 04005

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5 Washington Street *Biddeford, Maine*

Biddeford boasts a population of over 22,000 people, combining with its sister-city of Saco coming to a total of over 40,000 people. Biddeford is also Maine's 6th largest City and is just 15 miles south of Portland and 90 miles north of Boston.

The location of the property is situated on busy Main Street and just moments from the Town of Saco. it is positioned in the prominent downtown area adjacent to the district courthouse.



MAP/LOT: 38/352

Building Built:1925

ASSESSED VALUE: \$684,100

LAND AREA: 0.16 ACRES

LIVING AREA: 15,666 SF

5 Washington St. Biddeford, ME

5 Washington Ave.
Biddeford, ME 04005

Property Photos



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5 Washington Street Biddeford, Maine



5 Washington Street Biddeford, Maine
Location Aerial



ACQUISITION COSTS

Purchase Price, Points and Closing Costs	\$710,213
Investment - Cash	\$188,963
First Loan	\$521,250

INVESTMENT INFORMATION

Purchase Price	\$695,000
Price per Tenant	\$43,438
Price per Sq. Ft.	\$59.66

INCOME, EXPENSES & CASH FLOW

Gross Scheduled Income	\$117,685
Total Vacancy and Credits	(\$17,653)
Operating Expenses	(\$45,525)
Net Operating Income	\$54,507
Debt Service	(\$46,636)
Cash Flow Before Taxes	\$7,872
Total Interest (Debt Service)	(\$33,494)
Depreciation and Amortization	(\$17,582)
Taxable Income (Loss)	\$3,430
Tax Savings (Costs)	(\$1,475)
Cash Flow After Taxes	\$6,397

FINANCIAL INDICATORS

Cash on Cash Return Before Taxes	4.17%
Optimal Internal Rate of Return (yr 10)	6.82%
Debt Coverage Ratio	1.17
Capitalization Rate	7.84%
Gross Income / Square Feet	\$10.10
Gross Expenses / Square Feet	(\$3.91)
Operating Expense Ratio	45.51%

5 Washington St. Biddeford, ME

Lease Rent Roll



5 Washington Ave.
Biddeford, ME 04005

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Suite	Tenant	Start Date	Expire Date	RSF	\$/RSF	Annualized Rent	Tenant Improvements	Commissions	Renewal Term	Renewal Increase	Notes
10	Vacant	08/01/2011	08/01/2021	1,100	\$10.00	\$11,000	\$0.00	\$0.00	1 year	\$0.00	
11	Vacant	08/01/2011	08/01/2021	900	\$10.00	\$9,000	\$0.00	\$0.00	1 year	\$0.00	
12	Vacant	08/01/2011	08/01/2021	670	\$10.00	\$6,700	\$0.00	\$0.00	1 year	\$0.00	
13	Vacant	08/01/2011	08/01/2021	488	\$10.00	\$4,880	\$0.00	\$0.00	1 year	\$0.00	
21	Lyons, Mary	08/01/2011	08/01/2021	700	\$13.28	\$9,296	\$0.00	\$0.00	1 year	\$0.00	
22/23	Vacant	08/01/2011	08/01/2021	645	\$10.00	\$6,450	\$0.00	\$0.00	1 year	\$0.00	
25	Vacant	08/01/2011	08/01/2021	1,615	\$10.00	\$16,150	\$0.00	\$0.00	1 year	\$0.00	
26	Vacant	08/01/2011	08/01/2021	215	\$10.00	\$2,150	\$0.00	\$0.00	1 year	\$0.00	
27	Angers, Stuart	08/01/2011	08/01/2021	215	\$15.62	\$3,358	\$0.00	\$0.00	1 year	\$0.00	
28/29	Vacant	08/01/2011	09/01/2011	577	\$10.00	\$5,770	\$0.00	\$0.00	1 year	\$0.00	
31/32	Gardiner, Scott	08/01/2011	08/01/2021	670	\$14.10	\$9,447	\$0.00	\$0.00	1 year	\$0.00	
33	Gardiner, Scott	08/01/2011	08/01/2021	488	\$11.37	\$5,549	\$0.00	\$0.00	1 year	\$0.00	
34	Bonney Staffing Center	08/01/2011	08/01/2021	1,390	\$12.73	\$17,695	\$0.00	\$0.00	1 year	\$0.00	
34-7	Conference Room	08/01/2011	08/01/2021	380	\$0.00	\$0	\$0.00	\$0.00	1 year	\$0.00	



Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
GROSS SCHEDULED INCOME	\$117,685	\$117,685	\$117,685	\$117,685	\$117,685	\$117,685	\$117,685	\$117,685	\$117,685	\$117,685
General Vacancy	(\$17,653)	(\$8,826)	(\$7,061)	(\$5,884)	(\$5,884)	(\$5,884)	(\$5,884)	(\$5,884)	(\$5,884)	(\$5,884)
Total Operating Expenses	(\$45,525)	(\$45,525)	(\$45,525)	(\$45,525)	(\$45,525)	(\$45,525)	(\$45,525)	(\$45,525)	(\$45,525)	(\$45,525)
NET OPERATING INCOME	\$54,507	\$63,334	\$65,099	\$66,276	\$66,276	\$66,276	\$66,276	\$66,276	\$66,276	\$66,276
Loan Payment	(\$46,636)	(\$46,636)	(\$46,636)	(\$46,636)	(\$46,636)	(\$46,636)	(\$46,636)	(\$46,636)	(\$46,636)	(\$46,636)
NET CASH FLOW (b/t)	\$7,872	\$16,698	\$18,463	\$19,640	\$19,640	\$19,640	\$19,640	\$19,640	\$19,640	\$19,640
Cash On Cash Return b/t	4.17%	8.84%	9.77%	10.39%	10.39%	10.39%	10.39%	10.39%	10.39%	10.39%
NET OPERATING INCOME	\$54,507	\$63,334	\$65,099	\$66,276	\$66,276	\$66,276	\$66,276	\$66,276	\$66,276	\$66,276
Depreciation	(\$17,322)	(\$18,076)	(\$18,076)	(\$18,076)	(\$18,076)	(\$18,076)	(\$18,076)	(\$18,076)	(\$18,076)	(\$17,333)
Amortization	(\$261)	(\$261)	(\$261)	(\$261)	(\$261)	(\$261)	(\$261)	(\$261)	(\$261)	(\$261)
Loan Interest	(\$33,494)	(\$32,614)	(\$31,675)	(\$30,673)	(\$29,604)	(\$28,464)	(\$27,247)	(\$25,948)	(\$24,563)	(\$23,084)
TAXABLE INCOME (LOSS)	\$3,430	\$12,382	\$15,087	\$17,266	\$18,335	\$19,475	\$20,692	\$21,991	\$23,376	\$25,598
Income Taxes	(\$1,475)	(\$5,324)	(\$6,487)	(\$7,424)	(\$7,884)	(\$8,374)	(\$8,898)	(\$9,456)	(\$10,052)	(\$11,007)
CASH FLOW (a/t)	\$6,397	\$11,373	\$11,976	\$12,216	\$11,756	\$11,266	\$10,742	\$10,184	\$9,588	\$8,633
Cash On Cash Return a/t	3.39%	6.02%	6.34%	6.46%	6.22%	5.96%	5.68%	5.39%	5.07%	4.57%

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

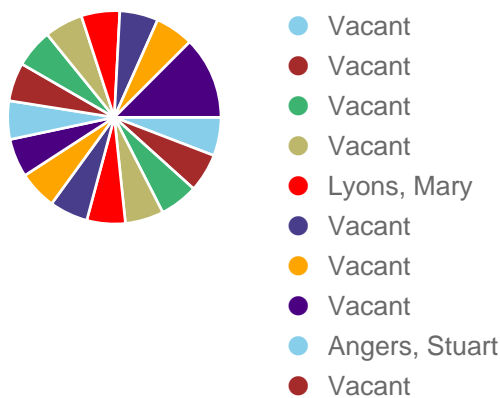


Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Rental Income	\$117,685	\$117,685	\$117,685	\$117,685	\$117,685	\$117,685	\$117,685	\$117,685	\$117,685	\$117,685
GROSS SCHEDULED INCOME	\$117,685	\$117,685	\$117,685	\$117,685	\$117,685	\$117,685	\$117,685	\$117,685	\$117,685	\$117,685
General Vacancy	(\$17,653)	(\$8,826)	(\$7,061)	(\$5,884)	(\$5,884)	(\$5,884)	(\$5,884)	(\$5,884)	(\$5,884)	(\$5,884)
GROSS OPERATING INCOME	\$100,032	\$108,858	\$110,623	\$111,800	\$111,800	\$111,800	\$111,800	\$111,800	\$111,800	\$111,800
Expenses										
Property Management Fee	(\$5,884)	(\$5,884)	(\$5,884)	(\$5,884)	(\$5,884)	(\$5,884)	(\$5,884)	(\$5,884)	(\$5,884)	(\$5,884)
Accounting	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)
Advertising	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)
Building Insurance	(\$906)	(\$906)	(\$906)	(\$906)	(\$906)	(\$906)	(\$906)	(\$906)	(\$906)	(\$906)
General Supplies	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)
Grounds Maintenance	(\$1,688)	(\$1,688)	(\$1,688)	(\$1,688)	(\$1,688)	(\$1,688)	(\$1,688)	(\$1,688)	(\$1,688)	(\$1,688)
Janitorial	(\$124)	(\$124)	(\$124)	(\$124)	(\$124)	(\$124)	(\$124)	(\$124)	(\$124)	(\$124)
Legal	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)
Maintenance	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)
Elevator Service	(\$2,400)	(\$2,400)	(\$2,400)	(\$2,400)	(\$2,400)	(\$2,400)	(\$2,400)	(\$2,400)	(\$2,400)	(\$2,400)
Misc	(\$173)	(\$173)	(\$173)	(\$173)	(\$173)	(\$173)	(\$173)	(\$173)	(\$173)	(\$173)
Repairs	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)
Reserves	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)
Taxes - Real Estate	(\$10,084)	(\$10,084)	(\$10,084)	(\$10,084)	(\$10,084)	(\$10,084)	(\$10,084)	(\$10,084)	(\$10,084)	(\$10,084)
Heating	(\$12,868)	(\$12,868)	(\$12,868)	(\$12,868)	(\$12,868)	(\$12,868)	(\$12,868)	(\$12,868)	(\$12,868)	(\$12,868)

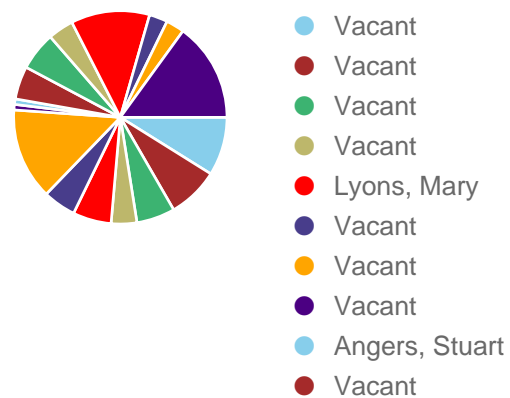
TENANT MIXES

Suite	Tenants	Approx. SqFt	Avg. Rents	Monthly	Mkt Rents	Monthly
10	Vacant	1100	\$917	\$917	\$917	\$917
11	Vacant	900	\$750	\$750	\$750	\$750
12	Vacant	670	\$558	\$558	\$558	\$558
13	Vacant	488	\$407	\$407	\$407	\$407
21	Lyons, Mary	700	\$775	\$775	\$775	\$775
22/23	Vacant	645	\$538	\$538	\$538	\$538
25	Vacant	1615	\$1,346	\$1,346	\$1,346	\$1,346
26	Vacant	215	\$179	\$179	\$179	\$179
27	Angers, Stuart	215	\$280	\$280	\$280	\$280
28/29	Vacant	577	\$481	\$481	\$481	\$481
31/32	Gardiner, Scott	670	\$787	\$787	\$787	\$787
33	Gardiner, Scott	488	\$462	\$462	\$462	\$462
34	Bonney Staffing	1390	\$1,475	\$1,475	\$1,475	\$1,475
34-7	Conference Room	380	\$0	\$0	\$0	\$0
35	Vacant	400	\$333	\$333	\$333	\$333
36	Vacant	624	\$520	\$520	\$520	\$520
16		11,077		\$9,807		\$9,807

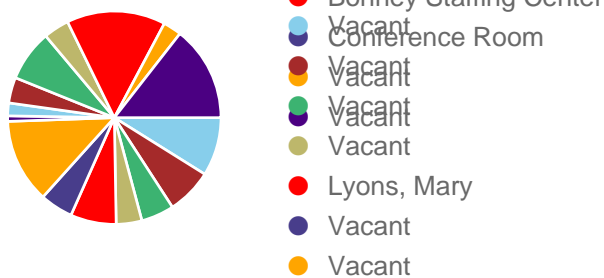
TENANT MIX



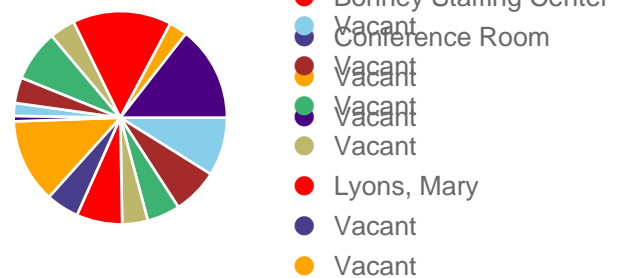
TENANT MIX SQUARE FEET



TENANT MIX INCOME



TENANT MIX MARKET INCOME





Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	4.09	4.19	4.30	4.40	4.51	4.63	4.74	4.86	4.98	5.11
Capitalization Rate	7.84%	9.11%	9.37%	9.54%	9.54%	9.54%	9.54%	9.54%	9.54%	9.54%
Cash On Cash Return b/t	4.17%	8.84%	9.77%	10.39%	10.39%	10.39%	10.39%	10.39%	10.39%	10.39%
Cash On Cash Return a/t	3.39%	6.02%	6.34%	6.46%	6.22%	5.96%	5.68%	5.39%	5.07%	4.57%
Debt Coverage Ratio	1.17	1.36	1.40	1.42	1.42	1.42	1.42	1.42	1.42	1.42
Gross Income per Sq. Ft.	\$10.10	\$10.10	\$10.10	\$10.10	\$10.10	\$10.10	\$10.10	\$10.10	\$10.10	\$10.10
Expenses per Sq. Ft.	(\$3.91)	(\$3.91)	(\$3.91)	(\$3.91)	(\$3.91)	(\$3.91)	(\$3.91)	(\$3.91)	(\$3.91)	(\$3.91)
Net Income Multiplier	8.83	7.79	7.77	7.82	8.01	8.21	8.42	8.63	8.85	9.07
Operating Expense Ratio	45.51%	41.82%	41.15%	40.72%	40.72%	40.72%	40.72%	40.72%	40.72%	40.72%
Loan To Value Ratio	105.60%	100.18%	94.78%	89.39%	84.00%	78.61%	73.22%	67.82%	62.40%	56.96%

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

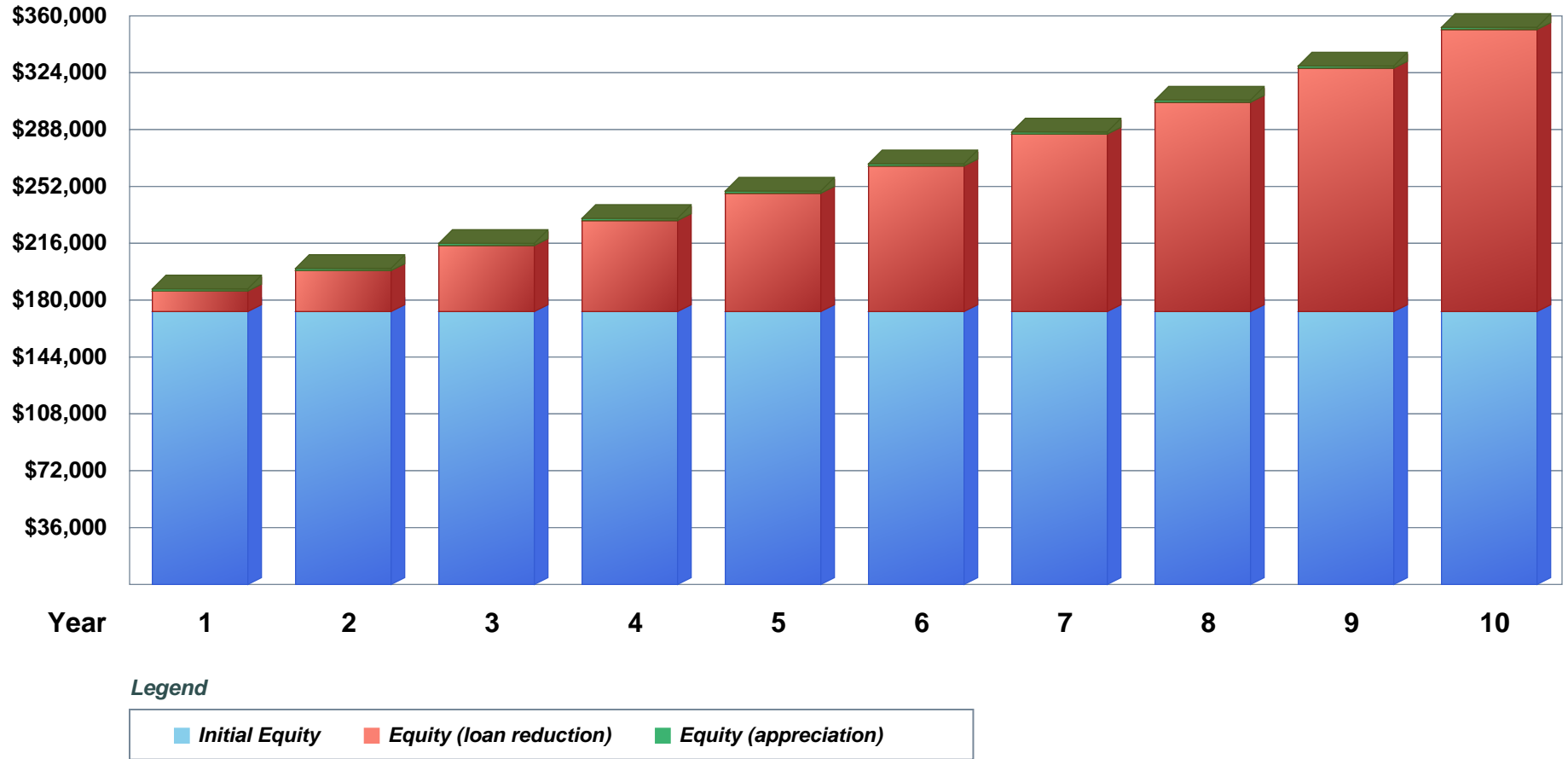
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Property Equity Analysis



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Equity vs. Debt

