Commercial Investment Analysis Worksheet — Túy 'Dewey' Luong, CCIM | SERHANT. Georgia | 678-707-2498 | dewey.luong@serhant.com | deweyluong.realtor

Run your own numbers. Want a second set of eyes on a building? Reply with the address.

EXAMPLE — NOT A REAL PROPERTY. The yellow cells are pre-filled with a teaching example. Replace them with your building's actual numbers; everything in the OUTPUTS section recalculates automatically.

SECTION 1 — PROPERTY & INCOME INPUTS

Purchase Price	$1,200,000	*What you would pay for the property.*
Gross Scheduled Rent (per year)	$90,000	*Full annual rent if every space were leased at market rent.*
Vacancy & Credit Loss	0.0%	*Share of rent you expect to lose to vacancy and non-payment. In this example the $90,000 rent is already stated after vacancy, so it is 0%.*

SECTION 2 — OPERATING EXPENSES (per year)

Real Estate Taxes	$9,000	
Insurance	$3,000	
Maintenance & Repairs	$2,400	
Management	$2,400	
Reserves	$600	*Money set aside for future roof, HVAC, parking lot, etc.*
Other	$600	
Total Operating Expenses	**$18,000**	*Calculated — the six expense lines above.*

SECTION 3 — FINANCING INPUTS

Down Payment	25.0%	
Interest Rate (annual)	7.50%	
Amortization (years)	25	*Years over which the loan payment is spread.*
Loan Term (years)	10	*Years until the loan matures or balloons. Does not change the payment.*

SECTION 4 — OUTPUTS (calculated — do not type over these)

Effective Gross Income	**$90,000**	*Gross rent minus vacancy loss.*
Total Operating Expenses	**$18,000**	
Net Operating Income (NOI)	**$72,000**	*The property's income before debt service and income taxes.*
Cap Rate at Price	**6.00%**	*NOI ÷ purchase price.*
Loan Amount	**$900,000**	
Down Payment ($)	**$300,000**	*Cash in at purchase, before closing costs.*
Monthly Debt Service	**$6,650.92**	*Principal + interest payment (PMT formula).*
Annual Debt Service	**$79,811**	
DSCR	**0.90x**	*Debt Service Coverage Ratio — NOI ÷ annual debt service. Lenders often look for roughly 1.20x or better, depending on the loan.*
Cash Flow After Debt Service	**-$7,811**	*What is left each year after the mortgage is paid.*
Cash-on-Cash Return	**-2.60%**	*Annual cash flow ÷ down payment. Excludes closing costs.*
Break-Even Occupancy	**108.68%**	*Share of gross rent that must actually be collected to cover expenses plus debt service. Over 100% means the deal cannot break even at these terms — the price, rent, or loan has to change.*

HOW TO READ THIS SHEET

1. Type over the yellow cells only. Blue cells are formulas — they update on their own.

2. NOI is income before the mortgage. Cap rate = NOI ÷ price, so you can compare buildings apples to apples.

3. Cash-on-cash is what your down payment earns after the mortgage is paid — that is the number your bank account feels.

4. In the teaching example the cash flow is negative: $72,000 of NOI does not cover roughly $79,800 of annual debt service at 7.5% on a 25-year amortization. That is the point of running the numbers before you write an offer.

Figures are illustrative only and are not a real property, an offer, or investment advice. Verify every input against the seller's actual rent roll, leases, tax bills, and a lender quote before acting.