

Net Leased Office Investment

LOCATED NEAR HOSPITALS AND CLINICS

1 Calle Medico • Unit 1
Santa Fe, NM 87505

St. Michaels Dr. & Old Pecos Trail

For Sale

Sale Price \$630,000 (\$216/SF)

Cap Rate 7.62%

NOI \$48,000

Available

- Office: ±2,905 SF
- Land: ±0.49 Acres

Zoning C-1

Property Highlights

- Net leased investment
- 3% annual rent increases
- Established accounting firm tenant
- Located near hospitals and clinics
- Ample parking: 13 spaces

got space



NAI Maestas & Ward

418 Cerrillos Rd. | Suite 11 | Santa Fe, NM 87501

505 988 8081 gotSPACEUSA.com



For more information:

Tai Bixby, CCIM
tai@gotSPACEUSA.com
505 577 3524

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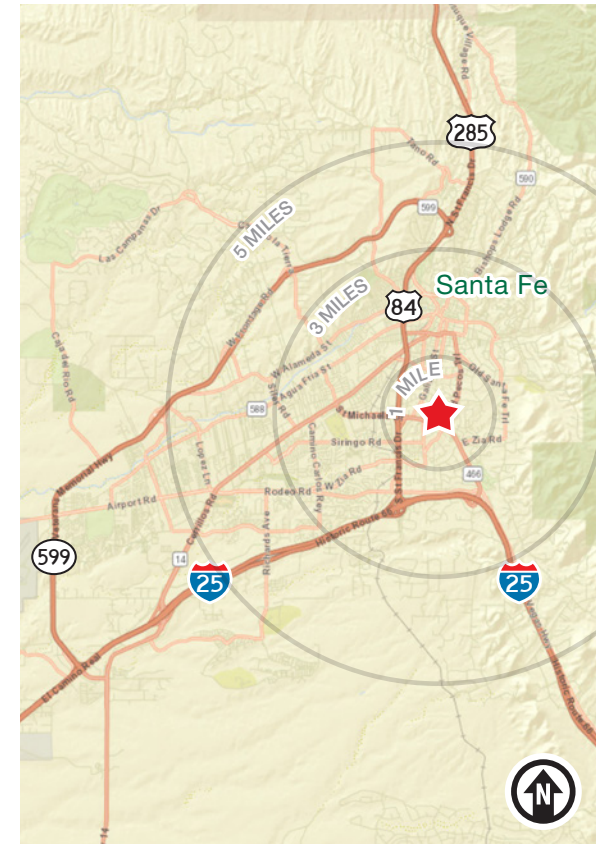
1 Calle Medico • Unit 1
Santa Fe, NM 87505

LOCATION



2019 Demographics	1 mile	3 mile	5 mile
Total Population	4,626	45,575	69,639
Average HH Income	\$101,124	\$81,379	\$82,480
Daytime Employment	8,000	57,460	71,011

2019 Forecasted by Esri



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OVERVIEW

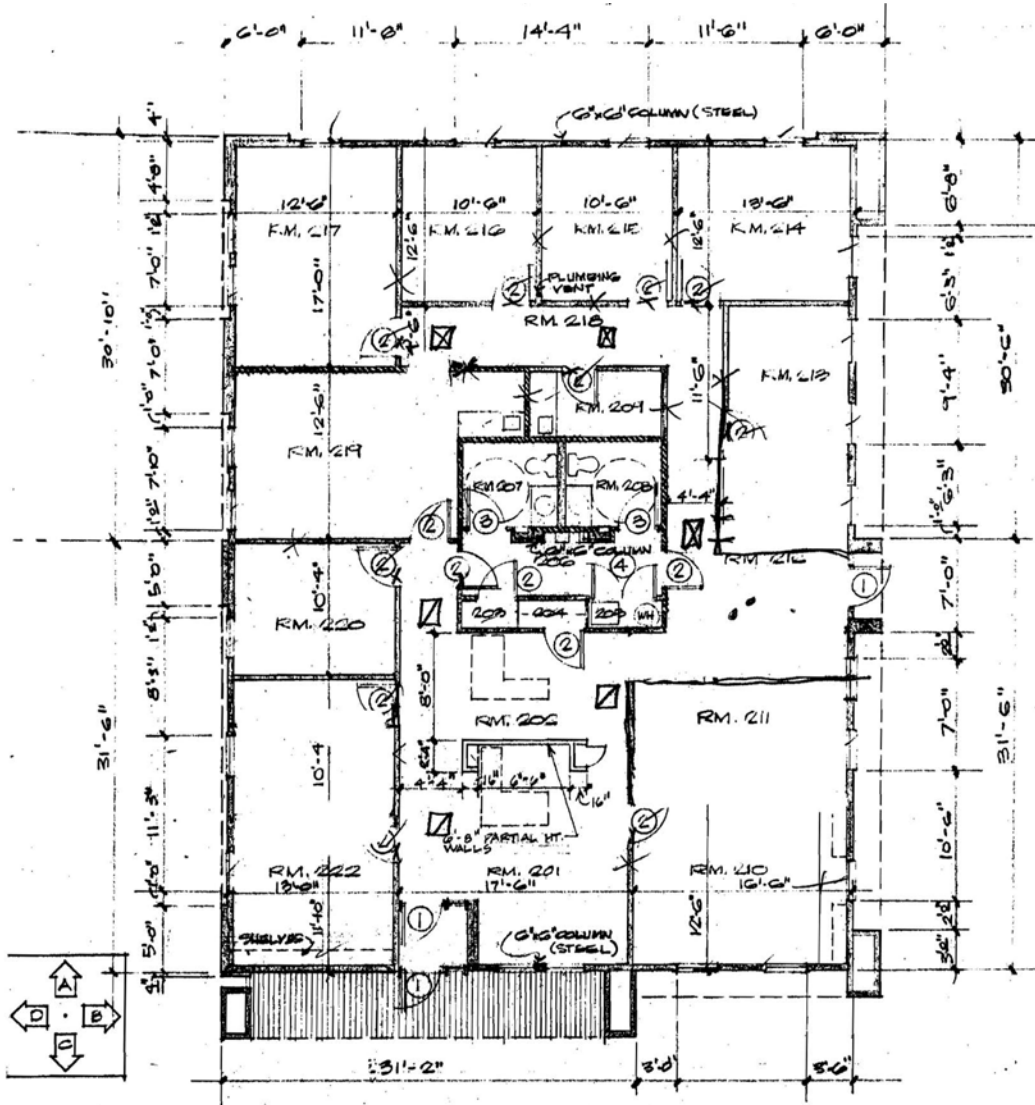
PROPERTY OVERVIEW

Available

- Office: ±2,905 SF
- Land: ±0.49 Acres

Overview

Net leased office condominium investment leased to successful and long standing accounting firm Zlotnick & Laws PC. One unit of a two unit condominium well located near the hospital, medical offices, professional offices on Santa Fe's southeast side. Thirteen parking spaces in a paved lot. Good visibility from Arroyo Chamiso and Old Pecos Trail. Tenant pays all expenses except outside maintenance. No condo fee, instead, each owner maintains its portion of the common areas. At the asking price of \$630,000 (\$216/sf) measures of investment performance are a cash-on-cash cap rate of 7.62%, and an after tax, post financing IRR of 15.5%. Interest rates are historically low, so now is the time to buy!



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PHOTOS



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FINANCIALS

1 Calle Medico - Unit 1 - NNN Leased to Zlotnick Laws PC
Santa Fe, NM 87501

Calculated for
1st year of next
owners,
ownership

		Year	1	2	3	4	5	6
1	Total Potential Market Income	3% Increases starting yr 4	\$48,000	\$48,000	\$48,000	\$49,440	\$50,923	\$52,451
2	Less: loss to market lease	0%	\$0	\$0	\$0	\$0	\$0	\$0
3	Total Potential Income (Max Rent)		\$48,000	\$48,000	\$48,000	\$49,440	\$50,923	\$52,451
4	Less: Loss to lease	0%	\$0	\$0	\$0	\$0	\$0	\$0
5	Total Income		\$48,000	\$48,000	\$48,000	\$49,440	\$50,923	\$52,451
6	Less: vacancy	0%	\$0	\$0	\$0	\$0	\$0	\$0
7	Effective Rental Income		\$48,000	\$48,000	\$48,000	\$49,440	\$50,923	\$52,451
8	Plus: Other Income	0% Increases	\$0	\$0	\$0	\$0	\$0	\$0
9	Gross Operating Income		\$48,000	\$48,000	\$48,000	\$49,440	\$50,923	\$52,451
10	Total Operating Expenses	0% Increases	\$0	\$0	\$0	\$0	\$0	\$0
11	Net Operating Income	original loan balance	\$48,000	\$48,000	\$48,000	\$49,440	\$50,923	\$52,451
			\$472,500					
12	Mortgage Balance		\$457,586	\$441,987	\$425,672	\$408,607	\$390,757	
13	ADS		\$35,871	\$35,871	\$35,871	\$35,871	\$35,871	
14 -	Principal Reduction		\$14,914	\$15,599	\$16,316	\$17,065	\$17,849	
15 =	Mortgage interest		\$20,957	\$20,272	\$19,556	\$18,806	\$18,022	
16 -	cost recovery (annual)	39.0 yrs @	\$12,115	\$12,115	\$12,115	\$12,115	\$12,115	excludes mid month
17 =	Taxable Income	75%	\$14,927	\$15,612	\$16,329	\$18,519	\$20,786	
18	Tax on income at ordinary income rate of	37%	\$5,523	\$5,777	\$6,042	\$6,852	\$7,691	
19	NOI		\$48,000	\$48,000	\$48,000	\$49,440	\$50,923	
20 -	Annual Debt Service		\$35,871	\$35,871	\$35,871	\$35,871	\$35,871	
21 =	Cash Flow Before Tax		\$12,129	\$12,129	\$12,129	\$13,569	\$15,052	
22 -	Less Ordinary Income Tax		\$5,523	\$5,777	\$6,042	\$6,852	\$7,691	
23 =	Cash Flow After Tax		\$6,606	\$6,352	\$6,087	\$6,717	\$7,361	
24	Debt Service Coverage Ratio		1.34	1.34	1.34	1.38	1.42	

Building Size 2,905 sf
Purchase Price/sf 216.867 /sf
Base Rent Rate \$16.52 /sf

Inputs

Purchase Price \$ 630,000
LTV 75.0%
Interest Rate 4.5% rate Payment \$2,989
Amortz 20 years ADS \$ 35,871

MIP (Measures of Investment Performance)

GRM = 13.12 Purchase Price / GOI
Going in CAP Rate 7.62% 1st year NOI / Purchase Price
Going in Cash on Cash 7.70% 1st year CFBT / Down Payment

Sales Worksheet

Calculation of Adjusted Basis

Basis at Acquisition \$630,000
+ Capital Additions \$0
-Cost Recovery (Depreciation) Taken \$60,577
=Adjusted Basis at Sale \$569,423

Calculation of Capital Gain

Disposition CAP Rate 7.0%
Sale Price \$749,299
-Costs of Sale \$44,958
-Adjusted Basis at Sale \$569,423
=Gain or (Loss) \$134,918
-Straight Line Cost Recovery (limited to gain) \$60,577
=Capital Gain from Appreciation \$74,341

Calculation of Sales Proceeds after tax

Sale Price \$749,299
-Cost of Sale \$44,958
-Mortgage Balance(s) \$390,757
=Sale Proceeds Before Tax \$313,583
-Tax: Straight Line Recapture at 25.0% \$15,144
-Tax on Capital Gains at 26.5% \$19,700
=SALE PROCEEDS AFTER TAX: \$278,739

No Financing, no tax

n	\$
0	\$ (630,000)
1	\$48,000
2	\$48,000
3	\$48,000
4	\$49,440
5	\$50,923 + \$704,341

With financing, no tax

n	\$
0	\$ (157,500)
1	\$12,129
2	\$12,129
3	\$12,129
4	\$13,569
5	\$15,052 + \$313,583

With financing, with tax

n	\$
0	\$ (157,500)
1	\$6,606
2	\$6,352
3	\$6,087
4	\$6,717
5	\$7,361 + \$278,739

Investor's Effective Tax Rate =

27%