

FOR SALE

867 Boston Road
Springfield, MA



IMPROVEMENTS:	Property consists of a one-story masonry & steel frame automotive retail building built two stages 1947 and 1970. There are two rest rooms and one wash room.
GROSS BUILDING AREA:	9,720/sf (5,580/sf + 4,140/sf)
ASKING PRICE:	\$449,000
ENCUMBERED:	Property is leased on a triple net basis – lease expires 4/2019 with tenant having 2 5-year options. Cap Rate 9.4%. See broker for details of lease.
TAX ID:	016550602
OVERHEAD DOORS:	Two (2) overhead doors that are all 12' x 12'; 10' x 10'
CEILING HEIGHT:	10 - 12" clear under steel joists in main garage area.
EXTERIOR:	Concrete Block
ROOF:	Steel
ELECTRICAL:	400-amp service
HVAC:	Unit Heaters (gas fired) / no central air conditioning.
LAND AREA:	19,568/sf. (.44 acres) with ±100' frontage on s/s of Boston Road, & 189' on Methuen Street.
LEFT HAND TURN:	Yes
CURB CUTS:	Three (1 on Boston Rd. & 2 on Methuen Street)
ENVIRONMENTAL:	Yes (21-E in owner's file)
ACCESS / VISIBILITY:	Excellent
TRAFFIC COUNT:	±20,700 ADT (see separate traffic count)
PARKING:	±15 – 20 cars in front and sides of building.
TRAFFIC LIGHT:	Property located between two signalized traffic lights on Boston Road with miles per hour ±25.
DEMOGRAPHICS:	Population: 1 mile - 11K, 3 miles 80K; 5 miles 220K M. HH Inc: 1 mile - \$37K; 3 miles \$46K; 5 miles \$43K Households: 1 mile - 4K, 3 miles 30K; 5 miles 84K
ZONE:	Business "B"
WATER \ SEWER:	Municipal / Municipal
ELECTRIC / GAS:	Eversource Electric / Columbia Gas
ASSESSMENT / RATE:	\$445,700 (FY 17) / \$39.07 (FY17)
TAXES:	\$17,413 / \$1.79 per square foot
COMMENTS:	Excellent location on heavily traveled Boston Road which is a major retail shopping district. Property is currently used for automotive repair but could be used for a variety of retail businesses needing high visibility. Property is leased on a triple net basis – good ROI! Call broker for details.

Property Summary

867 Boston Road
Springfield MA
Retail Property



Operating Statement

Gross Scheduled Income	\$42,000.00
- Vacancy Loss	\$0.00
= Gross Effective Income	\$42,000.00
+ Other Income	\$0.00
= Gross Operating Income	\$42,000.00
- Total Operating Expenses	\$0.00
= Net Operating Income (NOI)	\$42,000.00

Financial Statistics

Occupancy Percent	100.0%
Vacancy Percent	
Monthly Income Per Unit	\$3,500.00
Monthly Income Per Sq Ft	\$0.41
Annual Expenses Per Unit	
Annual Expenses per Sq Ft	
Gross Rent Multiplier	10.69
Cap Rate	9.35%

Property Data

Purchase Price	\$449,000.00	Year Built	1970
Number of Units	1	Land Area	19,568 sf
Number Occupied	1	Buildings	1
Number Vacant		Stories	1
Price Per Unit	\$449,000.00	Electric Meters	1
Rentable Sq Ft	8,500	Gas Meters	1
Price Per Sq Ft	\$52.82	Parking Spaces	20
Taxes	\$0.00	Roof	Flat
Insurance	\$0.00	Zoning	Bus B

Amenities and Features

Property is located on busy commercial corridor with estimated about 20,000 ADT. Located nearby is Kohl's Department Store, Walmart, Auto Zone, Pep Boys, restaurants, gas stations, etc. Property is leased on a triple net basis, i.e., tenant is responsible for all utilities, taxes, insurance, and trash removal. Owner responsible for structural repairs. Current rent is \$42,000 per year lease expires 4/30/2019 with tenant having two 5-year options with same terms but with rent to be negotiated between landlord and tenant seven months prior to expiration. Based on \$112,250 investment / mortgage \$336,500 25 years at 6% return on investment is estimated to be about 14% before taxes and 12% after taxes.

Prepared By

Thomas R. King, CCIM, King & Newton, LLC, 155 Maple Street, Suite 306, Springfield, MA 01105, (413) 732-2300
(413) 732-2318 fax, trk@kingnewton.com

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Annual Property Operating Data Year 1

867 Boston Road
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Retail Property



Annual Income

Gross Scheduled Income	\$42,000.00
- Vacancy	\$0.00
= Effective Rental Income	\$42,000.00
+ Other Income	\$0.00
= Gross Operating Income	\$42,000.00

Annual Operating Expenses

Taxes	\$0.00
+ Insurance	\$0.00
+ Property Management	\$0.00
+ Maintenance & Repair	\$0.00
+ Utilities	\$0.00
+ Services	\$0.00
+ Other Expenses	\$0.00
= Annual Operating Expenses	\$0.00

Net Operating Income

Gross Operating Income	\$42,000.00
- Annual Operating Expenses	\$0.00
= Net Operating Income	\$42,000.00

Annual Debt Service

1st Mortgage Principal and Interest	\$26,036.22
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Annual Cash Flow Before Tax

Net Operating Income	\$42,000.00
- Annual Debt Service	\$26,036.22
- Capital Additions	\$0.00
= Cash Flow Before Tax	\$15,963.78

Initial Investment

Purchase Price	\$449,000.00
Down Payment	\$112,250.00
+ Closing Costs	\$0.00
+ Loan Points	\$0.00
+ Other Costs	\$0.00
= Total Investment	\$112,250.00

Proposed Financing

Purchase Price	\$449,000.00
1st Mortgage	\$336,750.00
Points	0.0
Interest Rate	6.000%
Amortized Over	25.0 years
Term (Due Date)	25.0 years

Indicators

Cap Rate	9.35%
Gross Rent Multiplier	10.69
Cash on Cash	14.22%
Debt Coverage Ratio	1.61
Modified DCR	1.61
Default Ratio (Break Even)	61.99
Return on Gross Equity	14.22%

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Annual Return on Investment Year 1

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ROI Without Tax Calculations

Initial Investment	\$112,250.00	
Cash Flow Before Tax	\$15,963.78	14.2%
+ Appreciation @ 9.3%	\$197.86	0.2%
+ Principal Reduction	\$5,994.28	5.3%
= Total Return	\$22,155.92	19.7%

ROI With Tax Calculations

Initial Investment	\$112,250.00	
Cash Flow Before Tax	\$15,963.78	14.2%
+ Appreciation @ 9.3%	\$197.86	0.2%
+ Principal Reduction	\$5,994.28	5.3%
- Tax Liability @ 28.0%	\$2,643.33	2.4%
= Total Return	\$19,512.59	17.4%

Real Estate Taxable Income

Net Operating Income	\$42,000.00
- Mortgage Interest	\$20,041.94
- Points Amortization	\$0.00
- Cost Recovery	\$12,517.58
= R.E. Taxable Income	\$9,440.48

Active Investor Tax Liability

R.E. Taxable Income	\$9,440.48	
- Passive Losses Allowed	\$0.00	
- Suspended Losses Allowed	\$0.00	
= Adjusted Taxable Income	\$9,440.48	
X Tax Rate		28.00%
= Tax Liability	\$2,643.33	

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Before-Tax Cash Flow Spreadsheet

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Retail Property



ANNUAL INCOME	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Scheduled Income	\$42,000.00	\$42,000.00	\$42,000.00	\$42,000.00	\$42,000.00
- Vacancy	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
= Effective Rental Income	=\$42,000.00	=\$42,000.00	=\$42,000.00	=\$42,000.00	=\$42,000.00
+ Other Income	+\$0.00	+\$0.00	+\$0.00	+\$0.00	+\$0.00
= Gross Operating Income	=\$42,000.00	=\$42,000.00	=\$42,000.00	=\$42,000.00	=\$42,000.00
ANNUAL OPERATING EXPENSES					
Taxes	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
+ Insurance	+\$0.00	+\$0.00	+\$0.00	+\$0.00	+\$0.00
+ Property Management	+\$0.00	+\$0.00	+\$0.00	+\$0.00	+\$0.00
+ Maintenance & Repair	+\$0.00	+\$0.00	+\$0.00	+\$0.00	+\$0.00
+ Utilities	+\$0.00	+\$0.00	+\$0.00	+\$0.00	+\$0.00
+ Services	+\$0.00	+\$0.00	+\$0.00	+\$0.00	+\$0.00
+ Other Expenses	+\$0.00	+\$0.00	+\$0.00	+\$0.00	+\$0.00
= Annual Operating Expenses	=\$0.00	=\$0.00	=\$0.00	=\$0.00	=\$0.00
NET OPERATING INCOME					
Gross Operating Income	\$42,000.00	\$42,000.00	\$42,000.00	\$42,000.00	\$42,000.00
- Annual Operating Expenses	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
= Net Operating Income	=\$42,000.00	=\$42,000.00	=\$42,000.00	=\$42,000.00	=\$42,000.00
ANNUAL DEBT SERVICE					
Principal and Int. 1st Mortgage	\$26,036.22	\$26,036.22	\$26,036.22	\$26,036.22	\$26,036.22
+ Principal and Int. 2nd Mortgage	+\$0.00	+\$0.00	+\$0.00	+\$0.00	+\$0.00
+ Principal and Int. 3rd Mortgage	+\$0.00	+\$0.00	+\$0.00	+\$0.00	+\$0.00
= Annual Debt Service	=\$26,036.22	=\$26,036.22	=\$26,036.22	=\$26,036.22	=\$26,036.22
ANNUAL CASH FLOW BEFORE TAX					
Net Operating Income	\$42,000.00	\$42,000.00	\$42,000.00	\$42,000.00	\$42,000.00
- Annual Debt Service	-\$26,036.22	-\$26,036.22	-\$26,036.22	-\$26,036.22	-\$26,036.22
- Capital Additions	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
= Annual Cash Flow Before Tax	=\$15,963.78	=\$15,963.78	=\$15,963.78	=\$15,963.78	=\$15,963.78

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After-Tax Cash Flow Spreadsheet

867 Boston Road
Springfield MA
Retail Property



ANNUAL CASH FLOW BEFORE TAX	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Scheduled Income	\$42,000.00	\$42,000.00	\$42,000.00	\$42,000.00	\$42,000.00
- Vacancy	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
= Effective Rental Income	=\$42,000.00	=\$42,000.00	=\$42,000.00	=\$42,000.00	=\$42,000.00
+ Other Income	+\$0.00	+\$0.00	+\$0.00	+\$0.00	+\$0.00
= Gross Operating Income	=\$42,000.00	=\$42,000.00	=\$42,000.00	=\$42,000.00	=\$42,000.00
- Annual Operating Expenses	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
= Net Operating Income	=\$42,000.00	=\$42,000.00	=\$42,000.00	=\$42,000.00	=\$42,000.00
- Annual Debt Service	-\$26,036.22	-\$26,036.22	-\$26,036.22	-\$26,036.22	-\$26,036.22
- Capital Additions	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
= Annual Cash Flow Before Tax	=\$15,963.78	=\$15,963.78	=\$15,963.78	=\$15,963.78	=\$15,963.78
REAL ESTATE TAXABLE INCOME					
Net Operating Income	\$42,000.00	\$42,000.00	\$42,000.00	\$42,000.00	\$42,000.00
- Interest 1st Mortgage	-\$20,041.94	-\$19,672.22	-\$19,279.71	-\$18,862.98	-\$18,420.55
- Interest 2nd Mortgage	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
- Interest 3rd Mortgage	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
- Points Amortization	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
- Cost Recovery (Improvements)	-\$12,517.58	-\$13,061.82	-\$13,061.82	-\$13,061.82	-\$12,517.58
- Cost Recovery (Personal)	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
- Cost Recovery (Cap. Add.)	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
= R.E. Taxable Income (Loss)	=\$9,440.48	=\$9,265.96	=\$9,658.47	=\$10,075.20	=\$11,061.87
PASSIVE LOSS EXEMPTION					
Passive Loss Exemption Available	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00
Passive Losses Allowed	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ANNUAL SUSPENDED LOSSES					
R.E. Taxable Income (Loss)	\$9,440.48	\$9,265.96	\$9,658.47	\$10,075.20	\$11,061.87
Passive Losses Allowed	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Annual Suspended Losses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TAX LIABILITY (SAVINGS)					
R.E. Taxable Income (Min 0)	\$9,440.48	\$9,265.96	\$9,658.47	\$10,075.20	\$11,061.87
- Passive Losses Allowed	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
- Suspended Losses Allowed	-\$0.00	-\$0.00	-\$0.00	-\$0.00	-\$0.00
= Adjusted R.E. Taxable Income	=\$9,440.48	=\$9,265.96	=\$9,658.47	=\$10,075.20	=\$11,061.87
Tax Liability (Savings) @ 28.00%	\$2,643.33	\$2,594.47	\$2,704.37	\$2,821.06	\$3,097.32
ANNUAL CASH FLOW AFTER TAX					
Annual Cash Flow Before Tax	\$15,963.78	\$15,963.78	\$15,963.78	\$15,963.78	\$15,963.78
- Tax Liability (Savings) @ 28 %	-\$2,643.33	-\$2,594.47	-\$2,704.37	-\$2,821.06	-\$3,097.32
= Cash Flow After Tax	=\$13,320.45	=\$13,369.31	=\$13,259.41	=\$13,142.72	=\$12,866.46

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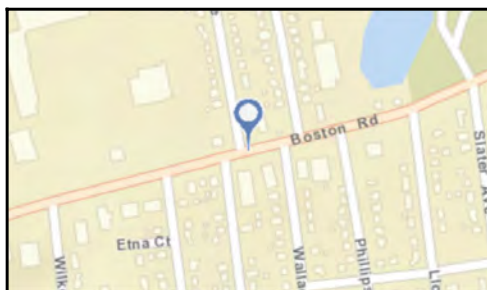
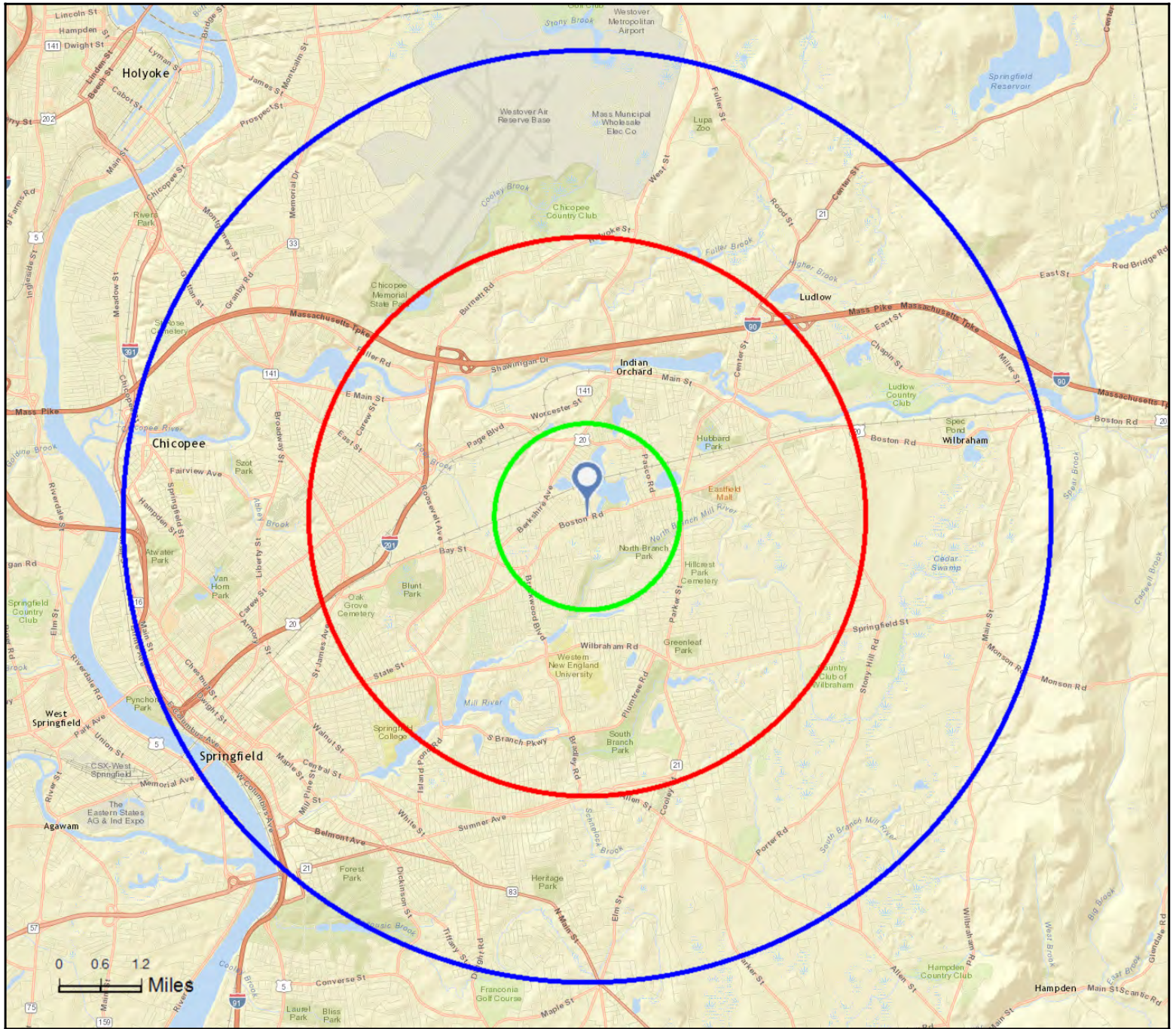
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Site Map

867 Boston Rd, Springfield, Massachusetts, 01119
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 42.13754
Longitude: -72.51547



March 09, 2017



Executive Summary

867 Boston Rd, Springfield, Massachusetts, 01119
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 42.13754
Longitude: -72.51547

	1 mile	3 miles	5 miles
Population			
2000 Population	10,462	79,276	216,654
2010 Population	11,141	80,255	218,695
2016 Population	11,286	81,633	222,288
2021 Population	11,426	82,838	225,483
2000-2010 Annual Rate	0.63%	0.12%	0.09%
2010-2016 Annual Rate	0.21%	0.27%	0.26%
2016-2021 Annual Rate	0.25%	0.29%	0.29%
2016 Male Population	46.4%	47.7%	48.1%
2016 Female Population	53.6%	52.3%	51.9%
2016 Median Age	34.1	36.7	36.3

In the identified area, the current year population is 222,288. In 2010, the Census count in the area was 218,695. The rate of change since 2010 was 0.26% annually. The five-year projection for the population in the area is 225,483 representing a change of 0.29% annually from 2016 to 2021. Currently, the population is 48.1% male and 51.9% female.

Median Age

The median age in this area is 34.1, compared to U.S. median age of 38.0.

Race and Ethnicity

2016 White Alone	47.8%	59.3%	61.1%
2016 Black Alone	25.6%	21.5%	16.5%
2016 American Indian/Alaska Native Alone	0.7%	0.5%	0.5%
2016 Asian Alone	1.9%	2.1%	2.5%
2016 Pacific Islander Alone	0.0%	0.1%	0.1%
2016 Other Race	18.1%	12.1%	15.1%
2016 Two or More Races	5.8%	4.4%	4.2%
2016 Hispanic Origin (Any Race)	39.3%	28.0%	33.0%

Persons of Hispanic origin represent 33.0% of the population in the identified area compared to 17.9% of the U.S. population. Persons of Hispanic Origin may be of any race. The Diversity Index, which measures the probability that two people from the same area will be from different race/ethnic groups, is 77.6 in the identified area, compared to 63.5 for the U.S. as a whole.

Households

2000 Households	4,032	30,004	82,710
2010 Households	4,241	30,471	83,494
2016 Total Households	4,282	30,873	84,377
2021 Total Households	4,329	31,290	85,435
2000-2010 Annual Rate	0.51%	0.15%	0.09%
2010-2016 Annual Rate	0.15%	0.21%	0.17%
2016-2021 Annual Rate	0.22%	0.27%	0.25%
2016 Average Household Size	2.63	2.54	2.53

The household count in this area has changed from 83,494 in 2010 to 84,377 in the current year, a change of 0.17% annually. The five-year projection of households is 85,435, a change of 0.25% annually from the current year total. Average household size is currently 2.53, compared to 2.52 in the year 2010. The number of families in the current year is 53,705 in the specified area.

Data Note: Income is expressed in current dollars

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021. Esri converted Census 2000 data into 2010 geography.



Executive Summary

867 Boston Rd, Springfield, Massachusetts, 01119
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 42.13754
Longitude: -72.51547

	1 mile	3 miles	5 miles
Median Household Income			
2016 Median Household Income	\$37,747	\$45,065	\$42,533
2021 Median Household Income	\$36,476	\$43,594	\$41,796
2016-2021 Annual Rate	-0.68%	-0.66%	-0.35%
Average Household Income			
2016 Average Household Income	\$51,933	\$59,977	\$58,877
2021 Average Household Income	\$53,327	\$63,385	\$62,359
2016-2021 Annual Rate	0.53%	1.11%	1.16%
Per Capita Income			
2016 Per Capita Income	\$20,051	\$23,283	\$23,079
2021 Per Capita Income	\$20,562	\$24,534	\$24,348
2016-2021 Annual Rate	0.50%	1.05%	1.08%

Current median household income is \$42,533 in the area, compared to \$54,149 for all U.S. households. Median household income is projected to be \$41,796 in five years, compared to \$59,476 for all U.S. households

Current average household income is \$58,877 in this area, compared to \$77,008 for all U.S. households. Average household income is projected to be \$62,359 in five years, compared to \$84,021 for all U.S. households

Current per capita income is \$23,079 in the area, compared to the U.S. per capita income of \$29,472. The per capita income is projected to be \$24,348 in five years, compared to \$32,025 for all U.S. households

Housing			
2000 Total Housing Units	4,182	31,399	87,841
2000 Owner Occupied Housing Units	2,498	20,076	47,836
2000 Renter Occupied Housing Units	1,533	9,928	34,874
2000 Vacant Housing Units	151	1,395	5,131
2010 Total Housing Units	4,439	32,271	89,836
2010 Owner Occupied Housing Units	2,720	20,262	48,112
2010 Renter Occupied Housing Units	1,521	10,209	35,382
2010 Vacant Housing Units	198	1,800	6,342
2016 Total Housing Units	4,460	32,745	91,248
2016 Owner Occupied Housing Units	2,630	19,792	46,888
2016 Renter Occupied Housing Units	1,652	11,081	37,489
2016 Vacant Housing Units	178	1,872	6,871
2021 Total Housing Units	4,510	33,141	92,423
2021 Owner Occupied Housing Units	2,641	20,001	47,336
2021 Renter Occupied Housing Units	1,688	11,288	38,099
2021 Vacant Housing Units	181	1,851	6,988

Currently, 51.4% of the 91,248 housing units in the area are owner occupied; 41.1%, renter occupied; and 7.5% are vacant. Currently, in the U.S., 55.4% of the housing units in the area are owner occupied; 32.9% are renter occupied; and 11.7% are vacant. In 2010, there were 89,836 housing units in the area - 53.6% owner occupied, 39.4% renter occupied, and 7.1% vacant. The annual rate of change in housing units since 2010 is 0.70%. Median home value in the area is \$168,812, compared to a median home value of \$198,891 for the U.S. In five years, median value is projected to change by 0.50% annually to \$173,113.

Data Note: Income is expressed in current dollars

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021. Esri converted Census 2000 data into 2010 geography.

March 09, 2017