

Purchase Analysis

1912 Kenneth St
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Fultondale, AL 35068



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Purchase Info	
Purchase Price	\$94,900
- First Mortgage	-\$75,920
- Second Mortgage	-\$0
= Downpayment	\$18,980
+ Buying Costs	\$5,694
+ Initial Improvements	\$0
= Initial Cash Invested	\$24,674
Square Feet	1,028
Cost per Square Foot	\$92
Monthly Rent per Square Foot	\$0.95

Mortgages	First	Second
Loan-To-Cost Ratio	80%	0%
Loan-To-Value Ratio	80%	0%
Loan Amount	\$75,920	\$0
Loan Type	Amortizing	
Term	30 Years	
Interest Rate	5%	
Payment	\$407.55	\$0.00

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	8.1
Operating Expense Ratio	34.2%
Debt Coverage Ratio	1.50
Cap Rate (Purchase Price)	7.7%
Cash on Cash Return	9.8%

Assumptions	
Appreciation Rate	3.0%
Vacancy Rate	5.0%
Income Inflation Rate	1.0%
Expense Inflation Rate	1.0%
LTV for Refinance	70.0%
Selling Costs	\$5,694

Income	Monthly	Annual
Gross Rent	\$975	\$11,700
Vacancy Loss	-\$49	-\$585
Operating Income	\$926	\$11,115

Expenses (% of Income)	Monthly	Annual
Cleaning & Maintenance (5%)	-\$46	-\$556
Insurance (9%)	-\$79	-\$949
Management Fees (10%)	-\$93	-\$1,112
Taxes (11%)	-\$99	-\$1,186
Association Fees (0%)	-\$0	-\$0
Operating Expenses (34%)	-\$317	-\$3,802

Net Performance	Monthly	Annual
Net Operating Income	\$609	\$7,312
- Mortgage Payments	-\$408	-\$4,891
- Year 1 Improvements	-\$0	-\$0
= Cash Flow	\$202	\$2,422

Buy and Hold Projection

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Income	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Gross Rent	\$11,700	\$11,817	\$11,935	\$12,175	\$12,796	\$14,135	\$15,614
Vacancy Loss	-\$585	-\$591	-\$597	-\$609	-\$640	-\$707	-\$781
Operating Income	\$11,115	\$11,226	\$11,338	\$11,566	\$12,156	\$13,428	\$14,833

Expenses	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Cleaning & Maintenance	-\$556	-\$561	-\$567	-\$578	-\$608	-\$671	-\$742
Insurance	-\$949	-\$958	-\$968	-\$988	-\$1,038	-\$1,146	-\$1,266
Management Fees	-\$1,112	-\$1,123	-\$1,134	-\$1,157	-\$1,216	-\$1,343	-\$1,483
Taxes	-\$1,186	-\$1,198	-\$1,210	-\$1,234	-\$1,297	-\$1,433	-\$1,583
Association Fees	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$3,802	-\$3,841	-\$3,879	-\$3,957	-\$4,159	-\$4,594	-\$5,074

Income Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Net Operating Income	\$7,312	\$7,386	\$7,459	\$7,609	\$7,998	\$8,834	\$9,759
- Mortgage Payments	-\$4,891	-\$4,891	-\$4,891	-\$4,891	-\$4,891	-\$4,891	-\$4,891
- Improvements	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
= Cash Flow	\$2,422	\$2,495	\$2,569	\$2,719	\$3,107	\$3,944	\$4,868
Cap Rate (Purchase Price)	7.7%	7.8%	7.9%	8.0%	8.4%	9.3%	10.3%
Cap Rate (Market Value)	7.5%	7.3%	7.2%	6.9%	6.3%	5.2%	4.2%
Cash on Cash Return	9.8%	10.1%	10.4%	11.0%	12.6%	16.0%	19.7%
Return on Equity	10.6%	9.2%	8.2%	6.7%	4.7%	3.0%	2.1%

Loan Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Market Value	\$97,747	\$100,679	\$103,700	\$110,015	\$127,538	\$171,400	\$230,347
- Loan Balance	-\$74,800	-\$73,623	-\$72,385	-\$69,717	-\$61,756	-\$38,427	-\$4
= Equity	\$22,947	\$27,057	\$31,315	\$40,298	\$65,782	\$132,973	\$230,343
Loan-to-Value Ratio	76.5%	73.1%	69.8%	63.4%	48.4%	22.4%	0.0%
Potential Cash-Out Refi	-\$6,377	-\$3,147	\$205	\$7,294	\$27,521	\$81,553	\$161,239

Sale Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Equity	\$22,947	\$27,057	\$31,315	\$40,298	\$65,782	\$132,973	\$230,343
- Selling Costs	-\$5,865	-\$6,041	-\$6,222	-\$6,601	-\$7,652	-\$10,284	-\$13,821
= Proceeds After Sale	\$17,082	\$21,016	\$25,093	\$33,698	\$58,130	\$122,689	\$216,522
+ Cumulative Cash Flow	\$2,422	\$4,917	\$7,486	\$12,848	\$27,599	\$63,202	\$107,647
- Initial Cash Invested	-\$24,674	-\$24,674	-\$24,674	-\$24,674	-\$24,674	-\$24,674	-\$24,674
= Net Profit	-\$5,170	\$1,259	\$7,905	\$21,872	\$61,055	\$161,217	\$299,495
Internal Rate of Return	-21.0%	2.6%	10.6%	15.7%	16.9%	15.2%	14.0%
Return on Investment	-21%	5%	32%	89%	247%	653%	1,214%