

Purchase Analysis

4701 Circle Ln
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Gardendale, AL 35071



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Purchase Info	
Purchase Price	\$112,900
- First Mortgage	-\$90,320
- Second Mortgage	-\$0
= Downpayment	\$22,580
+ Buying Costs	\$6,774
+ Initial Improvements	\$0
= Initial Cash Invested	\$29,354
Square Feet	1,008
Cost per Square Foot	\$112
Monthly Rent per Square Foot	\$1.09

Mortgages	First	Second
Loan-To-Cost Ratio	80%	0%
Loan-To-Value Ratio	80%	0%
Loan Amount	\$90,320	\$0
Loan Type	Amortizing	
Term	30 Years	
Interest Rate	5%	
Payment	\$484.86	\$0.00

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	8.6
Operating Expense Ratio	33.0%
Debt Coverage Ratio	1.44
Cap Rate (Purchase Price)	7.4%
Cash on Cash Return	8.8%

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	\$6,774

Income	Monthly	Annual
Gross Rent	\$1,100	\$13,200
Vacancy Loss	-\$55	-\$660
Operating Income	\$1,045	\$12,540

Expenses (% of Income)	Monthly	Annual
Cleaning & Maintenance (5%)	-\$52	-\$627
Insurance (9%)	-\$94	-\$1,129
Management Fees (10%)	-\$104	-\$1,254
Taxes (9%)	-\$94	-\$1,129
Association Fees (0%)	-\$0	-\$0
Operating Expenses (33%)	-\$345	-\$4,139

Net Performance	Monthly	Annual
Net Operating Income	\$700	\$8,401
- Mortgage Payments	-\$485	-\$5,818
- Year 1 Improvements	-\$0	-\$0
= Cash Flow	\$215	\$2,583

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	\$13,200	\$13,332	\$13,465	\$13,736	\$14,437	\$15,947	\$17,615
Vacancy Loss	-\$660	-\$667	-\$673	-\$687	-\$722	-\$797	-\$881
Operating Income	\$12,540	\$12,665	\$12,792	\$13,049	\$13,715	\$15,150	\$16,735

Expenses	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Cleaning & Maintenance	-\$627	-\$633	-\$640	-\$652	-\$686	-\$757	-\$837
Insurance	-\$1,129	-\$1,140	-\$1,152	-\$1,175	-\$1,235	-\$1,364	-\$1,507
Management Fees	-\$1,254	-\$1,267	-\$1,279	-\$1,305	-\$1,371	-\$1,515	-\$1,673
Taxes	-\$1,129	-\$1,140	-\$1,152	-\$1,175	-\$1,235	-\$1,364	-\$1,507
Association Fees	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$4,139	-\$4,180	-\$4,222	-\$4,307	-\$4,527	-\$5,000	-\$5,524

Income Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Net Operating Income	\$8,401	\$8,485	\$8,570	\$8,742	\$9,188	\$10,149	\$11,211
- Mortgage Payments	-\$5,818	-\$5,818	-\$5,818	-\$5,818	-\$5,818	-\$5,818	-\$5,818
- Improvements	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
= Cash Flow	\$2,583	\$2,667	\$2,752	\$2,924	\$3,370	\$4,331	\$5,395
Cap Rate (Purchase Price)	7.4%	7.5%	7.6%	7.7%	8.1%	9.0%	9.9%
Cap Rate (Market Value)	7.2%	7.1%	6.9%	6.7%	6.1%	5.0%	4.1%
Cash on Cash Return	8.8%	9.1%	9.4%	10.0%	11.5%	14.8%	18.4%
Return on Equity	9.5%	8.3%	7.4%	6.1%	4.3%	2.7%	2.0%

Loan Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Market Value	\$116,287	\$119,776	\$123,369	\$130,882	\$151,728	\$203,910	\$274,038
- Loan Balance	-\$88,987	-\$87,587	-\$86,114	-\$82,940	-\$73,468	-\$45,712	-\$0
= Equity	\$27,300	\$32,189	\$37,255	\$47,943	\$78,260	\$158,198	\$274,038
Loan-to-Value Ratio	76.5%	73.1%	69.8%	63.4%	48.4%	22.4%	0.0%
Potential Cash-Out Refi	-\$7,587	-\$3,744	\$244	\$8,678	\$32,742	\$97,025	\$191,827

Sale Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Equity	\$27,300	\$32,189	\$37,255	\$47,943	\$78,260	\$158,198	\$274,038
- Selling Costs	-\$6,977	-\$7,187	-\$7,402	-\$7,853	-\$9,104	-\$12,235	-\$16,442
= Proceeds After Sale	\$20,322	\$25,002	\$29,853	\$40,090	\$69,157	\$145,963	\$257,596
+ Cumulative Cash Flow	\$2,583	\$5,249	\$8,001	\$13,762	\$29,710	\$68,615	\$117,680
- Initial Cash Invested	-\$29,354	-\$29,354	-\$29,354	-\$29,354	-\$29,354	-\$29,354	-\$29,354
= Net Profit	-\$6,449	\$898	\$8,499	\$24,498	\$69,513	\$185,225	\$345,922
Internal Rate of Return	-22.0%	1.6%	9.6%	14.7%	16.1%	14.5%	13.3%
Return on Investment	-22%	3%	29%	83%	237%	631%	1,178%