

# Purchase Analysis

900 Meadowbrook Dr  
900 Meadowbrook Dr  
Birmingham, AL 35215



Stephanie Bethea  
205-243-8034  
sbethea@awbcorp.com  
alliancewealthbuilders.com

| Purchase Info                  |                 |
|--------------------------------|-----------------|
| Purchase Price                 | \$81,900        |
| - First Mortgage               | -\$65,520       |
| - Second Mortgage              | -\$0            |
| <b>= Downpayment</b>           | <b>\$16,380</b> |
| + Buying Costs                 | \$4,914         |
| + Initial Improvements         | \$0             |
| <b>= Initial Cash Invested</b> | <b>\$21,294</b> |
| Square Feet                    | 1,128           |
| Cost per Square Foot           | \$73            |
| Monthly Rent per Square Foot   | \$0.78          |

| Mortgages           | First           | Second        |
|---------------------|-----------------|---------------|
| Loan-To-Cost Ratio  | 80%             | 0%            |
| Loan-To-Value Ratio | 80%             | 0%            |
| Loan Amount         | \$65,520        | \$0           |
| Loan Type           | Amortizing      |               |
| Term                | 30 Years        |               |
| Interest Rate       | 5%              |               |
| <b>Payment</b>      | <b>\$351.73</b> | <b>\$0.00</b> |

| Financial Metrics (Year 1)   |              |
|------------------------------|--------------|
| Annual Gross Rent Multiplier | 7.8          |
| Operating Expense Ratio      | 28.8%        |
| Debt Coverage Ratio          | 1.68         |
| Cap Rate (Purchase Price)    | 8.7%         |
| <b>Cash on Cash Return</b>   | <b>13.5%</b> |

| 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          | \$4,914 |

| Income                  | Monthly      | Annual         |
|-------------------------|--------------|----------------|
| Gross Rent              | \$875        | \$10,500       |
| Vacancy Loss            | -\$44        | -\$525         |
| <b>Operating Income</b> | <b>\$831</b> | <b>\$9,975</b> |

| Expenses (% of Income)          | Monthly       | Annual          |
|---------------------------------|---------------|-----------------|
| Cleaning & Maintenance (5%)     | -\$42         | -\$499          |
| Insurance (5%)                  | -\$40         | -\$475          |
| Management Fees (10%)           | -\$83         | -\$998          |
| Taxes (9%)                      | -\$75         | -\$901          |
| Association Fees (0%)           | -\$0          | -\$0            |
| <b>Operating Expenses (29%)</b> | <b>-\$239</b> | <b>-\$2,872</b> |

| Net Performance             | Monthly      | Annual         |
|-----------------------------|--------------|----------------|
| <b>Net Operating Income</b> | <b>\$592</b> | <b>\$7,103</b> |
| - Mortgage Payments         | -\$352       | -\$4,221       |
| - Year 1 Improvements       | -\$0         | -\$0           |
| <b>= Cash Flow</b>          | <b>\$240</b> | <b>\$2,882</b> |