

# Purchase Analysis

7225 Pine Tree Ln  
7225 Pine Tree Ln  
Fairfield, AL 35064



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

Purchase Info	
Purchase Price	\$86,900
- First Mortgage	<b>-\$69,520</b>
- Second Mortgage	-\$0
<b>= Downpayment</b>	<b>\$17,380</b>
+ Buying Costs	\$5,214
+ Initial Improvements	\$0
<b>= Initial Cash Invested</b>	<b>\$22,594</b>
Square Feet	1,472
Cost per Square Foot	\$59
Monthly Rent per Square Foot	\$0.65

Mortgages	First	Second
Loan-To-Cost Ratio	80%	0%
Loan-To-Value Ratio	80%	0%
Loan Amount	\$69,520	\$0
Loan Type	Amortizing	
Term	30 Years	
Interest Rate	5%	
<b>Payment</b>	<b>\$373.20</b>	<b>\$0.00</b>

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	7.6
Operating Expense Ratio	35.6%
Debt Coverage Ratio	1.56
Cap Rate (Purchase Price)	8.0%
<b>Cash on Cash Return</b>	<b>11.1%</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	\$5,214

Income	Monthly	Annual
Gross Rent	\$950	\$11,400
Vacancy Loss	<b>-\$48</b>	<b>-\$570</b>
<b>Operating Income</b>	<b>\$902</b>	<b>\$10,830</b>

Expenses (% of Income)	Monthly	Annual
Cleaning & Maintenance (5%)	<b>-\$45</b>	<b>-\$542</b>
Insurance (8%)	<b>-\$72</b>	<b>-\$869</b>
Management Fees (10%)	<b>-\$90</b>	<b>-\$1,083</b>
Taxes (13%)	<b>-\$113</b>	<b>-\$1,359</b>
Association Fees (0%)	-\$0	-\$0
<b>Operating Expenses (36%)</b>	<b>-\$321</b>	<b>-\$3,852</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$581</b>	<b>\$6,978</b>
- Mortgage Payments	<b>-\$373</b>	<b>-\$4,478</b>
- Year 1 Improvements	-\$0	-\$0
<b>= Cash Flow</b>	<b>\$208</b>	<b>\$2,499</b>