

# Purchase Analysis

260 High Ridge Dr  
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Pelham, AL 35124



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Purchase Info	
Purchase Price	\$152,900
- First Mortgage	-\$122,320
- Second Mortgage	-\$0
<b>= Downpayment</b>	<b>\$30,580</b>
+ Buying Costs	\$9,174
+ Initial Improvements	\$0
<b>= Initial Cash Invested</b>	<b>\$39,754</b>
Square Feet	1,495
Cost per Square Foot	\$102
Monthly Rent per Square Foot	\$0.97

Mortgages	First	Second
Loan-To-Cost Ratio	80%	0%
Loan-To-Value Ratio	80%	0%
Loan Amount	\$122,320	\$0
Loan Type	Amortizing	
Term	30 Years	
Interest Rate	5%	
<b>Payment</b>	<b>\$656.64</b>	<b>\$0.00</b>

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	8.8
Operating Expense Ratio	31.2%
Debt Coverage Ratio	1.44
Cap Rate (Purchase Price)	7.4%
<b>Cash on Cash Return</b>	<b>8.8%</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	\$9,174

Income	Monthly	Annual
Gross Rent	\$1,450	\$17,400
Vacancy Loss	-\$72	-\$870
<b>Operating Income</b>	<b>\$1,378</b>	<b>\$16,530</b>

Expenses (% of Income)	Monthly	Annual
Cleaning & Maintenance (5%)	-\$69	-\$826
Insurance (5%)	-\$63	-\$760
Management Fees (11%)	-\$145	-\$1,740
Taxes (10%)	-\$140	-\$1,682
Association Fees (1%)	-\$12	-\$150
<b>Operating Expenses (31%)</b>	<b>-\$430</b>	<b>-\$5,158</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$948</b>	<b>\$11,372</b>
- Mortgage Payments	-\$657	-\$7,880
- Year 1 Improvements	-\$0	-\$0
<b>= Cash Flow</b>	<b>\$291</b>	<b>\$3,492</b>