

Purchase Analysis

6805 Crystal Hill Way
6805 Crystal Hill Way
Birmingham, AL 35212



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Purchase Info	
Purchase Price	\$104,900
- First Mortgage	-\$83,920
- Second Mortgage	-\$0
= Downpayment	\$20,980
+ Buying Costs	\$6,294
+ Initial Improvements	\$0
= Initial Cash Invested	\$27,274
Square Feet	1,708
Cost per Square Foot	\$61
Monthly Rent per Square Foot	\$0.61

Mortgages	First	Second
Loan-To-Cost Ratio	80%	0%
Loan-To-Value Ratio	80%	0%
Loan Amount	\$83,920	\$0
Loan Type	Amortizing	
Term	30 Years	
Interest Rate	4.75%	
Payment	\$437.77	\$0.00

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	8.3
Operating Expense Ratio	39.8%
Debt Coverage Ratio	1.37
Cap Rate (Purchase Price)	6.9%
Cash on Cash Return	7.2%

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	\$6,294

Income	Monthly	Annual
Gross Rent	\$1,050	\$12,600
Vacancy Loss	-\$52	-\$630
Operating Income	\$998	\$11,970

Expenses (% of Income)	Monthly	Annual
Cleaning & Maintenance (5%)	-\$50	-\$598
Insurance (9%)	-\$87	-\$1,049
Management Fees (10%)	-\$100	-\$1,197
Taxes (16%)	-\$160	-\$1,918
Association Fees (0%)	-\$0	-\$0
Operating Expenses (40%)	-\$397	-\$4,762

Net Performance	Monthly	Annual
Net Operating Income	\$601	\$7,208
- Mortgage Payments	-\$438	-\$5,253
- Year 1 Improvements	-\$0	-\$0
= Cash Flow	\$163	\$1,954

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	\$12,600	\$12,726	\$12,853	\$13,112	\$13,780	\$15,222	\$16,815
Vacancy Loss	-\$630	-\$636	-\$643	-\$656	-\$689	-\$761	-\$841
Operating Income	\$11,970	\$12,090	\$12,211	\$12,456	\$13,091	\$14,461	\$15,974

Expenses	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Cleaning & Maintenance	-\$598	-\$604	-\$611	-\$623	-\$655	-\$723	-\$799
Insurance	-\$1,049	-\$1,059	-\$1,070	-\$1,092	-\$1,147	-\$1,267	-\$1,400
Management Fees	-\$1,197	-\$1,209	-\$1,221	-\$1,246	-\$1,309	-\$1,446	-\$1,597
Taxes	-\$1,918	-\$1,937	-\$1,957	-\$1,996	-\$2,098	-\$2,317	-\$2,560
Association Fees	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$4,762	-\$4,810	-\$4,858	-\$4,956	-\$5,209	-\$5,754	-\$6,356

Income Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Net Operating Income	\$7,208	\$7,280	\$7,352	\$7,500	\$7,883	\$8,707	\$9,618
- Mortgage Payments	-\$5,253	-\$5,253	-\$5,253	-\$5,253	-\$5,253	-\$5,253	-\$5,250
- Improvements	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
= Cash Flow	\$1,954	\$2,026	\$2,099	\$2,247	\$2,629	\$3,454	\$4,368
Cap Rate (Purchase Price)	6.9%	6.9%	7.0%	7.1%	7.5%	8.3%	9.2%
Cap Rate (Market Value)	6.7%	6.5%	6.4%	6.2%	5.6%	4.6%	3.8%
Cash on Cash Return	7.2%	7.4%	7.7%	8.2%	9.6%	12.7%	16.0%
Return on Equity	7.7%	6.7%	6.0%	5.0%	3.6%	2.3%	1.7%

Loan Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Market Value	\$108,047	\$111,288	\$114,627	\$121,608	\$140,977	\$189,461	\$254,620
- Loan Balance	-\$82,625	-\$81,267	-\$79,843	-\$76,785	-\$67,742	-\$41,751	-\$0
= Equity	\$25,422	\$30,021	\$34,784	\$44,823	\$73,235	\$147,710	\$254,620
Loan-to-Value Ratio	76.5%	73.0%	69.7%	63.1%	48.1%	22.0%	0.0%
Potential Cash-Out Refi	-\$6,992	-\$3,365	\$396	\$8,340	\$30,942	\$90,872	\$178,234

Sale Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Equity	\$25,422	\$30,021	\$34,784	\$44,823	\$73,235	\$147,710	\$254,620
- Selling Costs	-\$6,483	-\$6,677	-\$6,878	-\$7,296	-\$8,459	-\$11,368	-\$15,277
= Proceeds After Sale	\$18,939	\$23,344	\$27,906	\$37,526	\$64,777	\$136,342	\$239,343
+ Cumulative Cash Flow	\$1,954	\$3,981	\$6,080	\$10,499	\$22,874	\$53,637	\$93,118
- Initial Cash Invested	-\$27,274	-\$27,274	-\$27,274	-\$27,274	-\$27,274	-\$27,274	-\$27,274
= Net Profit	-\$6,381	\$51	\$6,712	\$20,752	\$60,377	\$162,705	\$305,186
Internal Rate of Return	-23.4%	0.1%	8.1%	13.4%	14.9%	13.4%	12.3%
Return on Investment	-23%	0%	25%	76%	221%	597%	1,119%