

Purchase Analysis

937 Five Mile Rd
937 Five Mile Rd
Birmingham, AL 35215



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Purchase Info	
Purchase Price	\$82,900
- First Mortgage	-\$66,320
- Second Mortgage	-\$0
= Downpayment	\$16,580
+ Buying Costs	\$4,974
+ Initial Improvements	\$0
= Initial Cash Invested	\$21,554
Square Feet	1,198
Cost per Square Foot	\$69
Monthly Rent per Square Foot	\$0.73

Mortgages	First	Second
Loan-To-Cost Ratio	80%	0%
Loan-To-Value Ratio	80%	0%
Loan Amount	\$66,320	\$0
Loan Type	Amortizing	
Term	30 Years	
Interest Rate	5%	
Payment	\$356.02	\$0.00

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	7.9
Operating Expense Ratio	31.7%
Debt Coverage Ratio	1.60
Cap Rate (Purchase Price)	8.2%
Cash on Cash Return	11.8%

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	\$4,974

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

Expenses (% of Income)	Monthly	Annual
Cleaning & Maintenance (5%)	-\$42	-\$499
Insurance (5%)	-\$40	-\$475
Management Fees (10%)	-\$83	-\$998
Taxes (12%)	-\$99	-\$1,189
Association Fees (0%)	-\$0	-\$0
Operating Expenses (32%)	-\$263	-\$3,160

Net Performance	Monthly	Annual
Net Operating Income	\$568	\$6,815
- Mortgage Payments	-\$356	-\$4,272
- Year 1 Improvements	-\$0	-\$0
= Cash Flow	\$212	\$2,543