

Purchase Analysis

2818 Valley Hill Cir
2818 Valley Hill Cir
Adamsville, AL 35005



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

Purchase Info	
Purchase Price	\$79,900
- First Mortgage	-\$63,920
- Second Mortgage	-\$0
= Downpayment	\$15,980
+ Buying Costs	\$4,794
+ Initial Improvements	\$0
= Initial Cash Invested	\$20,774
Square Feet	1,098
Cost per Square Foot	\$73
Monthly Rent per Square Foot	\$0.80

Mortgages	First	Second
Loan-To-Cost Ratio	80%	0%
Loan-To-Value Ratio	80%	0%
Loan Amount	\$63,920	\$0
Loan Type	Amortizing	
Term	30 Years	
Interest Rate	5%	
Payment	\$343.14	\$0.00

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	7.6
Operating Expense Ratio	30.4%
Debt Coverage Ratio	1.69
Cap Rate (Purchase Price)	8.7%
Cash on Cash Return	13.6%

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	\$4,794

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 (6%)	-\$52	-\$620
Management Fees (10%)	-\$83	-\$998
Taxes (9%)	-\$77	-\$919
Association Fees (0%)	-\$0	-\$0
Operating Expenses (30%)	-\$253	-\$3,035

Net Performance	Monthly	Annual
Net Operating Income	\$578	\$6,940
- Mortgage Payments	-\$343	-\$4,118
- Year 1 Improvements	-\$0	-\$0
= Cash Flow	\$235	\$2,822