

Purchase Analysis

520 Elm St SW
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Bessemer, AL 35022



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Purchase Info	
Purchase Price	\$86,900
- First Mortgage	-\$69,520
- Second Mortgage	-\$0
= Downpayment	\$17,380
+ Buying Costs	\$5,214
+ Initial Improvements	\$0
= Initial Cash Invested	\$22,594
Square Feet	1,014
Cost per Square Foot	\$86
Monthly Rent per Square Foot	\$0.89

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%	
Payment	\$373.20	\$0.00

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	8.0
Operating Expense Ratio	28.5%
Debt Coverage Ratio	1.64
Cap Rate (Purchase Price)	8.4%
Cash on Cash Return	12.7%

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	\$900	\$10,800
Vacancy Loss	-\$45	-\$540
Operating Income	\$855	\$10,260

Expenses (% of Income)	Monthly	Annual
Cleaning & Maintenance (5%)	-\$43	-\$513
Insurance (5%)	-\$46	-\$550
Management Fees (10%)	-\$86	-\$1,026
Taxes (8%)	-\$69	-\$832
Association Fees (0%)	-\$0	-\$0
Operating Expenses (28%)	-\$243	-\$2,921

Net Performance	Monthly	Annual
Net Operating Income	\$612	\$7,339
- Mortgage Payments	-\$373	-\$4,478
- Year 1 Improvements	-\$0	-\$0
= Cash Flow	\$238	\$2,861