

# Purchase Analysis

122 Springwood St  
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Birmingham, AL 35228



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

Purchase Info	
Purchase Price	\$64,900
- First Mortgage	<b>-\$51,920</b>
- Second Mortgage	-\$0
<b>= Downpayment</b>	<b>\$12,980</b>
+ Buying Costs	\$3,894
+ Initial Improvements	\$0
<b>= Initial Cash Invested</b>	<b>\$16,874</b>
Square Feet	1,356
Cost per Square Foot	\$48
Monthly Rent per Square Foot	\$0.59

Mortgages	First	Second
Loan-To-Cost Ratio	80%	0%
Loan-To-Value Ratio	80%	0%
Loan Amount	\$51,920	\$0
Loan Type	Amortizing	
Term	30 Years	
Interest Rate	5%	
<b>Payment</b>	<b>\$278.72</b>	<b>\$0.00</b>

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	6.8
Operating Expense Ratio	30.6%
Debt Coverage Ratio	1.89
Cap Rate (Purchase Price)	9.8%
<b>Cash on Cash Return</b>	<b>17.7%</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	\$3,894

Income	Monthly	Annual
Gross Rent	\$800	\$9,600
Vacancy Loss	<b>-\$40</b>	<b>-\$480</b>
<b>Operating Income</b>	<b>\$760</b>	<b>\$9,120</b>

Expenses (% of Income)	Monthly	Annual
Cleaning & Maintenance (5%)	<b>-\$38</b>	<b>-\$456</b>
Insurance (6%)	<b>-\$45</b>	<b>-\$540</b>
Management Fees (11%)	<b>-\$80</b>	<b>-\$960</b>
Taxes (9%)	<b>-\$70</b>	<b>-\$836</b>
Association Fees (0%)	-\$0	-\$0
<b>Operating Expenses (31%)</b>	<b>-\$233</b>	<b>-\$2,792</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$527</b>	<b>\$6,328</b>
- Mortgage Payments	<b>-\$279</b>	<b>-\$3,345</b>
- Year 1 Improvements	-\$0	-\$0
<b>= Cash Flow</b>	<b>\$249</b>	<b>\$2,983</b>