

Purchase Analysis

9744 Red Mill Rd
9744 Red Mill Rd
Birmingham, AL 35215



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

Purchase Info	
Purchase Price	\$83,900
- First Mortgage	-\$67,120
- Second Mortgage	-\$0
= Downpayment	\$16,780
+ Buying Costs	\$5,034
+ Initial Improvements	\$0
= Initial Cash Invested	\$21,814
Square Feet	1,106
Cost per Square Foot	\$76
Monthly Rent per Square Foot	\$0.79

Mortgages	First	Second
Loan-To-Cost Ratio	80%	0%
Loan-To-Value Ratio	80%	0%
Loan Amount	\$67,120	\$0
Loan Type	Amortizing	
Term	30 Years	
Interest Rate	5%	
Payment	\$360.31	\$0.00

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	8.0
Operating Expense Ratio	30.3%
Debt Coverage Ratio	1.61
Cap Rate (Purchase Price)	8.3%
Cash on Cash Return	12.1%

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	\$5,034

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 (11%)	-\$87	-\$1,049
Association Fees (0%)	-\$0	-\$0
Operating Expenses (30%)	-\$252	-\$3,020

Net Performance	Monthly	Annual
Net Operating Income	\$580	\$6,955
- Mortgage Payments	-\$360	-\$4,324
- Year 1 Improvements	-\$0	-\$0
= Cash Flow	\$219	\$2,631