

820 86th St S
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 Birmingham, AL 35206



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Purchase Info	
Purchase Price	\$89,900
- First Mortgage	-\$71,920
- Second Mortgage	-\$0
= Downpayment	\$17,980
+ Buying Costs	\$5,394
+ Initial Improvements	\$0
= Initial Cash Invested	\$23,374
Square Feet	1,590
Cost per Square Foot	\$57
Monthly Rent per Square Foot	\$0.56

Mortgages	First	Second
Loan-To-Cost Ratio	80%	0%
Loan-To-Value Ratio	80%	0%
Loan Amount	\$71,920	\$0
Loan Type	Amortizing	
Term	30 Years	
Interest Rate	5.5%	
Payment	\$408.35	\$0.00

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	8.4
Operating Expense Ratio	36.7%
Debt Coverage Ratio	1.32
Cap Rate (Purchase Price)	7.2%
Cash on Cash Return	6.7%

Assumptions	
Appreciation Rate	3.0%
Vacancy Rate	5.0%
Income Inflation Rate	1.0%
Expense Inflation Rate	1.0%
LTV for Refinance	70.0%

Income	Monthly	Annual
Gross Rent	\$895	\$10,740
Vacancy Loss	-\$45	-\$537
Operating Income	\$850	\$10,203

Expenses (% of Income)	Monthly	Annual
Cleaning & Maintenance (5%)	-\$43	-\$510
Insurance (6%)	-\$50	-\$600
Management Fees (10%)	-\$85	-\$1,020
Taxes (16%)	-\$134	-\$1,610
Association Fees (0%)	-\$0	-\$0
Operating Expenses (37%)	-\$312	-\$3,740

Net Performance	Monthly	Annual
Net Operating Income	\$539	\$6,463
- Mortgage Payments	-\$408	-\$4,900
- Year 1 Improvements	-\$0	-\$0
= Cash Flow	\$130	\$1,562

Disclaimer: There are no implied or expressed guarantees on the pro-forma. Real Estate investments are subject to risk and loss of capital. The Pro-forma numbers are projections based on historical data, but future performance cannot be guaranteed as markets and economies shift. Rents, property taxes, insurance, loan rates, maintenance and vacancy costs all vary depending on micro and macro-economic factors. Investors should perform their own due diligence to best forecast the potential performance of their rental properties.