

232 Varnon Dr
 232 Varnon Dr
 Birmingham, AL 35214



Alliance Wealth Builders
 Stephanie Bethea
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Purchase Info	
Purchase Price	\$124,900
- First Mortgage	-\$99,920
- Second Mortgage	-\$0
= Downpayment	\$24,980
+ Buying Costs	\$7,494
+ Initial Improvements	\$0
= Initial Cash Invested	\$32,474
Square Feet	1,504
Cost per Square Foot	\$83
Monthly Rent per Square Foot	\$0.76

Mortgages	First	Second
Loan-To-Cost Ratio	80%	0%
Loan-To-Value Ratio	80%	0%
Loan Amount	\$99,920	\$0
Loan Type	Amortizing	
Term	30 Years	
Interest Rate	5%	
Payment	\$536.39	\$0.00

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	9.1
Operating Expense Ratio	31.4%
Debt Coverage Ratio	1.40
Cap Rate (Purchase Price)	7.2%
Cash on Cash Return	7.9%

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

Income	Monthly	Annual
Gross Rent	\$1,150	\$13,800
Vacancy Loss	-\$58	-\$690
Operating Income	\$1,092	\$13,110

Expenses (% of Income)	Monthly	Annual
Cleaning & Maintenance (5%)	-\$55	-\$656
Insurance (6%)	-\$65	-\$775
Management Fees (10%)	-\$109	-\$1,311
Taxes (10%)	-\$114	-\$1,374
Operating Expenses (31%)	-\$343	-\$4,115

Net Performance	Monthly	Annual
Net Operating Income	\$750	\$8,995
- Mortgage Payments	-\$536	-\$6,437
- Year 1 Improvements	-\$0	-\$0
= Cash Flow	\$213	\$2,558