

## 1 Year Performance Projection

New Construction in Birmingham Suburbs  
Vance, AL 35490  
4 Beds - 2 Baths - 2 Car Garage



Square Feet	1,774
Initial Market Value	\$275,000
Purchase Price	\$275,000
Downpayment	\$82,500
Loan Origination Fees	\$0
Depreciable Closing Costs	\$11,000
Other Closing Costs and Fixup	\$0
<b>Initial Cash Invested</b>	<b>\$93,500</b>
Cost per Square Foot	\$155
Monthly Rent per Square Foot	\$1.01

Income	Monthly	Annual
Gross Rent	\$1,800	\$21,600
Vacancy Losses	-\$144	-\$1,728
<b>Operating Income</b>	<b>\$1,656</b>	<b>\$19,872</b>

Expenses	Monthly	Annual
Property Taxes	-\$149	-\$1,788
Insurance	-\$96	-\$1,155
Management Fees	-\$86	-\$1,032
Leasing/Advertising Fees	-\$0	-\$0
Association Fees	-\$45	-\$540
Maintenance	-\$90	-\$1,080
Other	-\$0	-\$0
<b>Operating Expenses</b>	<b>-\$466</b>	<b>-\$5,594</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$1,190</b>	<b>\$14,277</b>
- Mortgage Payments	-\$1,108	-\$13,298
<b>= Cash Flow</b>	<b>\$82</b>	<b>\$980</b>
+ Principal Reduction	\$211	\$2,534
+ First-Year Appreciation	\$1,375	\$16,500
<b>= Gross Equity Income</b>	<b>\$1,668</b>	<b>\$20,014</b>
+ Tax Savings	\$140	\$1,676
<b>= GEI w/Tax Savings</b>	<b>\$1,807</b>	<b>\$21,690</b>

Mortgage Info	First	Second
Loan-to-Value Ratio	70%	0%
Loan Amount	\$192,500	\$0
Monthly Payment	\$1,108.14	\$0.00
Loan Type	Amortizing Fixed	
Term	30 Years	
Interest Rate	5.625%	0.000%
Monthly PMI	\$0	

Financial Indicators	
Debt Coverage Ratio	1.07
Annual Gross Rent Multiplier	13
Monthly Gross Rent Multiplier	153
Capitalization Rate	5.2%
Cash on Cash Return	1%
<b>Total Return on Investment</b>	<b>21%</b>
<b>+ Tax Benefits: Deductions, Depreciation, 1031 Exchange</b>	

Assumptions	
Real Estate Appreciation Rate	6%
Vacancy Rate	8%
Management Fee	\$86
Maintenance Percentage	5%

Comments
New construction
Builder warranty
Birmingham suburbs

\*Information is not guaranteed and investors should do their own research, get professional advice and conduct due diligence prior to investing.