

247 4th Ave

Investment Property - Buy & Hold

247 4th Ave, Pleasant Grove, AL 35127
House · 3 Beds · 2 Baths · 1,549 Sq.Ft.

\$ 265,000 Purchase Price · **\$ 265,000** ARV
\$ 71,550 Cash Needed · **\$ 187/mo** Cash Flow · **5.9%** Cap Rate · **3.1%** COC

Prepared by:



the peak
group



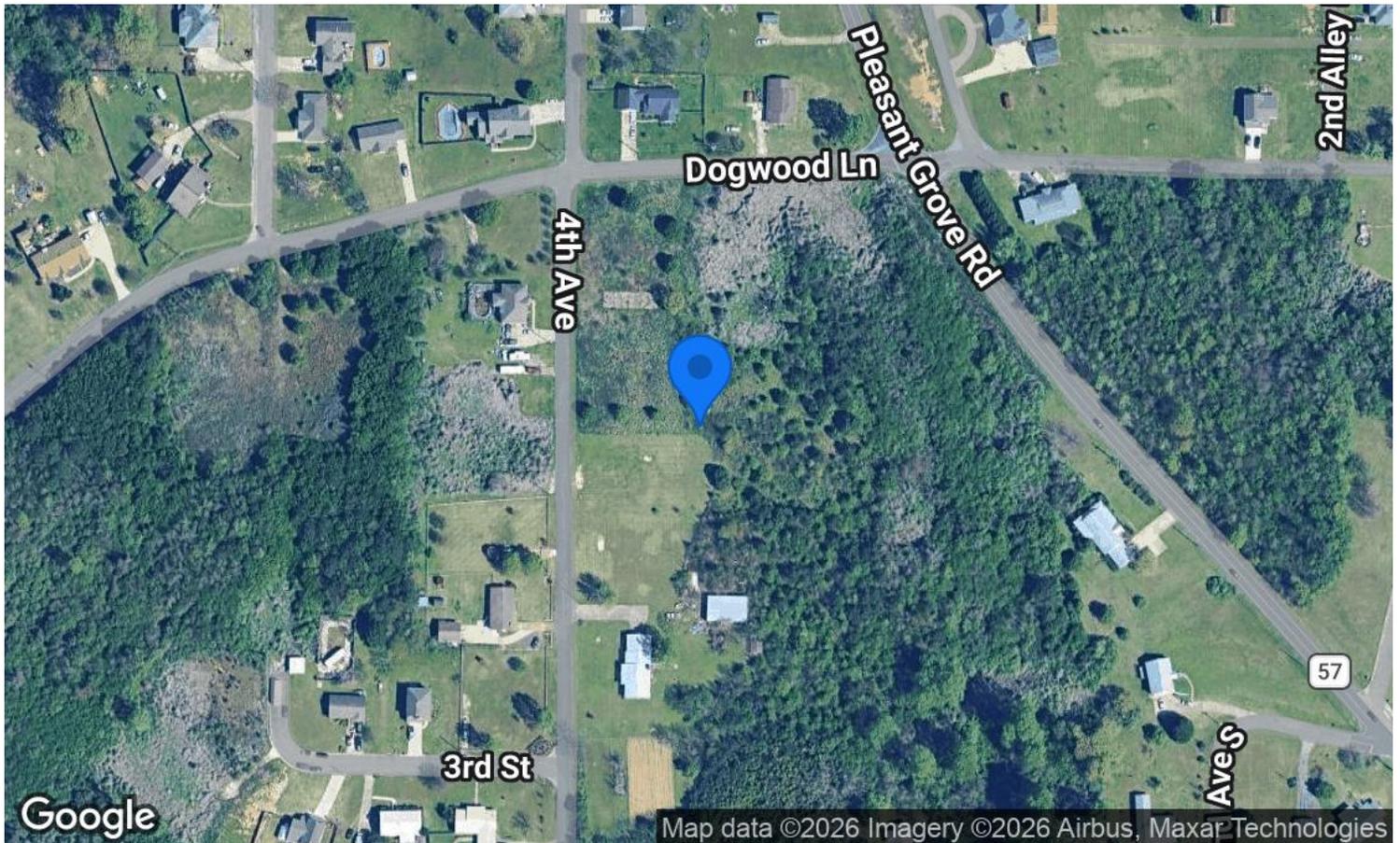
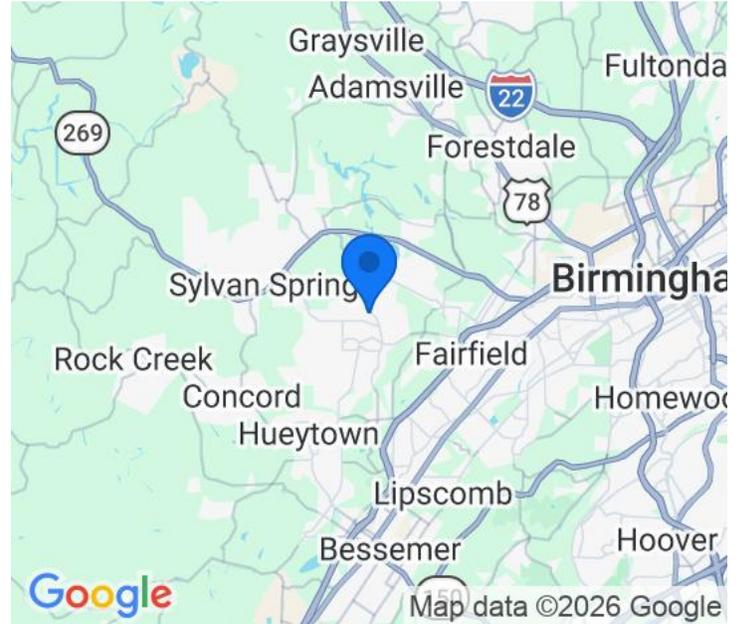
Property Description

ADDRESS

247 4th Ave
Pleasant Grove, AL 35127

DESCRIPTION

Property Type:	House
Beds / Baths:	3 BR / 2 BA
Square Footage:	1,549
Year Built:	2025



Purchase Analysis & Returns

PURCHASE & REHAB

Purchase Price:		\$ 265,000
Amount Financed:	-	\$ 198,750
Down Payment:	=	\$ 66,250
Purchase Costs:	+	\$ 5,300
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 71,550
After Repair Value:		\$ 265,000
ARV Per Square Foot:		\$ 171.1
Price Per Square Foot:		\$ 171.1

FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	5.375%
Financing Of:	Price (75%)
Loan Amount:	\$ 198,750
LTC / LTV:	75% / 75%
Loan Payment:	\$ 1,113 Per Month \$ 13,355 Per Year

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	5.9% / 5.9%
Cash on Cash Return:	3.1%
Return on Equity:	2.9%
Return on Investment:	-8.4%
Internal Rate of Return:	-8.4%
Rent to Value:	0.7%
Gross Rent Multiplier:	11.94
Equity Multiple:	0.92
Break Even Ratio:	89.9%
Debt Coverage Ratio:	1.17
Debt Yield:	7.9%

ASSUMPTIONS & PROJECTIONS

Rehab Cost Overrun:	0%
Vacancy Rate:	0%
Appreciation:	3% Per Year
Income Increase:	3% Per Year
Expense Increase:	3% Per Year
Selling Costs:	5% of Sales Price
Depreciation Period:	27.5 Years
Land Value:	\$ 0

PURCHASE COSTS

Total (2% of Price):	\$ 5,300
-----------------------------	-----------------

REHAB COSTS

Rehab Costs:	\$ 0
Cost Overrun (0%):	\$ 0
Total:	\$ 0
Total Per Square Foot:	\$ 0

Cash Flow (Year 1)

	Monthly	Yearly
CASH FLOW		
Gross Rent:	\$ 1,850	\$ 22,200
Vacancy (-%):	-	\$ 0
Other Income:	+	\$ 0
<hr/>		
Operating Income:	=	\$ 1,850
Operating Expenses (29.7%):	-	\$ 550
<hr/>		
Net Operating Income:	=	\$ 1,300
Loan Payments:	-	\$ 1,113
<hr/>		
Cash Flow:	=	\$ 187

	Monthly	Yearly
OTHER INCOME		
Total:	\$ 0	\$ 0

	Monthly	Yearly
OPERATING EXPENSES		
Property Taxes:	\$ 267	\$ 3,200
Insurance:	\$ 117	\$ 1,400
Property Management:	\$ 130	\$ 1,554
Maintenance:	\$ 37	\$ 444
Capital Expenditures:	\$ 0	\$ 0
HOA Fees:	\$ 0	\$ 0
Utilities:	\$ 0	\$ 0
Landscaping:	\$ 0	\$ 0
Accounting & Legal Fees:	\$ 0	\$ 0
<hr/>		
Total:	\$ 550	\$ 6,598

Buy & Hold Projections

APPRECIATION 3% Per Year	INCOME INCREASE 3% Per Year			EXPENSE INCREASES 3% Per Year		SELLING COSTS 5% of Price	
	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
RENTAL INCOME							
Gross Rent:	\$ 22,200	\$ 22,866	\$ 23,552	\$ 24,986	\$ 28,966	\$ 38,928	\$ 52,316
Vacancy:	- \$ 0	- \$ 1,143	- \$ 1,178	- \$ 1,249	- \$ 1,448	- \$ 1,946	- \$ 2,616
Vacancy Rate:	0%	5%	5%	5%	5%	5%	5%
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Operating Income:	= \$ 22,200	= \$ 21,723	= \$ 22,374	= \$ 23,737	= \$ 27,518	= \$ 36,982	= \$ 49,700
Income Increase:	3%	3%	3%	3%	3%	3%	3%
OPERATING EXPENSES							
Property Taxes:	\$ 3,200	\$ 3,296	\$ 3,395	\$ 3,602	\$ 4,175	\$ 5,611	\$ 7,541
Insurance:	+ \$ 1,400	+ \$ 1,442	+ \$ 1,485	+ \$ 1,576	+ \$ 1,827	+ \$ 2,455	+ \$ 3,299
Property Management:	+ \$ 1,554	+ \$ 1,521	+ \$ 1,566	+ \$ 1,662	+ \$ 1,926	+ \$ 2,589	+ \$ 3,479
Maintenance:	+ \$ 444	+ \$ 457	+ \$ 471	+ \$ 500	+ \$ 579	+ \$ 779	+ \$ 1,046
Capital Expenditures:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
HOA Fees:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Utilities:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Landscaping:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Accounting & Legal Fees:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Operating Expenses:	= \$ 6,598	= \$ 6,716	= \$ 6,917	= \$ 7,340	= \$ 8,507	= \$ 11,434	= \$ 15,365
Expense Increase:	3%	3%	3%	3%	3%	3%	3%
CASH FLOW							
Operating Income:	\$ 22,200	\$ 21,723	\$ 22,374	\$ 23,737	\$ 27,518	\$ 36,982	\$ 49,700
Operating Expenses:	- \$ 6,598	- \$ 6,716	- \$ 6,917	- \$ 7,340	- \$ 8,507	- \$ 11,434	- \$ 15,365
Expense Ratio:	29.7%	30.9%	30.9%	30.9%	30.9%	30.9%	30.9%
Net Operating Income:	= \$ 15,602	= \$ 15,007	= \$ 15,457	= \$ 16,397	= \$ 19,011	= \$ 25,548	= \$ 34,335
Loan Payments:	- \$ 13,355	- \$ 13,355	- \$ 13,355	- \$ 13,355	- \$ 13,355	- \$ 13,355	- \$ 13,355
Cash Flow:	= \$ 2,247	= \$ 1,652	= \$ 2,102	= \$ 3,042	= \$ 5,656	= \$ 12,193	= \$ 20,980
TAX BENEFITS & DEDUCTIONS							
Operating Expenses:	\$ 6,598	\$ 6,716	\$ 6,917	\$ 7,340	\$ 8,507	\$ 11,434	\$ 15,365
Loan Interest:	+ \$ 10,616	+ \$ 10,465	+ \$ 10,306	+ \$ 9,961	+ \$ 8,917	+ \$ 5,766	+ \$ 381
Depreciation:	+ \$ 9,829	+ \$ 9,829	+ \$ 9,829	+ \$ 9,829	+ \$ 9,829	+ \$ 9,829	+ \$ 0
Total Deductions:	= \$ 27,043	= \$ 27,010	= \$ 27,052	= \$ 27,130	= \$ 27,253	= \$ 27,030	= \$ 15,746

EQUITY ACCUMULATION

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Property Value:	\$ 272,950	\$ 281,139	\$ 289,573	\$ 307,208	\$ 356,138	\$ 478,619	\$ 643,225
Appreciation:	3%	3%	3%	3%	3%	3%	3%
Loan Balance:	- \$ 196,011	- \$ 193,120	- \$ 190,071	- \$ 183,459	- \$ 163,465	- \$ 103,138	- \$ 0
LTV Ratio:	71.8%	68.7%	65.6%	59.7%	45.9%	21.5%	-
Total Equity:	= \$ 76,939	= \$ 88,019	= \$ 99,502	= \$ 123,749	= \$ 192,673	= \$ 375,481	= \$ 643,225

SALE ANALYSIS

Equity:	\$ 76,939	\$ 88,019	\$ 99,502	\$ 123,749	\$ 192,673	\$ 375,481	\$ 643,225
Selling Costs (5%):	- \$ 13,648	- \$ 14,057	- \$ 14,479	- \$ 15,360	- \$ 17,807	- \$ 23,931	- \$ 32,161
Sale Proceeds:	= \$ 63,292	= \$ 73,962	= \$ 85,023	= \$ 108,389	= \$ 174,867	= \$ 351,550	= \$ 611,064
Cumulative Cash Flow:	+ \$ 2,247	+ \$ 3,899	+ \$ 6,001	+ \$ 11,609	+ \$ 34,507	+ \$ 125,422	+ \$ 293,537
Total Cash Invested:	- \$ 71,550	- \$ 71,550	- \$ 71,550	- \$ 71,550	- \$ 71,550	- \$ 71,550	- \$ 71,550
Total Profit:	= -\$ 6,011	= \$ 6,311	= \$ 19,474	= \$ 48,448	= \$ 137,824	= \$ 405,422	= \$ 833,051

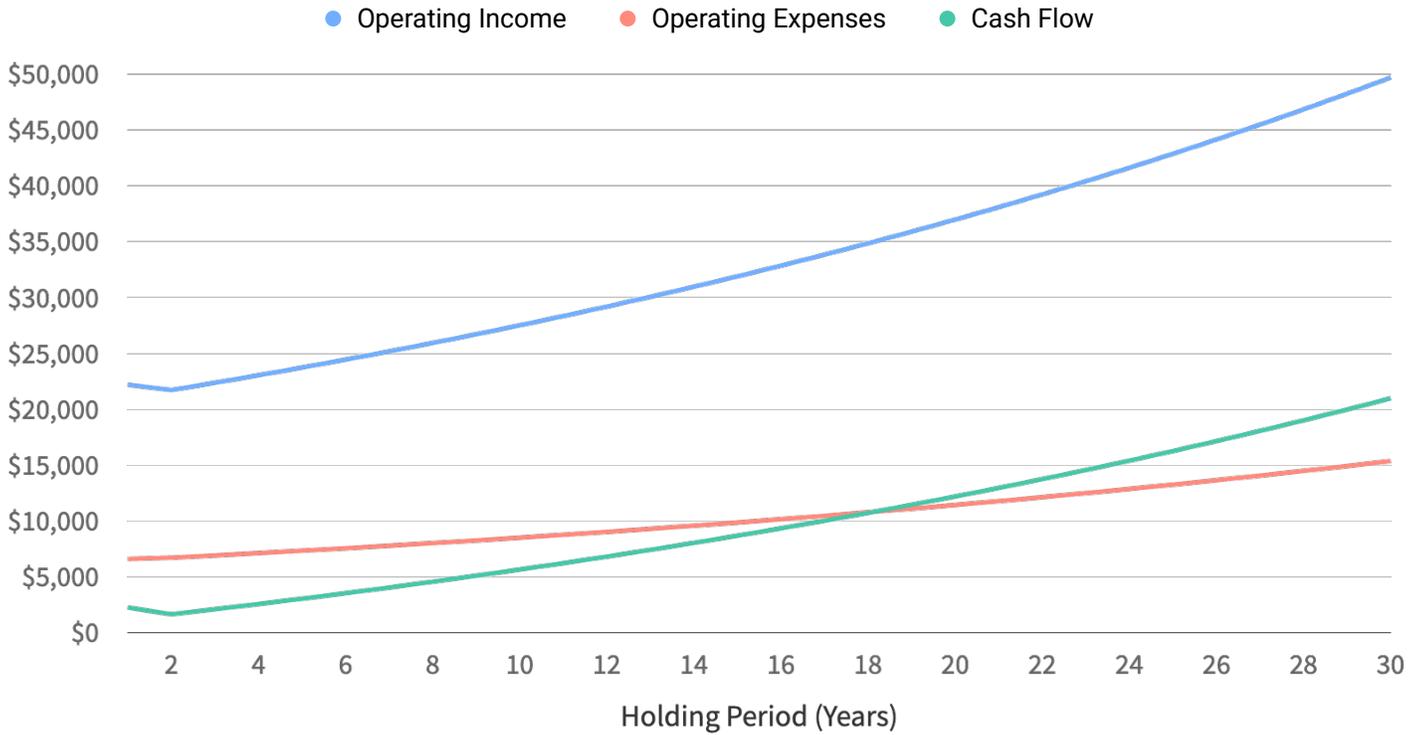
INVESTMENT RETURNS

Cap Rate (Purchase Price):	5.9%	5.7%	5.8%	6.2%	7.2%	9.6%	13%
Cap Rate (Market Value):	5.7%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%
Cash on Cash Return:	3.1%	2.3%	2.9%	4.3%	7.9%	17%	29.3%
Return on Equity:	2.9%	1.9%	2.1%	2.5%	2.9%	3.2%	3.3%
Return on Investment:	-8.4%	8.8%	27.2%	67.7%	192.6%	566.6%	1,164.3%
Internal Rate of Return:	-8.4%	4.4%	8.6%	11.4%	12.4%	11.8%	11.2%

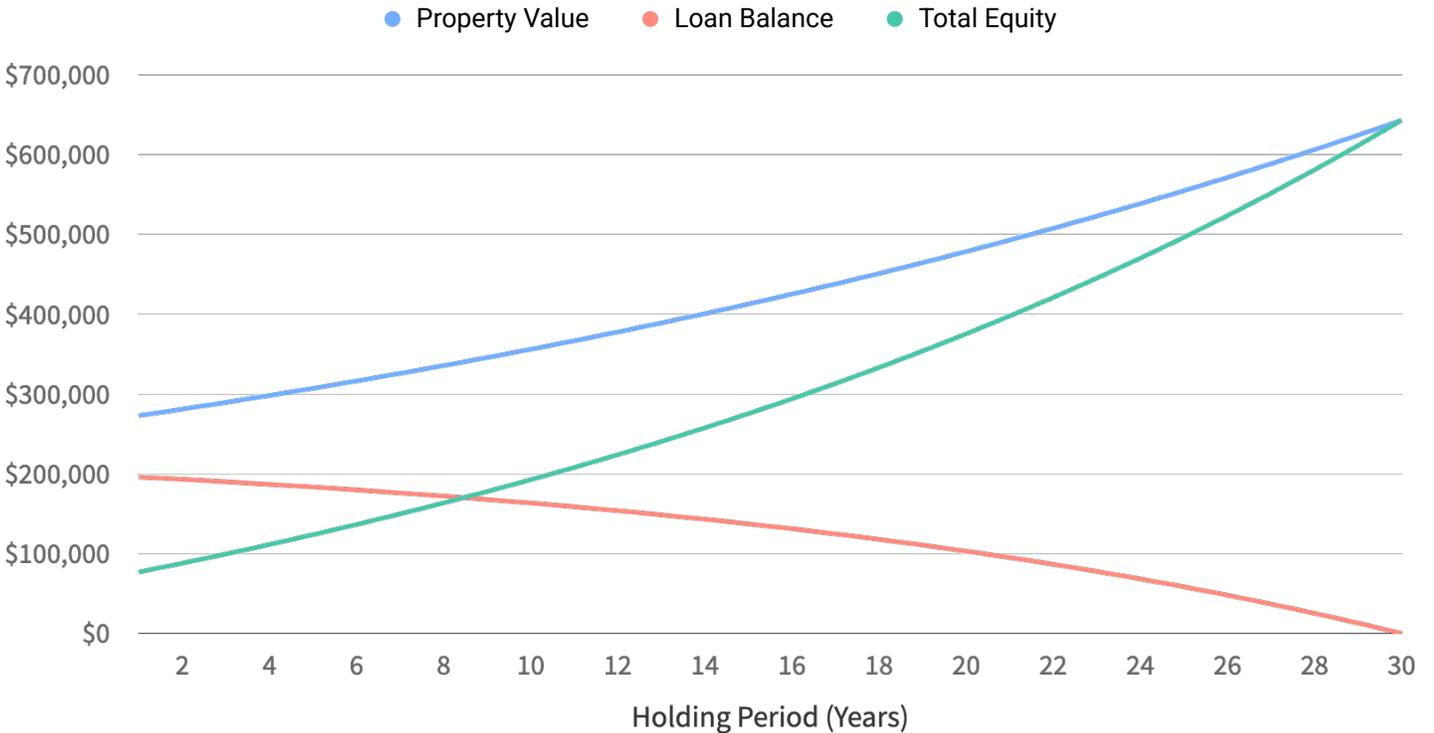
FINANCIAL RATIOS

Rent to Value:	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
Gross Rent Multiplier:	12.3	12.3	12.3	12.3	12.3	12.29	12.29
Equity Multiple:	0.92	1.09	1.27	1.68	2.93	6.67	12.64
Break Even Ratio:	89.9%	87.8%	86.1%	82.8%	75.5%	63.7%	54.9%
Debt Coverage Ratio:	1.17	1.12	1.16	1.23	1.42	1.91	2.57
Debt Yield:	8%	7.8%	8.1%	8.9%	11.6%	24.8%	-

Cash Flow Over Time



Equity Over Time



Property Photos



Additional Information

All information to be verified by independent study and cannot be guaranteed. Although best efforts are made to be accurate in the assessment of future rents, interest rates, vacancy, expenses, rehab estimates, and other details noted in this proforma, all is to be independently verified by the investor. It is also essential to understand the square footage noted cannot be guaranteed but in the event of purchase, floorplans will become a part of the contract and discussed with your agent.

Disclaimer

This Report is provided solely for general business information purposes. No advisory, fiduciary or other relationship is created by any acceptance or use of this Report.

The inclusion of this Report with any other materials does not constitute an endorsement by the Report Author of any third party or any third party's products or services. The projected valuation, financial and investment return information, conclusions and other information contained in this Report are based upon tested methodologies for accuracy. However, such information and conclusions are not definitive forecasts, appraisals or opinions of valuations. All such information and conclusions are stated in terms of probability of likelihood based on market factors and information submitted to the Report Author, and such information and conclusions are not guaranteed by the Report Author and should not be construed as a certified appraisal or valuation, or investment advice.

The Report Author uses or has used public and/or confidential data and assumptions provided to the Report Author by third parties, and the Report Author has not independently verified the data and assumptions used in these analyses or data sets. Attributes for properties may be inaccurate because county assessor and property data records do not always include recent additions and/or modifications to property structures. Changes in the underlying data or operating assumptions, or any loss of access to any one or more sources will clearly impact the analyses, information and conclusions set forth in this Report.