

## 243 4th Ave

### Investment Property - Buy & Hold

243 4th Ave, Pleasant Grove, AL 35127  
House · 3 Beds · 2 Baths · 1,549 Sq.Ft.

**\$ 265,000 Purchase Price · \$ 265,000 ARV**  
**\$ 60,950 Cash Needed · \$ 210/mo Cash Flow · 6.6% Cap Rate · 4.1% COC**

Prepared by:



**the peak  
group**



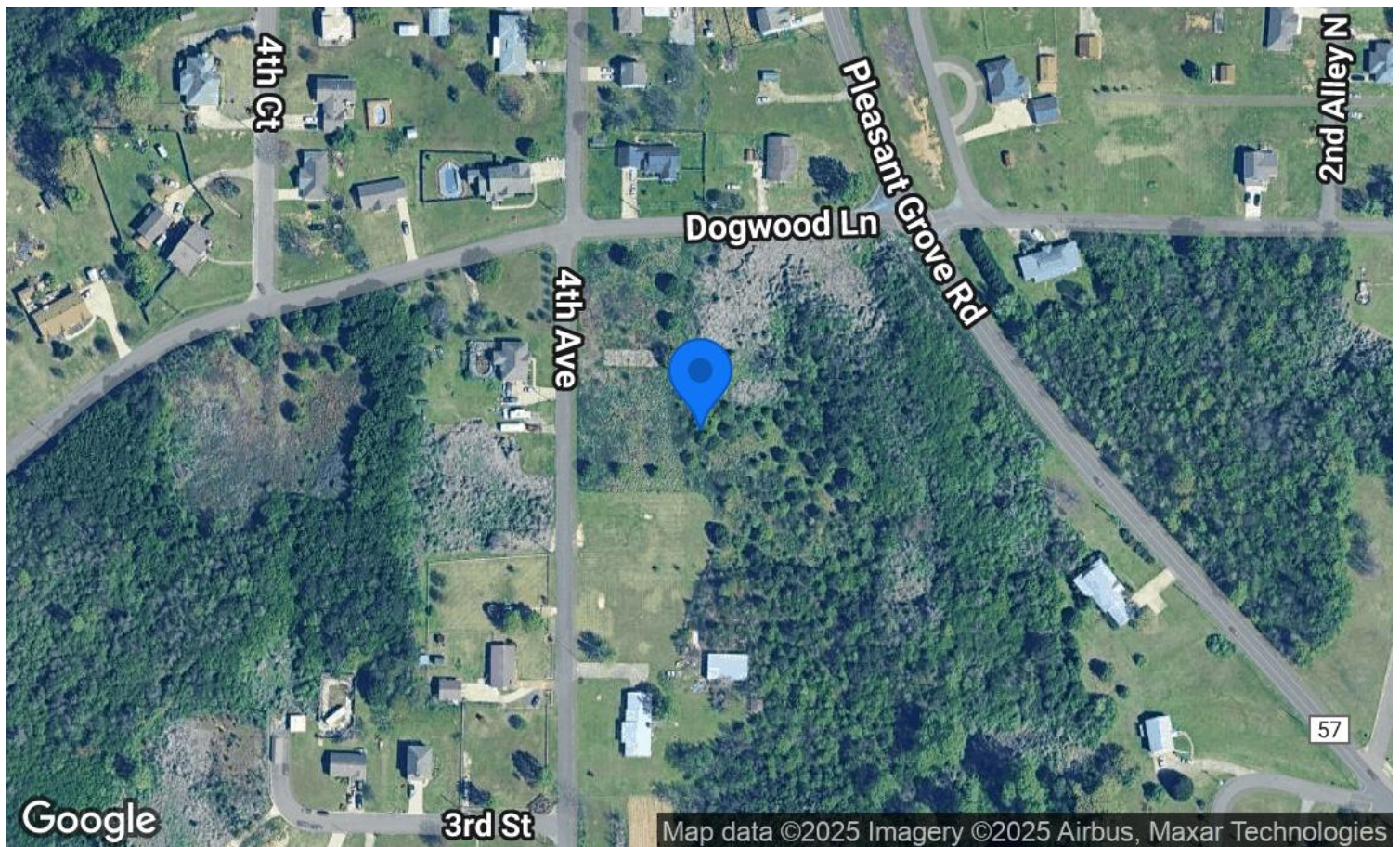
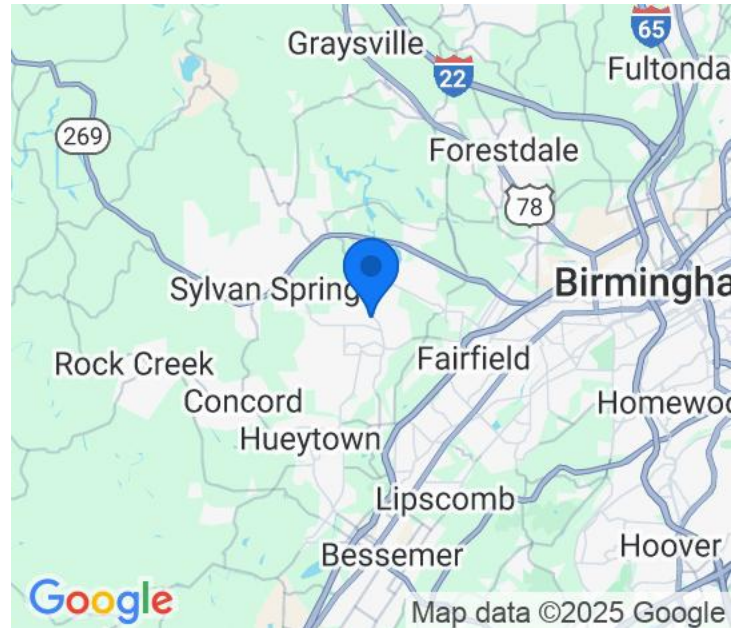
## Property Description

### ADDRESS

243 4th Ave  
Pleasant Grove, AL 35127

### DESCRIPTION

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





## Purchase Analysis & Returns

### PURCHASE & REHAB

Purchase Price:		\$ 265,000
Amount Financed:	-	\$ 212,000
Down Payment:	=	\$ 53,000
Purchase Costs:	+	\$ 7,950
Rehab Costs:	+	\$ 0
<b>Total Cash Needed:</b>	<b>=</b>	<b>\$ 60,950</b>
After Repair Value:		\$ 265,000
ARV Per Square Foot:		\$ 171.1
Price Per Square Foot:		\$ 171.1

### RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	6.6% / 6.6%
Cash on Cash Return:	4.1%
Return on Equity:	4%
Return on Investment:	-13.8%
Internal Rate of Return:	-13.8%
Rent to Value:	0.7%
Gross Rent Multiplier:	12.27
Equity Multiple:	0.86
Break Even Ratio:	88.3%
Debt Coverage Ratio:	1.17
Debt Yield:	8.2%

### PURCHASE COSTS

<b>Total (3% of Price):</b>	<b>\$ 7,950</b>
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### FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	5.75%
Financing Of:	Price (80%)
Loan Amount:	\$ 212,000
LTC / LTV:	80% / 80%
Loan Payment:	\$ 1,237 Per Month
	\$ 14,846 Per Year

### 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

### REHAB COSTS

Rehab Costs:	\$ 0
Cost Overrun (0%):	\$ 0
<b>Total:</b>	<b>\$ 0</b>
Total Per Square Foot:	\$ 0

## Cash Flow (Year 1)

		Monthly	Yearly
<b>CASH FLOW</b>			
Gross Rent:		\$ 1,800	\$ 21,600
Vacancy (-%):	-	\$ 0	\$ 0
Other Income:	+	\$ 0	\$ 0
Operating Income:	=	\$ 1,800	\$ 21,600
Operating Expenses (19.6%):	-	\$ 353	\$ 4,232
Net Operating Income:	=	\$ 1,447	\$ 17,368
Loan Payments:	-	\$ 1,237	\$ 14,846
<b>Cash Flow:</b>	<b>=</b>	<b>\$ 210</b>	<b>\$ 2,522</b>

		Monthly	Yearly
<b>OTHER INCOME</b>			
<b>Total:</b>		<b>\$ 0</b>	<b>\$ 0</b>

		Monthly	Yearly
<b>OPERATING EXPENSES</b>			
Property Taxes:		\$ 217	\$ 2,600
Insurance:		\$ 100	\$ 1,200
Maintenance:		\$ 36	\$ 432
Capital Expenditures:		\$ 0	\$ 0
HOA Fees:		\$ 0	\$ 0
Utilities:		\$ 0	\$ 0
Landscaping:		\$ 0	\$ 0
Accounting & Legal Fees:		\$ 0	\$ 0
<b>Total:</b>		<b>\$ 353</b>	<b>\$ 4,232</b>

## 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	
<b>RENTAL INCOME</b>								
Gross Rent:	\$ 21,600	\$ 22,248	\$ 22,915	\$ 24,311	\$ 28,183	\$ 37,876	\$ 50,902	
Vacancy:	- \$ 0	- \$ 1,112	- \$ 1,146	- \$ 1,216	- \$ 1,409	- \$ 1,894	- \$ 2,545	
Vacancy Rate:	0%	5%	5%	5%	5%	5%	5%	
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	
<b>Operating Income:</b>	<b>= \$ 21,600</b>	<b>= \$ 21,136</b>	<b>= \$ 21,769</b>	<b>= \$ 23,095</b>	<b>= \$ 26,774</b>	<b>= \$ 35,982</b>	<b>= \$ 48,357</b>	
Income Increase:	3%	3%	3%	3%	3%	3%	3%	
<b>OPERATING EXPENSES</b>								
Property Taxes:	\$ 2,600	\$ 2,678	\$ 2,758	\$ 2,926	\$ 3,392	\$ 4,559	\$ 6,127	
Insurance:	+ \$ 1,200	+ \$ 1,236	+ \$ 1,273	+ \$ 1,351	+ \$ 1,566	+ \$ 2,104	+ \$ 2,828	
Property Management:	N/A	N/A	+ \$ 1,742	+ \$ 1,848	+ \$ 2,142	+ \$ 2,879	+ \$ 3,869	
Maintenance:	+ \$ 432	+ \$ 445	+ \$ 458	+ \$ 486	+ \$ 564	+ \$ 758	+ \$ 1,018	
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	
<b>Operating Expenses:</b>	<b>= \$ 4,232</b>	<b>= \$ 4,359</b>	<b>= \$ 6,231</b>	<b>= \$ 6,611</b>	<b>= \$ 7,664</b>	<b>= \$ 10,300</b>	<b>= \$ 13,842</b>	
Expense Increase:	3%	3%	3%	3%	3%	3%	3%	
<b>CASH FLOW</b>								
Operating Income:	\$ 21,600	\$ 21,136	\$ 21,769	\$ 23,095	\$ 26,774	\$ 35,982	\$ 48,357	
Operating Expenses:	- \$ 4,232	- \$ 4,359	- \$ 6,231	- \$ 6,611	- \$ 7,664	- \$ 10,300	- \$ 13,842	
Expense Ratio:	19.6%	20.6%	28.6%	28.6%	28.6%	28.6%	28.6%	
<b>Net Operating Income:</b>	<b>= \$ 17,368</b>	<b>= \$ 16,777</b>	<b>= \$ 15,538</b>	<b>= \$ 16,484</b>	<b>= \$ 19,110</b>	<b>= \$ 25,682</b>	<b>= \$ 34,515</b>	
Loan Payments:	- \$ 14,846	- \$ 14,846	- \$ 14,846	- \$ 14,846	- \$ 14,846	- \$ 14,846	- \$ 14,846	
<b>Cash Flow:</b>	<b>= \$ 2,522</b>	<b>= \$ 1,931</b>	<b>= \$ 692</b>	<b>= \$ 1,638</b>	<b>= \$ 4,264</b>	<b>= \$ 10,836</b>	<b>= \$ 19,669</b>	
<b>TAX BENEFITS &amp; DEDUCTIONS</b>								
Operating Expenses:	\$ 4,232	\$ 4,359	\$ 6,231	\$ 6,611	\$ 7,664	\$ 10,300	\$ 13,842	
Loan Interest:	+ \$ 12,119	+ \$ 11,958	+ \$ 11,787	+ \$ 11,415	+ \$ 10,276	+ \$ 6,735	+ \$ 452	
Depreciation:	+ \$ 9,925	+ \$ 9,925	+ \$ 9,925	+ \$ 9,925	+ \$ 9,925	+ \$ 9,925	+ \$ 0	
<b>Total Deductions:</b>	<b>= \$ 26,276</b>	<b>= \$ 26,242</b>	<b>= \$ 27,944</b>	<b>= \$ 27,952</b>	<b>= \$ 27,865</b>	<b>= \$ 26,961</b>	<b>= \$ 14,294</b>	
<b>EQUITY ACCUMULATION</b>								

	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:	- \$ 209,273	- \$ 206,385	- \$ 203,326	- \$ 196,656	- \$ 176,215	- \$ 112,707	- \$ 0
LTV Ratio:	76.7%	73.4%	70.2%	64%	49.5%	23.5%	-
<b>Total Equity:</b>	<b>= \$ 63,677</b>	<b>= \$ 74,754</b>	<b>= \$ 86,247</b>	<b>= \$ 110,552</b>	<b>= \$ 179,923</b>	<b>= \$ 365,912</b>	<b>= \$ 643,225</b>

## SALE ANALYSIS

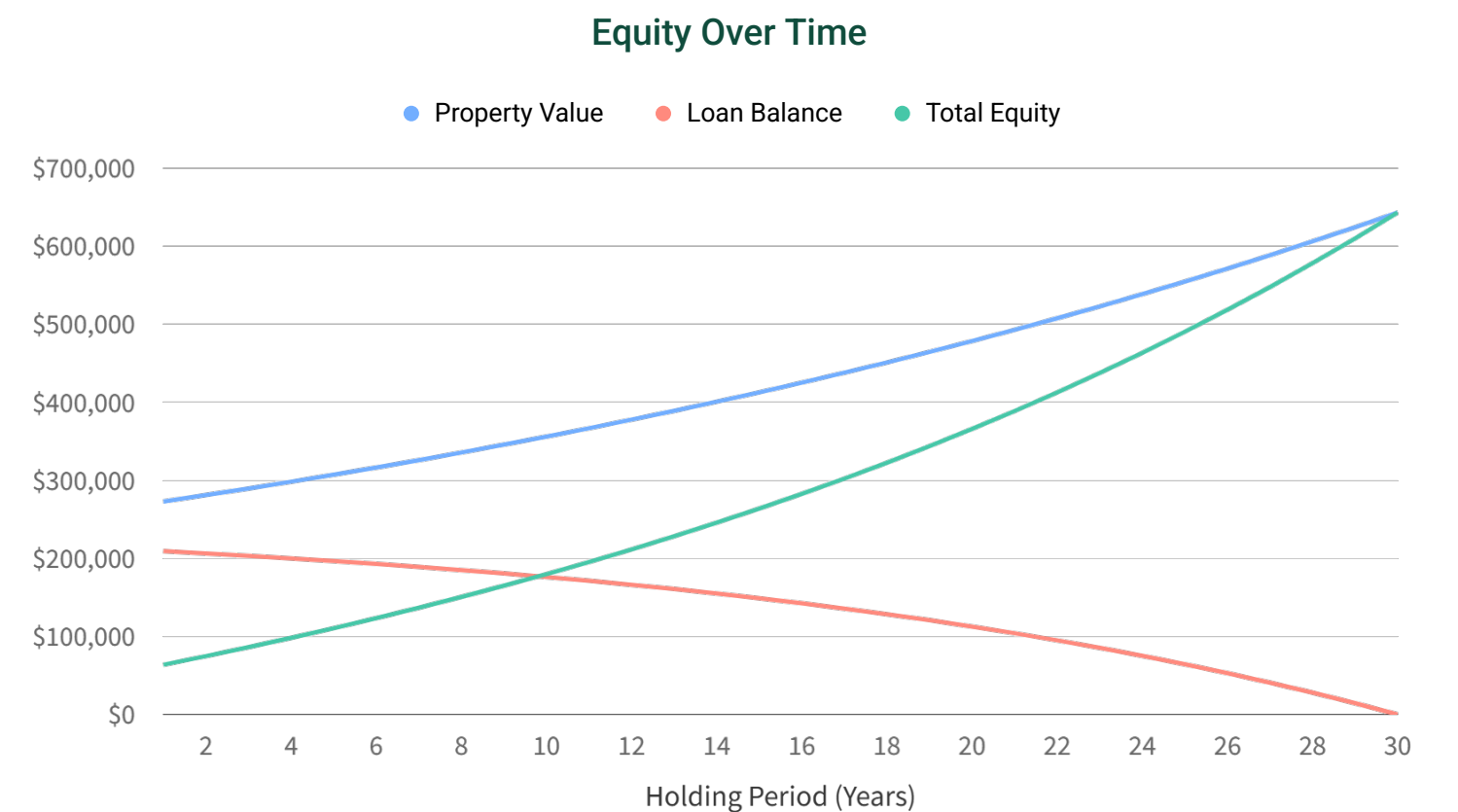
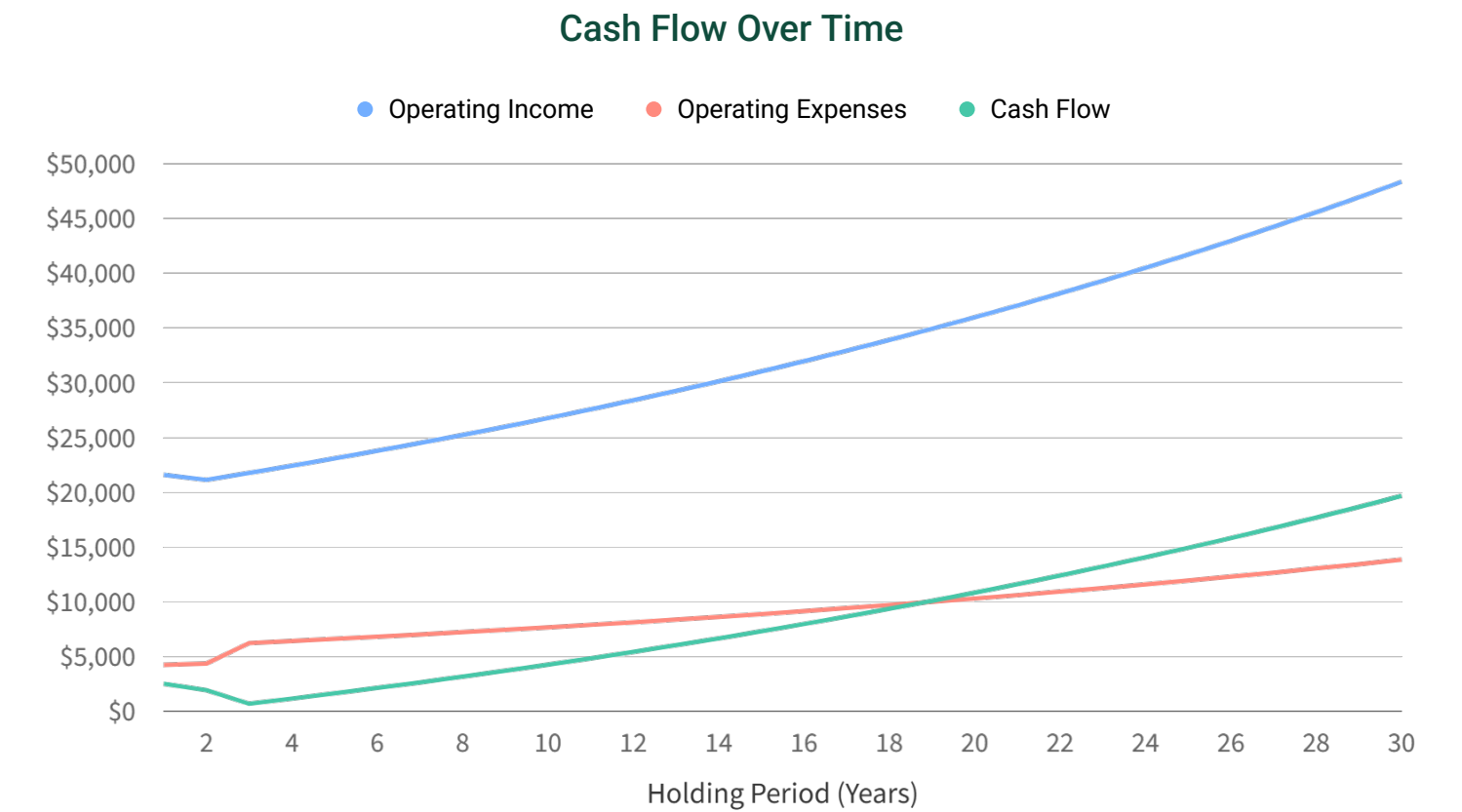
Equity:	\$ 63,677	\$ 74,754	\$ 86,247	\$ 110,552	\$ 179,923	\$ 365,912	\$ 643,225
Selling Costs (5%):	- \$ 13,648	- \$ 14,057	- \$ 14,479	- \$ 15,360	- \$ 17,807	- \$ 23,931	- \$ 32,161
<b>Sale Proceeds:</b>	<b>= \$ 50,030</b>	<b>= \$ 60,698</b>	<b>= \$ 71,769</b>	<b>= \$ 95,192</b>	<b>= \$ 162,116</b>	<b>= \$ 341,981</b>	<b>= \$ 611,064</b>
Cumulative Cash Flow:	+ \$ 2,522	+ \$ 4,453	+ \$ 5,145	+ \$ 7,942	+ \$ 23,855	+ \$ 101,045	+ \$ 255,839
Total Cash Invested:	- \$ 60,950	- \$ 60,950	- \$ 60,950	- \$ 60,950	- \$ 60,950	- \$ 60,950	- \$ 60,950
<b>Total Profit:</b>	<b>= -\$ 8,398</b>	<b>= \$ 4,201</b>	<b>= \$ 15,964</b>	<b>= \$ 42,184</b>	<b>= \$ 125,021</b>	<b>= \$ 382,076</b>	<b>= \$ 805,953</b>

## INVESTMENT RETURNS

Cap Rate (Purchase Price):	6.6%	6.3%	5.9%	6.2%	7.2%	9.7%	13%
Cap Rate (Market Value):	6.4%	6%	5.4%	5.4%	5.4%	5.4%	5.4%
Cash on Cash Return:	4.1%	3.2%	1.1%	2.7%	7%	17.8%	32.3%
Return on Equity:	4%	2.6%	0.8%	1.5%	2.4%	3%	3.1%
Return on Investment:	-13.8%	6.9%	26.2%	69.2%	205.1%	626.9%	1,322.3%
Internal Rate of Return:	-13.8%	3.5%	8.3%	11.6%	12.7%	12%	11.4%

## FINANCIAL RATIOS

Rent to Value:	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
Gross Rent Multiplier:	12.64	12.64	12.64	12.64	12.64	12.64	12.64
Equity Multiple:	0.86	1.07	1.26	1.69	3.05	7.27	14.22
Break Even Ratio:	88.3%	86.3%	92%	88.3%	79.9%	66.4%	56.4%
Debt Coverage Ratio:	1.17	1.13	1.05	1.11	1.29	1.73	2.32
Debt Yield:	8.3%	8.1%	7.6%	8.4%	10.8%	22.8%	-



## 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.

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