

Oglethorpe First 7

Investment Property - Buy & Hold

House · 3 Beds · 2 Baths · 1,600 Sq.Ft.

\$ 275,000 Purchase Price · \$ 305,000 ARV
\$ 63,250 Cash Needed · \$ 212/mo Cash Flow · 6.3% Cap Rate · 4% COC

Prepared by:



the peak
group

Property Description

ADDRESS

DESCRIPTION

Property Type:	House
Beds / Baths:	3 BR / 2 BA
Square Footage:	1,600
Year Built:	2025

Purchase Analysis & Returns

PURCHASE & REHAB

Purchase Price:		\$ 275,000
Amount Financed:	-	\$ 220,000
Down Payment:	=	\$ 55,000
Purchase Costs:	+	\$ 8,250
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 63,250
After Repair Value:		\$ 305,000
ARV Per Square Foot:		\$ 190.6
Price Per Square Foot:		\$ 171.9

FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	5.375%
Financing Of:	Price (80%)
Loan Amount:	\$ 220,000
LTC / LTV:	80% / 72.1%
Loan Payment:	\$ 1,232 Per Month \$ 14,783 Per Year

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	6.3% / 5.7%
Cash on Cash Return:	4%
Return on Equity:	2.6%
Return on Investment:	32.8%
Internal Rate of Return:	32.8%
Rent to Value:	0.8%
Gross Rent Multiplier:	10.42
Equity Multiple:	1.33
Break Even Ratio:	85.3%
Debt Coverage Ratio:	1.17
Debt Yield:	7.9%

ASSUMPTIONS & PROJECTIONS

Rehab Cost Overrun:	0%
Vacancy Rate:	5%
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 (3% of Price):	\$ 8,250
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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:	\$ 2,200	\$ 26,400
Vacancy (5%):	- \$ 110	\$ 1,320
Other Income:	+ \$ 0	\$ 0
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Operating Income:	= \$ 2,090	\$ 25,080
Operating Expenses (30.9%):	- \$ 646	\$ 7,748
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Net Operating Income:	= \$ 1,444	\$ 17,332
Loan Payments:	- \$ 1,232	\$ 14,783
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Cash Flow:	= \$ 212	\$ 2,549

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

	Monthly	Yearly
OPERATING EXPENSES		
Property Taxes:	\$ 233	\$ 2,800
Insurance:	\$ 200	\$ 2,400
Property Management:	\$ 146	\$ 1,756
Maintenance:	\$ 66	\$ 792
Capital Expenditures:	\$ 0	\$ 0
HOA Fees:	\$ 0	\$ 0
Utilities:	\$ 0	\$ 0
Landscaping:	\$ 0	\$ 0
Accounting & Legal Fees:	\$ 0	\$ 0
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Total:	\$ 646	\$ 7,748

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:	\$ 26,400	\$ 27,192	\$ 28,008	\$ 29,713	\$ 34,446	\$ 46,293	\$ 62,213
Vacancy:	- \$ 1,320	- \$ 1,360	- \$ 1,400	- \$ 1,486	- \$ 1,722	- \$ 2,315	- \$ 3,111
Vacancy Rate:	5%	5%	5%	5%	5%	5%	5%
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Operating Income:	= \$ 25,080	= \$ 25,832	= \$ 26,608	= \$ 28,227	= \$ 32,724	= \$ 43,978	= \$ 59,102
Income Increase:	3%	3%	3%	3%	3%	3%	3%
OPERATING EXPENSES							
Property Taxes:	\$ 2,800	\$ 2,884	\$ 2,971	\$ 3,151	\$ 3,653	\$ 4,910	\$ 6,598
Insurance:	+ \$ 2,400	+ \$ 2,472	+ \$ 2,546	+ \$ 2,701	+ \$ 3,131	+ \$ 4,208	+ \$ 5,656
Property Management:	+ \$ 1,756	+ \$ 1,808	+ \$ 1,863	+ \$ 1,976	+ \$ 2,291	+ \$ 3,078	+ \$ 4,137
Maintenance:	+ \$ 792	+ \$ 816	+ \$ 840	+ \$ 891	+ \$ 1,033	+ \$ 1,389	+ \$ 1,866
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:	= \$ 7,748	= \$ 7,980	= \$ 8,220	= \$ 8,719	= \$ 10,108	= \$ 13,585	= \$ 18,257
Expense Increase:	3%	3%	3%	3%	3%	3%	3%
CASH FLOW							
Operating Income:	\$ 25,080	\$ 25,832	\$ 26,608	\$ 28,227	\$ 32,724	\$ 43,978	\$ 59,102
Operating Expenses:	- \$ 7,748	- \$ 7,980	- \$ 8,220	- \$ 8,719	- \$ 10,108	- \$ 13,585	- \$ 18,257
Expense Ratio:	30.9%	30.9%	30.9%	30.9%	30.9%	30.9%	30.9%
Net Operating Income:	= \$ 17,332	= \$ 17,852	= \$ 18,388	= \$ 19,508	= \$ 22,616	= \$ 30,393	= \$ 40,845
Loan Payments:	- \$ 14,783	- \$ 14,783	- \$ 14,783	- \$ 14,783	- \$ 14,783	- \$ 14,783	- \$ 14,783
Cash Flow:	= \$ 2,549	= \$ 3,069	= \$ 3,605	= \$ 4,725	= \$ 7,833	= \$ 15,610	= \$ 26,062
TAX BENEFITS & DEDUCTIONS							
Operating Expenses:	\$ 7,748	\$ 7,980	\$ 8,220	\$ 8,719	\$ 10,108	\$ 13,585	\$ 18,257
Loan Interest:	+ \$ 11,751	+ \$ 11,584	+ \$ 11,408	+ \$ 11,026	+ \$ 9,870	+ \$ 6,383	+ \$ 422
Depreciation:	+ \$ 10,300	+ \$ 10,300	+ \$ 10,300	+ \$ 10,300	+ \$ 10,300	+ \$ 10,300	+ \$ 0
Total Deductions:	= \$ 29,799	= \$ 29,864	= \$ 29,928	= \$ 30,045	= \$ 30,278	= \$ 30,268	= \$ 18,679

EQUITY ACCUMULATION

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Property Value:	\$ 314,150	\$ 323,575	\$ 333,282	\$ 353,579	\$ 409,894	\$ 550,864	\$ 740,315
Appreciation:	3%	3%	3%	3%	3%	3%	3%
Loan Balance:	- \$ 216,968	- \$ 213,769	- \$ 210,393	- \$ 203,074	- \$ 180,942	- \$ 114,166	- \$ 0
LTV Ratio:	69.1%	66.1%	63.1%	57.4%	44.1%	20.7%	-
Total Equity:	= \$ 97,182	= \$ 109,806	= \$ 122,889	= \$ 150,505	= \$ 228,952	= \$ 436,698	= \$ 740,315

SALE ANALYSIS

Equity:	\$ 97,182	\$ 109,806	\$ 122,889	\$ 150,505	\$ 228,952	\$ 436,698	\$ 740,315
Selling Costs (5%):	- \$ 15,708	- \$ 16,179	- \$ 16,664	- \$ 17,679	- \$ 20,495	- \$ 27,543	- \$ 37,016
Sale Proceeds:	= \$ 81,475	= \$ 93,628	= \$ 106,225	= \$ 132,826	= \$ 208,457	= \$ 409,155	= \$ 703,299
Cumulative Cash Flow:	+ \$ 2,549	+ \$ 5,618	+ \$ 9,223	+ \$ 18,105	+ \$ 50,870	+ \$ 170,073	+ \$ 381,109
Total Cash Invested:	- \$ 63,250	- \$ 63,250	- \$ 63,250	- \$ 63,250	- \$ 63,250	- \$ 63,250	- \$ 63,250
Total Profit:	= \$ 20,774	= \$ 35,996	= \$ 52,198	= \$ 87,681	= \$ 196,077	= \$ 515,978	= \$ 1,021,158

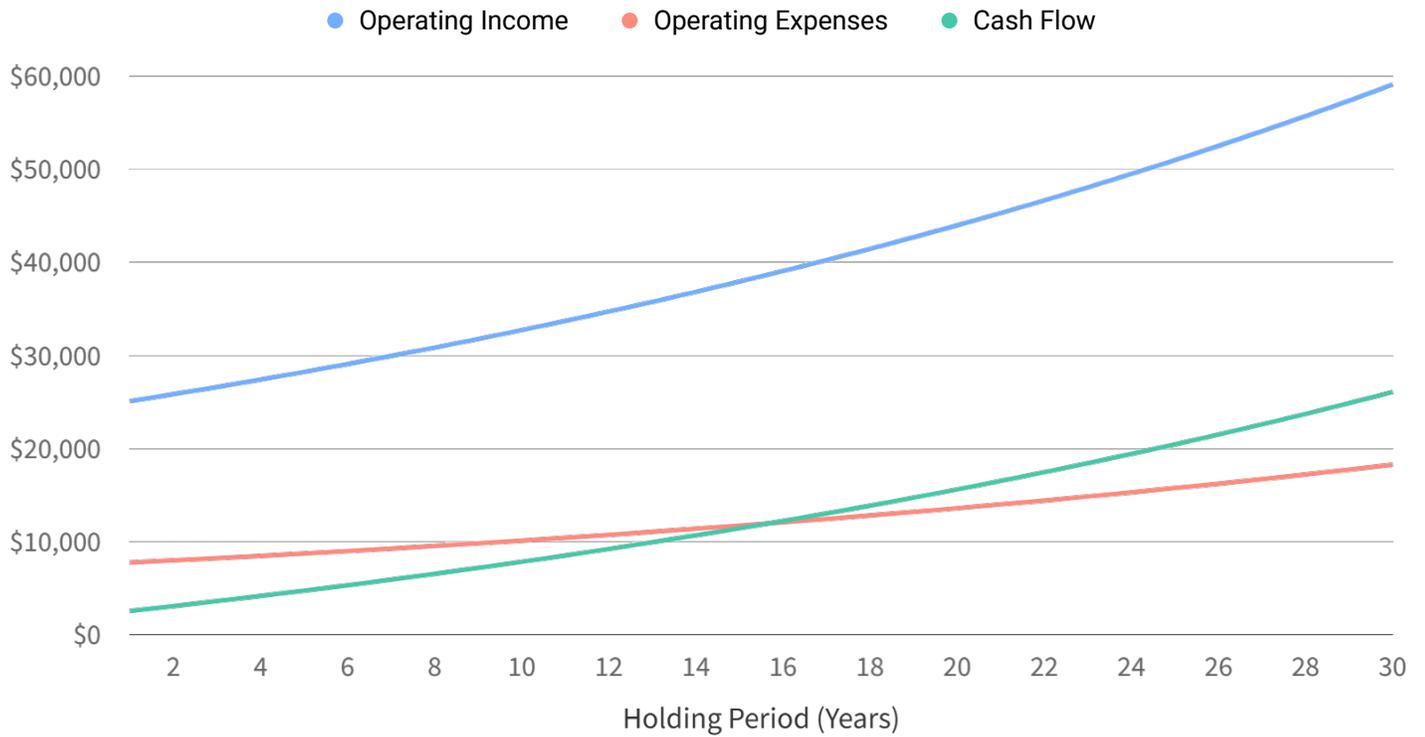
INVESTMENT RETURNS

Cap Rate (Purchase Price):	6.3%	6.5%	6.7%	7.1%	8.2%	11.1%	14.9%
Cap Rate (Market Value):	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Cash on Cash Return:	4%	4.9%	5.7%	7.5%	12.4%	24.7%	41.2%
Return on Equity:	2.6%	2.8%	2.9%	3.1%	3.4%	3.6%	3.5%
Return on Investment:	32.8%	56.9%	82.5%	138.6%	310%	815.8%	1,614.5%
Internal Rate of Return:	32.8%	25.7%	22.9%	20.2%	17.1%	14.7%	13.7%

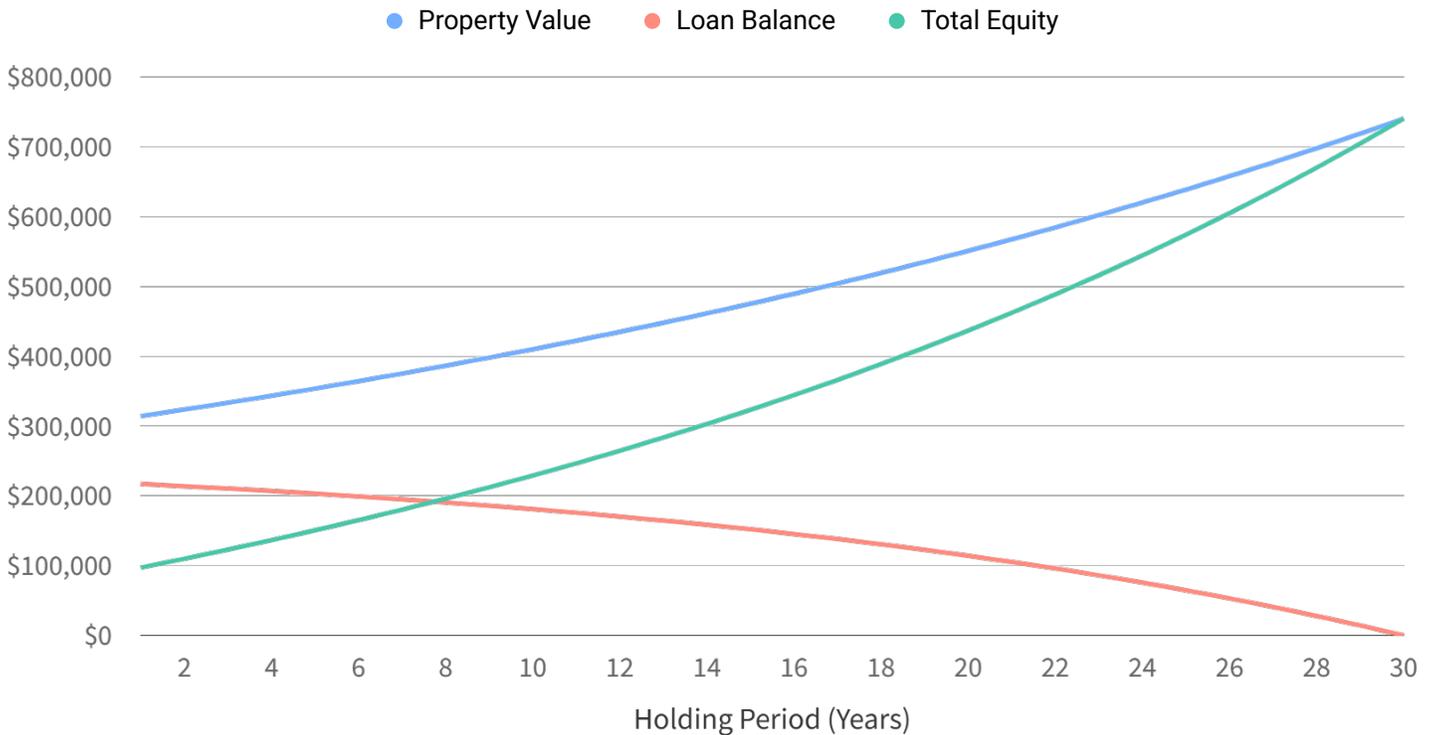
FINANCIAL RATIOS

Rent to Value:	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
Gross Rent Multiplier:	11.9	11.9	11.9	11.9	11.9	11.9	11.9
Equity Multiple:	1.33	1.57	1.83	2.39	4.1	9.16	17.14
Break Even Ratio:	85.3%	83.7%	82.1%	79.1%	72.3%	61.3%	53.1%
Debt Coverage Ratio:	1.17	1.21	1.24	1.32	1.53	2.06	2.76
Debt Yield:	8%	8.4%	8.7%	9.6%	12.5%	26.6%	-

Cash Flow Over Time



Equity Over Time



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