

The Avondale Model - Pinewood Trace

Investment Property - Buy & Hold

819 Pinewood Ave, Hueytown, AL 35023

House · 3 Beds · 2 Baths · 1,442 Sq.Ft.

The "Cypress Model" is one of the three floor plans available as part of our Investor Build offering at Pinewood Trace. This includes 2 years of property management fees!

\$ 255,000 Purchase Price · \$ 270,000 ARV

\$ 257,550 Cash Needed · \$ 1,375/mo Cash Flow · 6.5% Cap Rate · 6.4% COC

Prepared by:



**the peak
group**



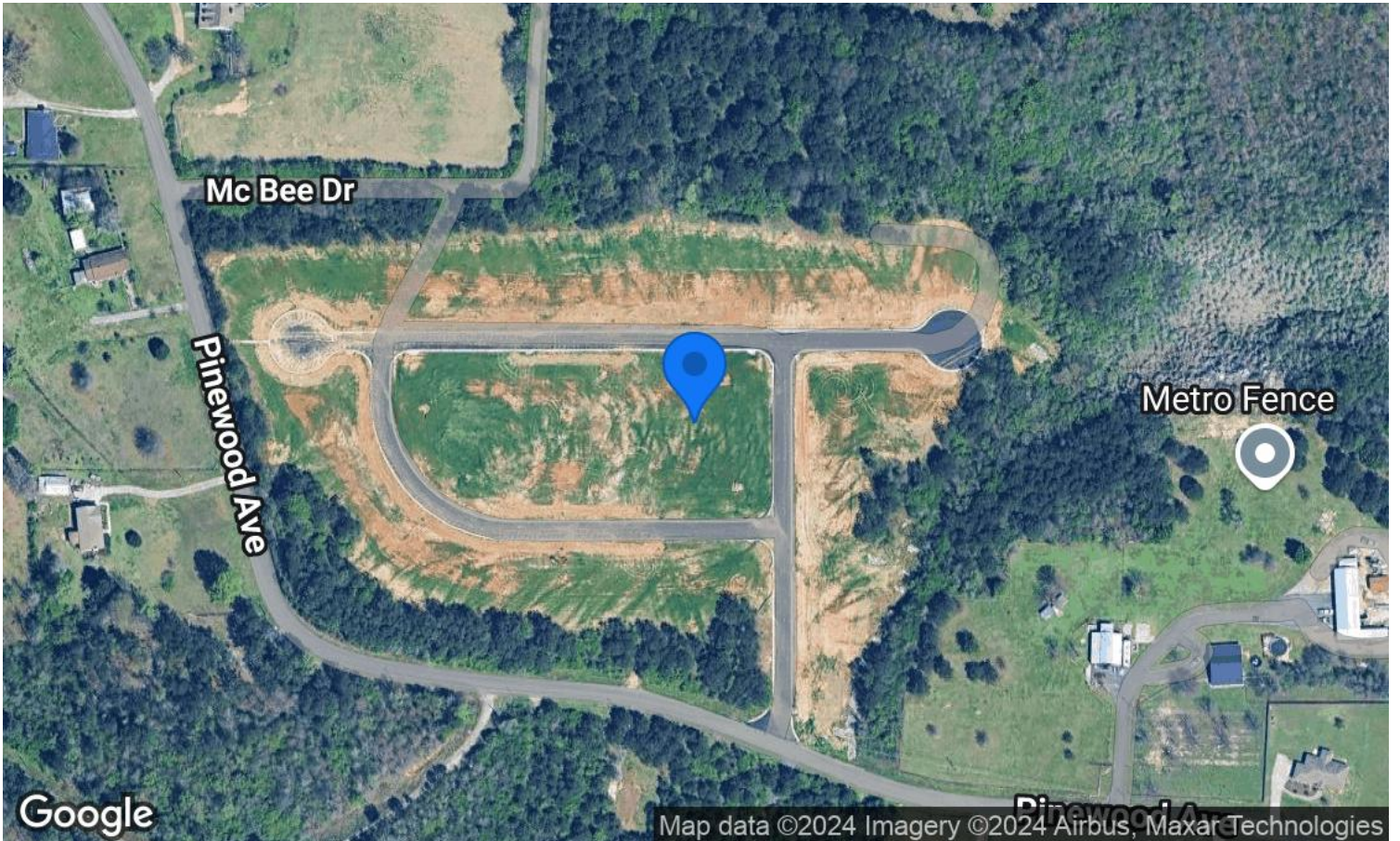
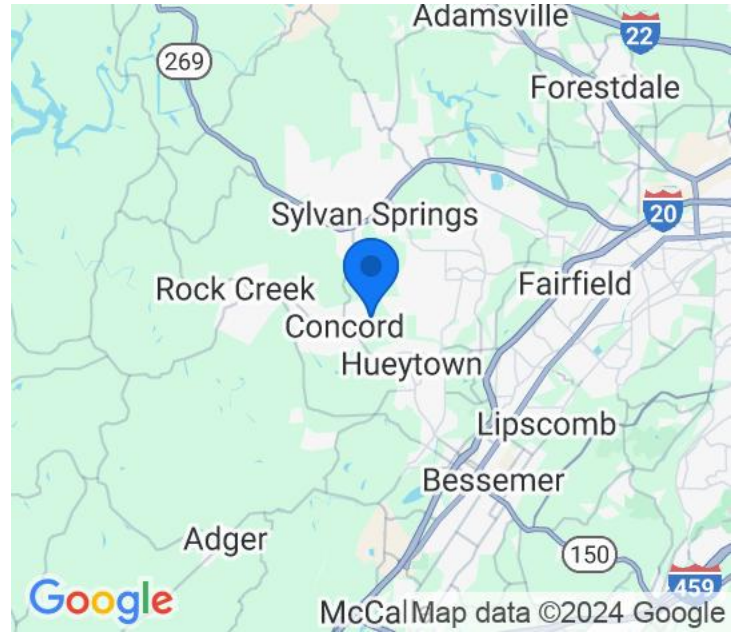
Property Description

ADDRESS

819 Pinewood Ave
Hueytown, AL 35023

DESCRIPTION

Property Type:	House
Beds / Baths:	3 BR / 2 BA
Square Footage:	1,442
Year Built:	2025
Parking:	Garage



Purchase Analysis & Returns

PURCHASE & REHAB

Purchase Price:		\$ 255,000
Purchase Costs:	+	\$ 2,550
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 257,550

After Repair Value:	\$ 270,000
ARV Per Square Foot:	\$ 187.2
Price Per Square Foot:	\$ 176.8

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	6.5% / 6.1%
Cash on Cash Return:	6.4%
Return on Equity:	5.9%
Return on Investment:	9.5%
Internal Rate of Return:	9.5%
Rent to Value:	0.7%
Gross Rent Multiplier:	11.81
Equity Multiple:	1.1
Break Even Ratio:	18.6%

PURCHASE COSTS

Total (1% of Price):	\$ 2,550
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FINANCING (PURCHASE)

Cash Purchase

ASSUMPTIONS & PROJECTIONS

Rehab Cost Overrun:	10%
Vacancy Rate:	5%
Appreciation:	3% Per Year
Income Increase:	3% Per Year
Expense Increase:	3% Per Year
Selling Costs:	4.5% of Sales Price
Depreciation Period:	27.5 Years
Land Value:	\$ 55,000

REHAB COSTS

Rehab Costs:	\$ 0
Cost Overrun (10%):	\$ 0
Total:	\$ 0
Total Per Square Foot:	\$ 0

Cash Flow (Year 1)

	Monthly	Yearly
CASH FLOW		
Gross Rent:	\$ 1,800	\$ 21,600
Vacancy (5%):	- \$ 90	\$ 1,080
Other Income:	+ \$ 0	\$ 0
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Operating Income:	= \$ 1,710	\$ 20,520
Operating Expenses (19.6%):	- \$ 335	\$ 4,024
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Net Operating Income:	= \$ 1,375	\$ 16,496
Cash Flow:	= \$ 1,375	\$ 16,496

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

	Monthly	Yearly
OPERATING EXPENSES		
Property Taxes:	\$ 213	\$ 2,553
Insurance:	\$ 103	\$ 1,231
Capital Expenditures:	\$ 0	\$ 0
HOA Fees:	\$ 20	\$ 240
Utilities:	\$ 0	\$ 0
Landscaping:	\$ 0	\$ 0
Accounting & Legal Fees:	\$ 0	\$ 0
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Total:	\$ 335	\$ 4,024

Buy & Hold Projections

APPRECIATION 3% Per Year	INCOME INCREASE 3% Per Year			EXPENSE INCREASES 3% Per Year		SELLING COSTS 4.5% of Price	
	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
RENTAL INCOME							
Gross Rent:	\$ 21,600	\$ 22,248	\$ 22,915	\$ 24,311	\$ 28,183	\$ 37,876	\$ 50,902
Vacancy:	- \$ 1,080	- \$ 1,112	- \$ 1,146	- \$ 1,216	- \$ 1,409	- \$ 1,894	- \$ 2,545
Vacancy Rate:	5%	5%	5%	5%	5%	5%	5%
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Operating Income:	= \$ 20,520	= \$ 21,136	= \$ 21,769	= \$ 23,095	= \$ 26,774	= \$ 35,982	= \$ 48,357
Income Increase:	3%	3%	3%	3%	3%	3%	3%
OPERATING EXPENSES							
Property Taxes:	\$ 2,553	\$ 2,630	\$ 2,708	\$ 2,873	\$ 3,331	\$ 4,477	\$ 6,016
Insurance:	+ \$ 1,231	+ \$ 1,268	+ \$ 1,306	+ \$ 1,386	+ \$ 1,606	+ \$ 2,159	+ \$ 2,901
Property Management:	N/A	N/A	+ \$ 1,524	+ \$ 1,617	+ \$ 1,874	+ \$ 2,519	+ \$ 3,385
Maintenance:	N/A	+ \$ 222	+ \$ 229	+ \$ 243	+ \$ 282	+ \$ 379	+ \$ 509
Capital Expenditures:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
HOA Fees:	+ \$ 240	+ \$ 247	+ \$ 255	+ \$ 270	+ \$ 313	+ \$ 421	+ \$ 566
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:	= \$ 4,024	= \$ 4,367	= \$ 6,022	= \$ 6,389	= \$ 7,406	= \$ 9,955	= \$ 13,377
Expense Increase:	3%	3%	3%	3%	3%	3%	3%
CASH FLOW							
Operating Income:	\$ 20,520	\$ 21,136	\$ 21,769	\$ 23,095	\$ 26,774	\$ 35,982	\$ 48,357
Operating Expenses:	- \$ 4,024	- \$ 4,367	- \$ 6,022	- \$ 6,389	- \$ 7,406	- \$ 9,955	- \$ 13,377
Expense Ratio:	19.6%	20.7%	27.7%	27.7%	27.7%	27.7%	27.7%
Net Operating Income:	= \$ 16,496	= \$ 16,769	= \$ 15,747	= \$ 16,706	= \$ 19,368	= \$ 26,027	= \$ 34,980
Cash Flow:	= \$ 16,496	= \$ 16,769	= \$ 15,747	= \$ 16,706	= \$ 19,368	= \$ 26,027	= \$ 34,980
TAX BENEFITS & DEDUCTIONS							
Operating Expenses:	\$ 4,024	\$ 4,367	\$ 6,022	\$ 6,389	\$ 7,406	\$ 9,955	\$ 13,377
Depreciation:	+ \$ 7,365	+ \$ 7,365	+ \$ 7,365	+ \$ 7,365	+ \$ 7,365	+ \$ 7,365	+ \$ 0
Total Deductions:	= \$ 11,389	= \$ 11,732	= \$ 13,387	= \$ 13,754	= \$ 14,771	= \$ 17,320	= \$ 13,377
EQUITY ACCUMULATION							
Property Value:	\$ 278,100	\$ 286,443	\$ 295,036	\$ 313,004	\$ 362,857	\$ 487,650	\$ 655,361
Appreciation:	3%	3%	3%	3%	3%	3%	3%

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Total Equity:	= \$ 278,100	= \$ 286,443	= \$ 295,036	= \$ 313,004	= \$ 362,857	= \$ 487,650	= \$ 655,361

SALE ANALYSIS

Equity:	\$ 278,100	\$ 286,443	\$ 295,036	\$ 313,004	\$ 362,857	\$ 487,650	\$ 655,361
Selling Costs (4.5%):	- \$ 12,515	- \$ 12,890	- \$ 13,277	- \$ 14,085	- \$ 16,329	- \$ 21,944	- \$ 29,491
Sale Proceeds:	= \$ 265,586	= \$ 273,553	= \$ 281,759	= \$ 298,919	= \$ 346,528	= \$ 465,706	= \$ 625,870
Cumulative Cash Flow:	+ \$ 16,496	+ \$ 33,265	+ \$ 49,012	+ \$ 81,938	+ \$ 173,296	+ \$ 401,982	+ \$ 709,321
Total Cash Invested:	- \$ 257,550	- \$ 257,550	- \$ 257,550	- \$ 257,550	- \$ 257,550	- \$ 257,550	- \$ 257,550
Total Profit:	= \$ 24,532	= \$ 49,268	= \$ 73,221	= \$ 123,307	= \$ 262,274	= \$ 610,138	= \$ 1,077,641

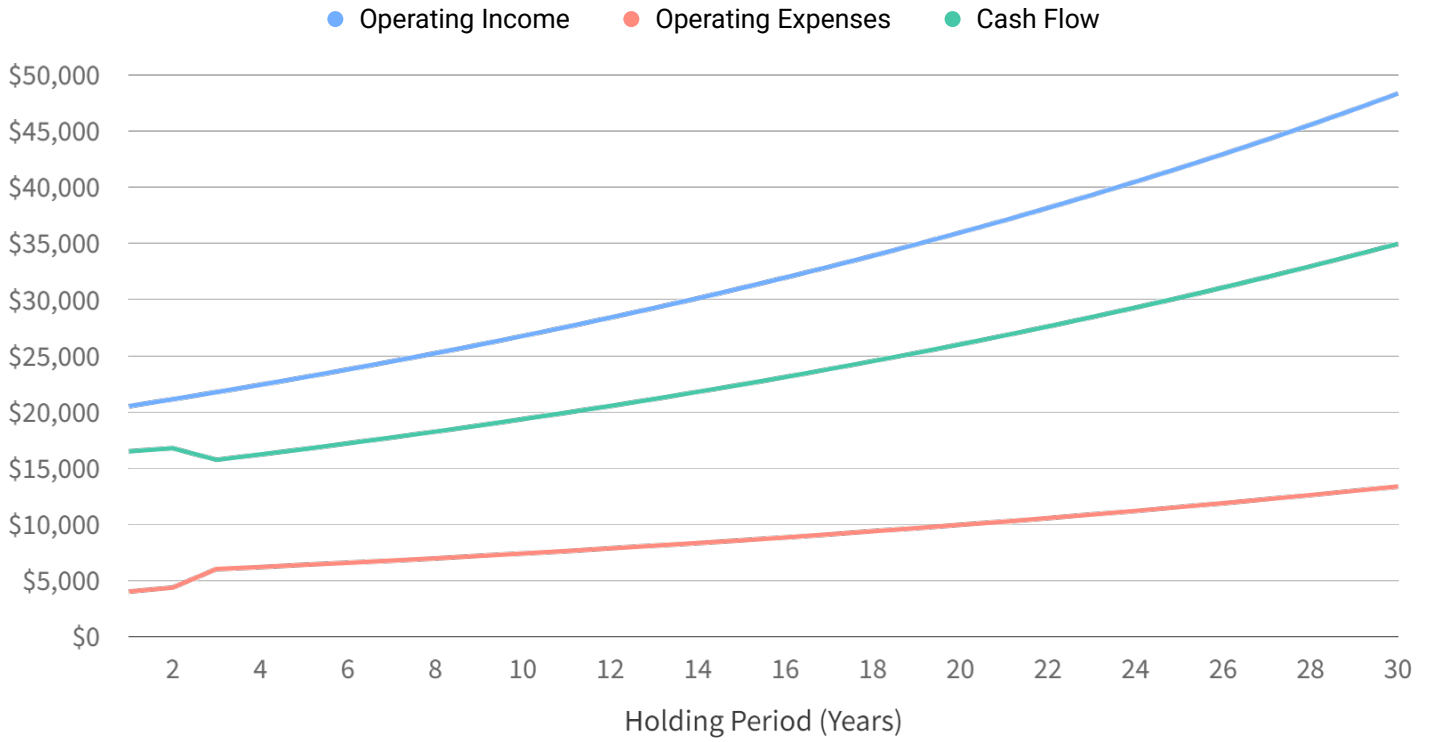
INVESTMENT RETURNS

Cap Rate (Purchase Price):	6.5%	6.6%	6.2%	6.6%	7.6%	10.2%	13.7%
Cap Rate (Market Value):	5.9%	5.9%	5.3%	5.3%	5.3%	5.3%	5.3%
Cash on Cash Return:	6.4%	6.5%	6.1%	6.5%	7.5%	10.1%	13.6%
Return on Equity:	5.9%	5.9%	5.3%	5.3%	5.3%	5.3%	5.3%
Return on Investment:	9.5%	19.1%	28.4%	47.9%	101.8%	236.9%	418.4%
Internal Rate of Return:	9.5%	9.4%	9.2%	9%	8.9%	8.9%	8.8%

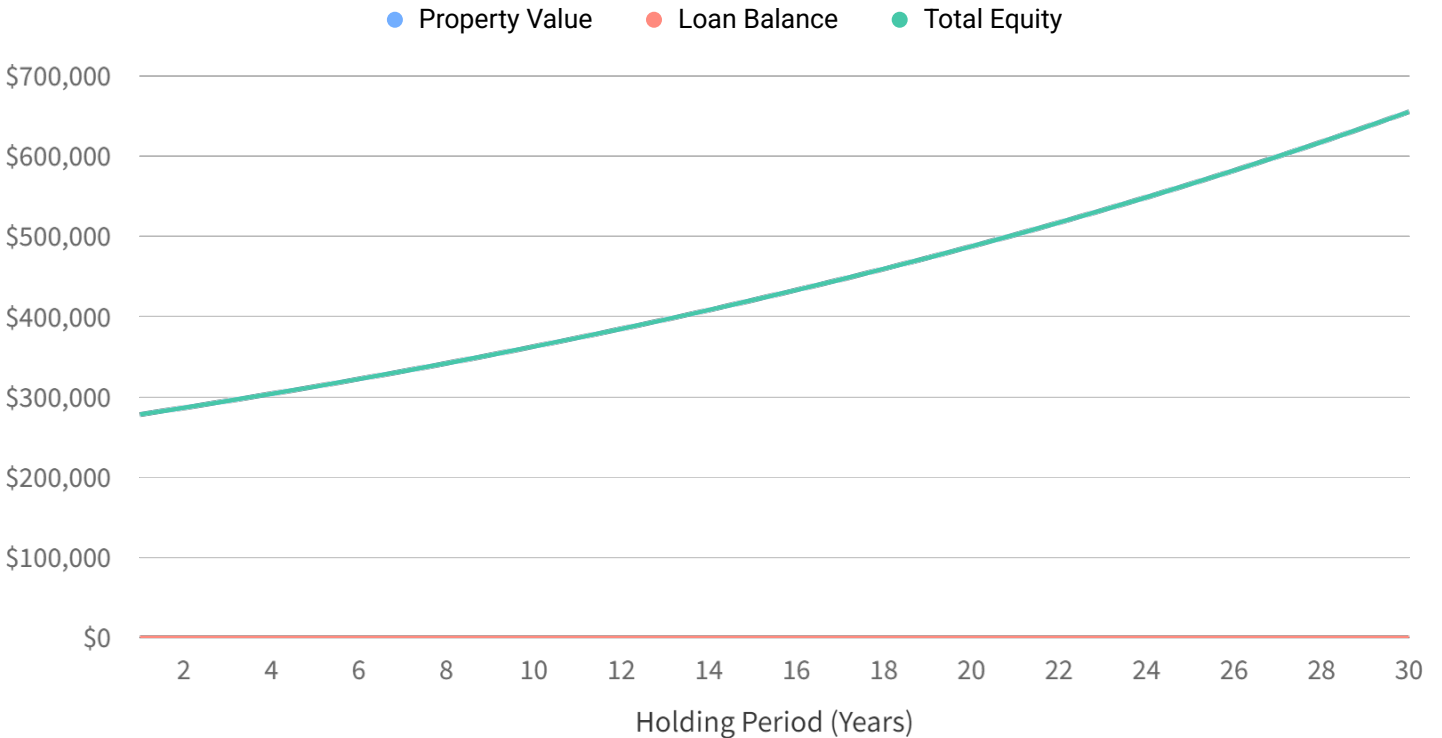
FINANCIAL RATIOS

Rent to Value:	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Gross Rent Multiplier:	12.88	12.88	12.88	12.87	12.88	12.87	12.87
Equity Multiple:	1.1	1.19	1.28	1.48	2.02	3.37	5.18
Break Even Ratio:	18.6%	19.6%	26.3%	26.3%	26.3%	26.3%	26.3%

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, 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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