Tara East

Investment Property - Buy & Hold

600 College Dr, Anderson, IN 46012
Multi-Family · 19 Units · 15,388 Sq.Ft.

$ 3,000,000 Purchase Price · **$ 3,000,000** ARV
$ 750,900 Cash Needed · **$ 6,076/mo** Cash Flow · **8%** Cap Rate · **9.7%** COC

Prepared by:

The Homeboys

Property Description

ADDRESS

600 College Dr
Anderson, IN 46012

DESCRIPTION

Property Type:	Multi-Family
Year Built:	1974
Lot Size:	6,011 sq.ft.
Zoning:	Charitable Organization

UNIT INFORMATION

Total Units/Spaces:	19
Total Square Footage:	15,388

UNITS & RENT ROLL

18 Units - Residential (2 Bedrooms)

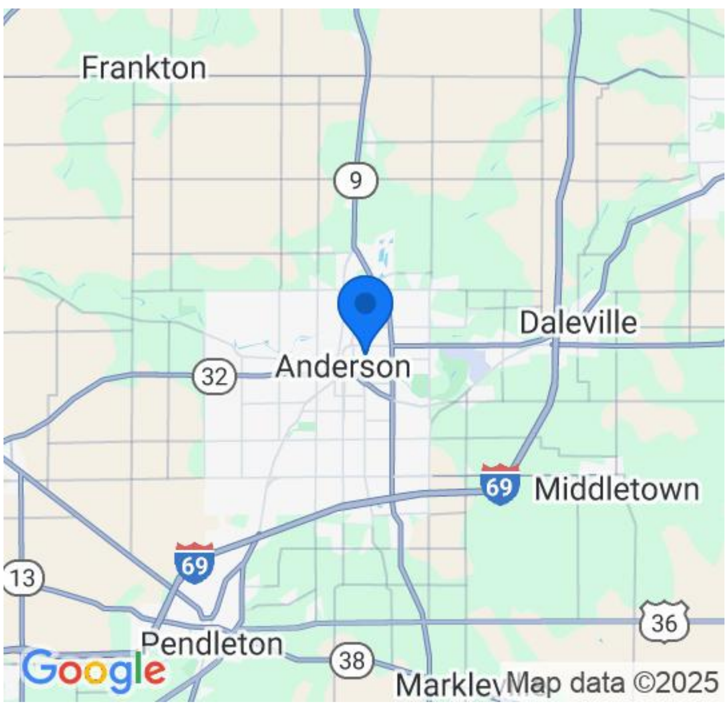
2 Beds / 1 Baths / 816 Sq.Ft.

Gross Rent:	$ 1,350 Per Month

1 Unit - Residential (1 Bedroom)

1 Beds / 1 Baths / 700 Sq.Ft.

Gross Rent:	$ 875 Per Month



Purchase Analysis & Returns

PURCHASE & REHAB

Purchase Price:		$ 3,000,000
Amount Financed:	-	$ 2,250,000
Down Payment:	=	$ 750,000
Purchase Costs:	+	$ 900
Rehab Costs:	+	$ 0
Total Cash Needed:	**=**	**$ 750,900**
After Repair Value:		$ 3,000,000
ARV Per Square Foot:		$ 195
Price Per Square Foot:		$ 195
Price Per Unit:		$ 157,895

FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	6.25%
Financing Of:	Price (75%)
Loan Amount:	$ 2,250,000
LTC / LTV:	75% / 75%
Loan Payment:	$ 13,854 Per Month $ 166,244 Per Year

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	8% / 8%
Cash on Cash Return:	9.7%
Return on Equity:	8.1%
Return on Investment:	8.3%
Internal Rate of Return:	8.3%
Rent to Value:	0.8%
Gross Rent Multiplier:	9.93
Equity Multiple:	1.08
Break Even Ratio:	72.9%
Debt Coverage Ratio:	1.44
Debt Yield:	10.6%

ASSUMPTIONS & PROJECTIONS

Rehab Cost Overrun:	10%
Vacancy Rate:	3%
Appreciation:	4% Per Year
Income Increase:	4% Per Year
Expense Increase:	2% Per Year
Selling Costs:	5% of Sales Price
Depreciation Period:	27.5 Years
Land Value:	$ 75,000

PURCHASE COSTS

Total (0.03% of Price):	**$ 900**

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:		$ 25,175	$ 302,100
Vacancy (3%):	-	$ 755	$ 9,063
Other Income:	+	$ 0	$ 0
Operating Income:	=	$ 24,420	$ 293,037
Operating Expenses (18.4%):	-	$ 4,490	$ 53,884
Net Operating Income:	=	$ 19,930	$ 239,153
Loan Payments:	-	$ 13,854	$ 166,244
Cash Flow:	=	**$ 6,076**	**$ 72,909**
Cash Flow Per Unit:		$ 320	$ 3,837

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

	Monthly	Yearly
OPERATING EXPENSES		
Property Taxes:	$ 1,500	$ 18,000
Insurance:	$ 1,083	$ 13,000
Maintenance:	$ 504	$ 6,042
Capital Expenditures:	$ 504	$ 6,042
HOA Fees:	$ 0	$ 0
Utilities:	$ 500	$ 6,000
Landscaping:	$ 300	$ 3,600
Accounting & Legal Fees:	$ 100	$ 1,200
Total:	**$ 4,490**	**$ 53,884**

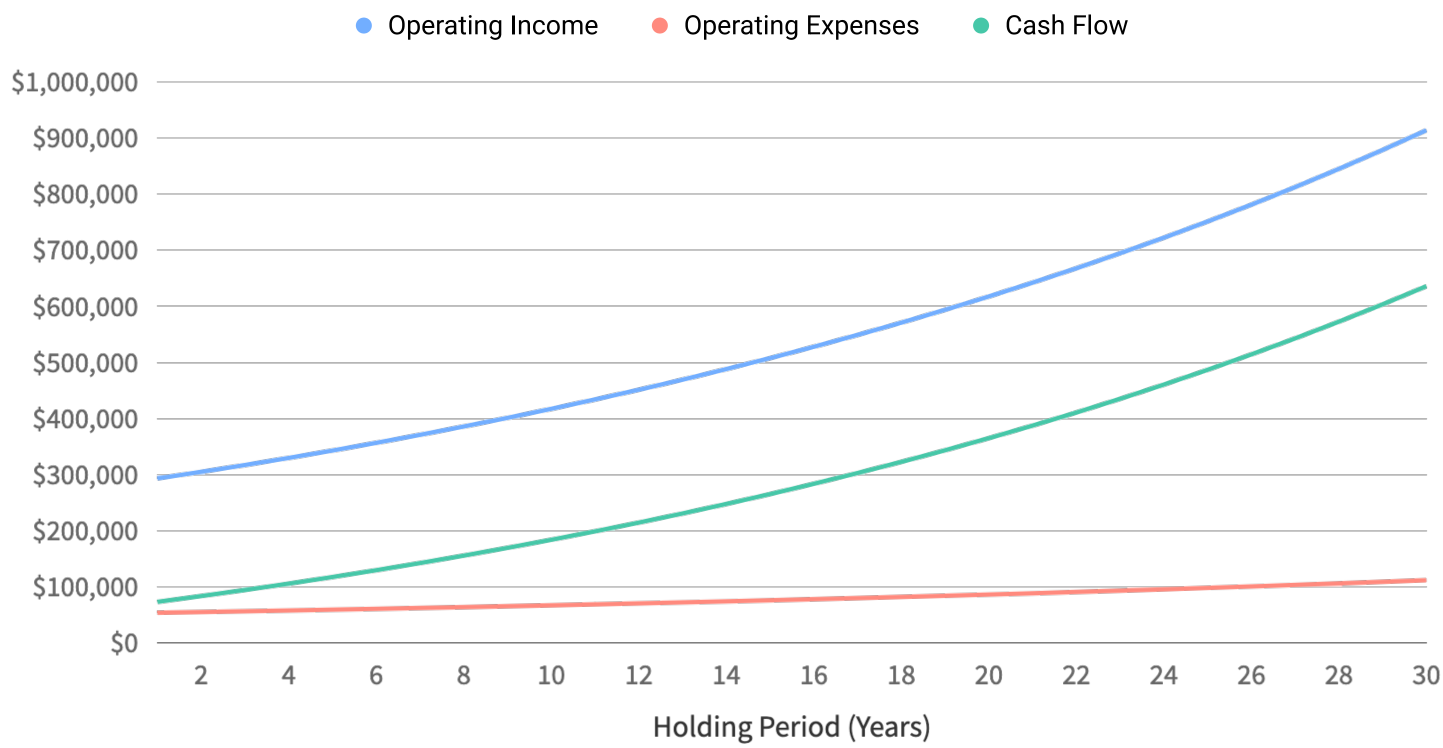
Buy & Hold Projections

APPRECIATION	INCOME INCREASE	EXPENSE INCREASES	SELLING COSTS
4% Per Year	4% Per Year	2% Per Year	5% of Price

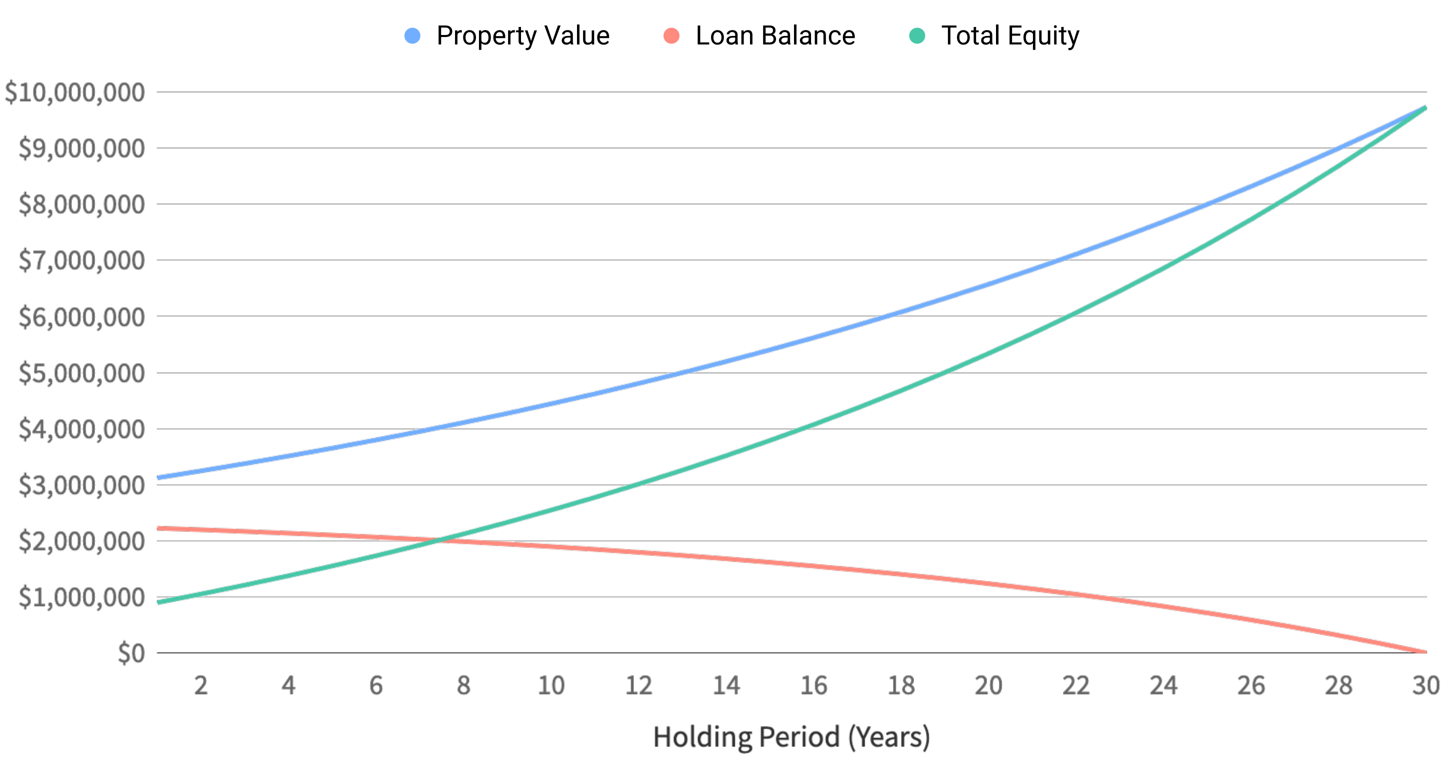
	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
RENTAL INCOME						
Gross Rent:	$ 302,100	$ 326,751	$ 353,414	$ 429,982	$ 636,479	$ 942,145
Vacancy:	- $ 9,063	- $ 9,803	- $ 10,602	- $ 12,899	- $ 19,094	- $ 28,264
Vacancy Rate:	3%	3%	3%	3%	3%	3%
Other Income:	+ $ 0	+ $ 0	+ $ 0	+ $ 0	+ $ 0	+ $ 0
Operating Income:	**= $ 293,037**	**= $ 316,948**	**= $ 342,812**	**= $ 417,083**	**= $ 617,385**	**= $ 913,881**
Income Increase:	4%	4%	4%	4%	4%	4%
OPERATING EXPENSES						
Property Taxes:	$ 18,000	$ 18,727	$ 19,484	$ 21,512	$ 26,223	$ 31,965
Insurance:	+ $ 13,000	+ $ 13,525	+ $ 14,072	+ $ 15,536	+ $ 18,939	+ $ 23,086
Property Management:	N/A	+ $ 0	+ $ 0	+ $ 0	+ $ 0	+ $ 0
Maintenance:	+ $ 6,042	+ $ 6,535	+ $ 7,068	+ $ 8,600	+ $ 12,730	+ $ 18,843
Capital Expenditures:	+ $ 6,042	+ $ 6,535	+ $ 7,068	+ $ 8,600	+ $ 12,730	+ $ 18,843
HOA Fees:	+ $ 0	+ $ 0	+ $ 0	+ $ 0	+ $ 0	+ $ 0
Utilities:	+ $ 6,000	+ $ 6,242	+ $ 6,495	+ $ 7,171	+ $ 8,741	+ $ 10,655
Landscaping:	+ $ 3,600	+ $ 3,745	+ $ 3,897	+ $ 4,302	+ $ 5,245	+ $ 6,393
Accounting & Legal Fees:	+ $ 1,200	+ $ 1,248	+ $ 1,299	+ $ 1,434	+ $ 1,748	+ $ 2,131
Operating Expenses:	**= $ 53,884**	**= $ 56,557**	**= $ 59,383**	**= $ 67,155**	**= $ 86,356**	**= $ 111,916**
Expense Increase:	2%	2%	2%	2%	2%	2%
CASH FLOW						
Operating Income:	$ 293,037	$ 316,948	$ 342,812	$ 417,083	$ 617,385	$ 913,881
Operating Expenses:	- $ 53,884	- $ 56,557	- $ 59,383	- $ 67,155	- $ 86,356	- $ 111,916
Expense Ratio:	18.4%	17.8%	17.3%	16.1%	14%	12.2%
Net Operating Income:	= $ 239,153	= $ 260,391	= $ 283,429	= $ 349,928	= $ 531,029	= $ 801,965
Loan Payments:	- $ 166,244	- $ 166,244	- $ 166,244	- $ 166,244	- $ 166,244	- $ 166,244
Cash Flow:	**= $ 72,909**	**= $ 94,147**	**= $ 117,185**	**= $ 183,684**	**= $ 364,785**	**= $ 635,721**
Cash Flow Per Unit:	$ 3,837	$ 4,955	$ 6,168	$ 9,668	$ 19,199	$ 33,459
TAX BENEFITS & DEDUCTIONS						
Operating Expenses:	$ 53,884	$ 56,557	$ 59,383	$ 67,155	$ 86,356	$ 111,916
Loan Interest:	+ $ 139,878	+ $ 136,377	+ $ 132,412	+ $ 120,038	+ $ 80,061	+ $ 5,494
Depreciation:	+ $ 106,396	+ $ 106,396	+ $ 106,396	+ $ 106,396	+ $ 106,396	+ $ 0
Total Deductions:	**= $ 300,159**	**= $ 299,331**	**= $ 298,191**	**= $ 293,590**	**= $ 272,813**	**= $ 117,410**

	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
EQUITY ACCUMULATION						
Property Value:	$ 3,120,000	$ 3,374,592	$ 3,649,959	$ 4,440,733	$ 6,573,369	$ 9,730,193
Appreciation:	4%	4%	4%	4%	4%	4%
Loan Balance:	- $ 2,223,635	- $ 2,165,707	- $ 2,100,088	- $ 1,895,349	- $ 1,233,846	- $ 0
LTV Ratio:	71.3%	64.2%	57.5%	42.7%	18.8%	-
Total Equity:	**= $ 896,365**	**= $ 1,208,885**	**= $ 1,549,871**	**= $ 2,545,384**	**= $ 5,339,523**	**= $ 9,730,193**
SALE ANALYSIS						
Equity:	$ 896,365	$ 1,208,885	$ 1,549,871	$ 2,545,384	$ 5,339,523	$ 9,730,193
Selling Costs (5%):	- $ 156,000	- $ 168,730	- $ 182,498	- $ 222,037	- $ 328,668	- $ 486,510
Sale Proceeds:	= $ 740,365	= $ 1,040,155	= $ 1,367,373	= $ 2,323,348	= $ 5,010,854	= $ 9,243,683
Cumulative Cash Flow:	+ $ 72,909	+ $ 250,366	+ $ 472,983	+ $ 1,253,014	+ $ 4,025,734	+ $ 9,074,172
Total Cash Invested:	- $ 750,900	- $ 750,900	- $ 750,900	- $ 750,900	- $ 750,900	- $ 750,900
Total Profit:	**= $ 62,374**	**= $ 539,621**	**= $ 1,089,456**	**= $ 2,825,462**	**= $ 8,285,688**	**= $ 17,566,955**
INVESTMENT RETURNS						
Cap Rate (Purchase Price):	8%	8.7%	9.4%	11.7%	17.7%	26.7%
Cap Rate (Market Value):	7.7%	7.7%	7.8%	7.9%	8.1%	8.2%
Cash on Cash Return:	9.7%	12.5%	15.6%	24.5%	48.6%	84.7%
Return on Equity:	8.1%	7.8%	7.6%	7.2%	6.8%	6.5%
Return on Investment:	8.3%	71.9%	145.1%	376.3%	1,103.4%	2,339.5%
Internal Rate of Return:	8.3%	21.4%	22.5%	21.7%	20%	19.4%
FINANCIAL RATIOS						
Rent to Value:	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Gross Rent Multiplier:	10.33	10.33	10.33	10.33	10.33	10.33
Equity Multiple:	1.08	1.72	2.45	4.76	12.03	24.39
Break Even Ratio:	72.9%	68.2%	63.8%	54.3%	39.7%	29.5%
Debt Coverage Ratio:	1.44	1.57	1.7	2.1	3.19	4.82
Debt Yield:	10.8%	12%	13.5%	18.5%	43%	-

Cash Flow Over Time



Equity Over Time



Property Photos

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.