

## 418-420 Eastern Ave

### Investment Property - Buy & Hold

418 Eastern Ave, Indianapolis, IN 46201

Multi-Family · 2 Units · 1,296 Sq.Ft.

Rehabbed and move in ready!

**\$ 280,000 Purchase Price · \$ 325,900 ARV**

**\$ 72,800 Cash Needed · \$ 455/mo Cash Flow · 7.3% Cap Rate · 7.5% COC**

Prepared by:



The Homeboys



## Property Description

### ADDRESS

418 Eastern Ave  
Indianapolis, IN 46201

### DESCRIPTION

Property Type: Multi-Family  
Year Built: 1900  
Lot Size: 4,356 sq.ft.  
Zoning: Duplex (2 Units)  
MLS Number: 22064482

### UNIT INFORMATION

Total Units/Spaces: 2  
Total Square Footage: 1,296

### UNITS & RENT ROLL

2 Units - Residential

2 Beds / 1 Baths / 648 Sq.Ft.

Gross Rent: \$ 1,325 Per Month



## Purchase Analysis & Returns

### PURCHASE & REHAB

Purchase Price:		\$ 280,000
Amount Financed:	-	\$ 210,000
Down Payment:	=	\$ 70,000
Purchase Costs:	+	\$ 2,800
Rehab Costs:	+	\$ 0
<b>Total Cash Needed:</b>	<b>=</b>	<b>\$ 72,800</b>
After Repair Value:		\$ 325,900
ARV Per Square Foot:		\$ 251.5
Price Per Square Foot:		\$ 216
Price Per Unit:		\$ 140,000

### RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	7.3% / 6.3%
Cash on Cash Return:	7.5%
Return on Equity:	4.2%
Return on Investment:	60.2%
Internal Rate of Return:	60.2%
Rent to Value:	0.9%
Gross Rent Multiplier:	8.81
Equity Multiple:	1.6
Break Even Ratio:	79.8%
Debt Coverage Ratio:	1.36
Debt Yield:	9.8%

### PURCHASE COSTS

<b>Total (1% of Price):</b>	<b>\$ 2,800</b>
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### FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	6%
Financing Of:	Price (75%)
Loan Amount:	\$ 210,000
LTC / LTV:	75% / 64.4%
Loan Payment:	\$ 1,259 Per Month \$ 15,109 Per Year

### 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:	6% of Sales Price
Depreciation Period:	27.5 Years
Land Value:	\$ 6,900

### REHAB COSTS

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

## Cash Flow (Year 1)

		Monthly	Yearly
<b>CASH FLOW</b>			
Gross Rent:		\$ 2,650	\$ 31,800
Vacancy (3%):	-	\$ 80	\$ 954
Other Income:	+	\$ 0	\$ 0
<b>Operating Income:</b>	=	<b>\$ 2,570</b>	<b>\$ 30,846</b>
Operating Expenses (33.3%):	-	\$ 856	\$ 10,271
<b>Net Operating Income:</b>	=	<b>\$ 1,714</b>	<b>\$ 20,575</b>
Loan Payments:	-	\$ 1,259	\$ 15,109
<b>Cash Flow:</b>	=	<b>\$ 455</b>	<b>\$ 5,466</b>
Cash Flow Per Unit:		\$ 228	\$ 2,733

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

		Monthly	Yearly
<b>OPERATING EXPENSES</b>			
Property Taxes:		\$ 418	\$ 5,021
Insurance:		\$ 130	\$ 1,560
Maintenance:		\$ 133	\$ 1,590
Capital Expenditures:		\$ 0	\$ 0
HOA Fees:		\$ 0	\$ 0
Utilities:		\$ 100	\$ 1,200
Landscaping:		\$ 75	\$ 900
Accounting & Legal Fees:		\$ 0	\$ 0
<b>Total:</b>		<b>\$ 856</b>	<b>\$ 10,271</b>

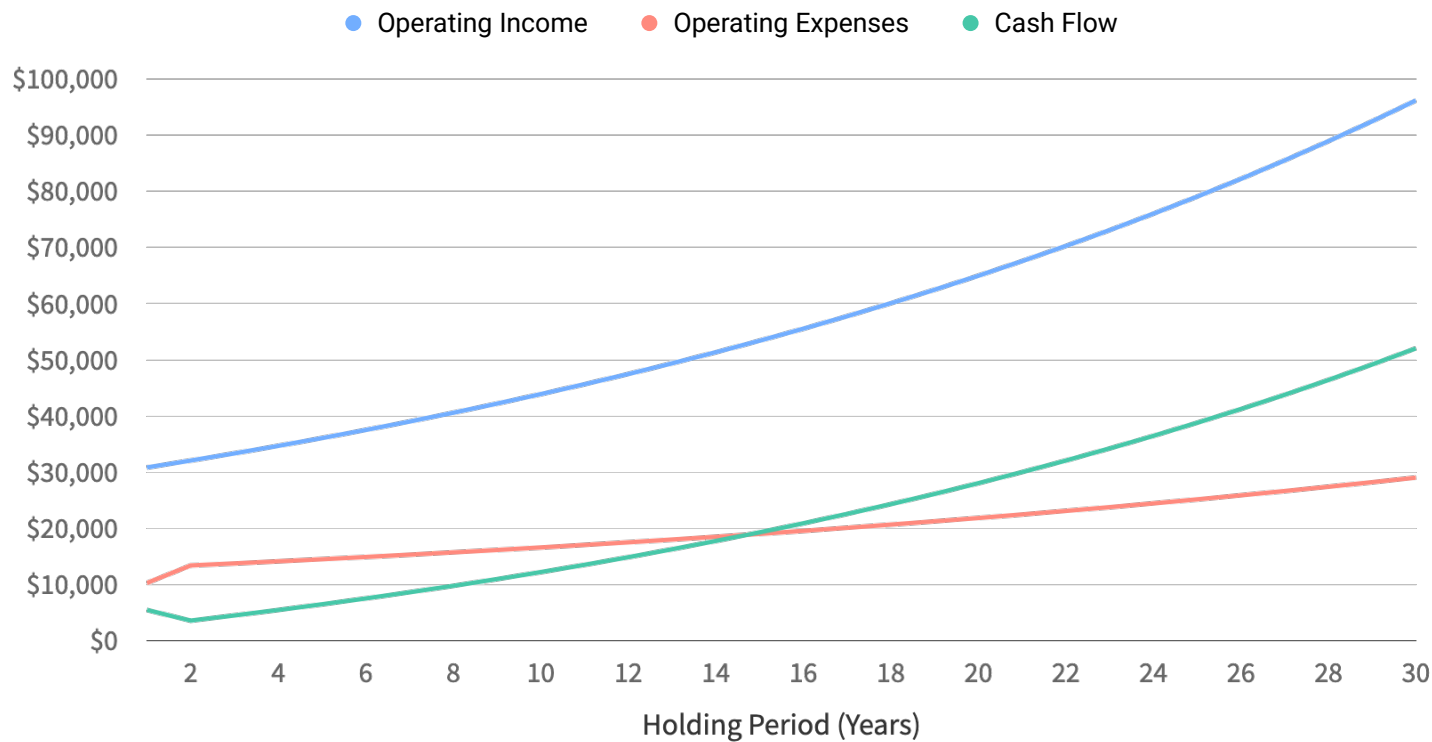


## Buy & Hold Projections

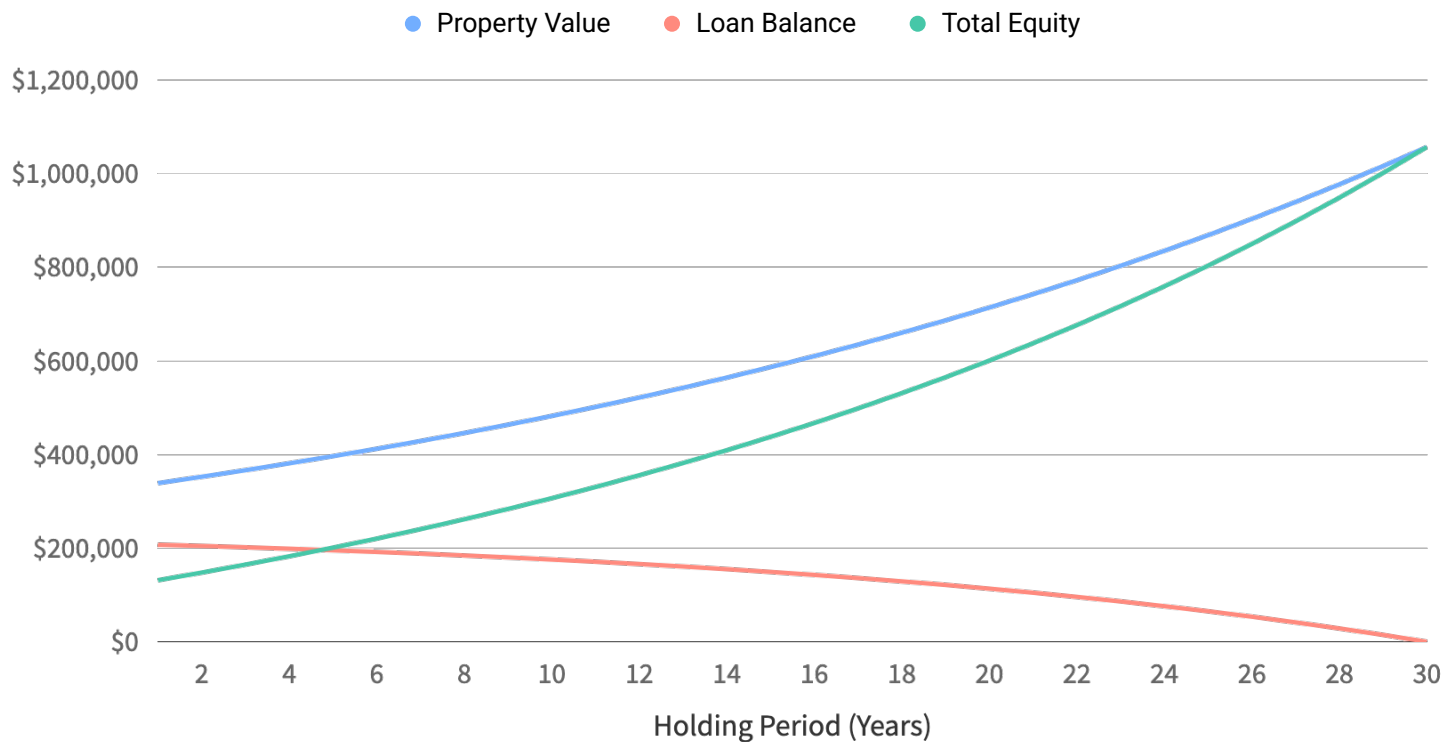
	APPRECIATION 4% Per Year	INCOME INCREASE 4% Per Year	EXPENSE INCREASES 2% Per Year	SELLING COSTS 6% of Price		
	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
<b>RENTAL INCOME</b>						
Gross Rent:	\$ 31,800	\$ 34,395	\$ 37,202	\$ 45,261	\$ 66,998	\$ 99,173
Vacancy:	- \$ 954	- \$ 1,032	- \$ 1,116	- \$ 1,358	- \$ 2,010	- \$ 2,975
Vacancy Rate:	3%	3%	3%	3%	3%	3%
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
<b>Operating Income:</b>	<b>= \$ 30,846</b>	<b>= \$ 33,363</b>	<b>= \$ 36,086</b>	<b>= \$ 43,903</b>	<b>= \$ 64,988</b>	<b>= \$ 96,198</b>
Income Increase:	4%	4%	4%	4%	4%	4%
<b>OPERATING EXPENSES</b>						
Property Taxes:	\$ 5,021	\$ 5,224	\$ 5,435	\$ 6,001	\$ 7,315	\$ 8,917
Insurance:	+ \$ 1,560	+ \$ 1,623	+ \$ 1,689	+ \$ 1,864	+ \$ 2,273	+ \$ 2,770
Property Management:	N/A	+ \$ 3,003	+ \$ 3,248	+ \$ 3,951	+ \$ 5,849	+ \$ 8,658
Maintenance:	+ \$ 1,590	+ \$ 1,720	+ \$ 1,860	+ \$ 2,263	+ \$ 3,350	+ \$ 4,959
Capital Expenditures:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
HOA Fees:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Utilities:	+ \$ 1,200	+ \$ 1,248	+ \$ 1,299	+ \$ 1,434	+ \$ 1,748	+ \$ 2,131
Landscaping:	+ \$ 900	+ \$ 936	+ \$ 974	+ \$ 1,076	+ \$ 1,311	+ \$ 1,598
Accounting & Legal Fees:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
<b>Operating Expenses:</b>	<b>= \$ 10,271</b>	<b>= \$ 13,754</b>	<b>= \$ 14,505</b>	<b>= \$ 16,589</b>	<b>= \$ 21,846</b>	<b>= \$ 29,033</b>
Expense Increase:	2%	2%	2%	2%	2%	2%
<b>CASH FLOW</b>						
Operating Income:	\$ 30,846	\$ 33,363	\$ 36,086	\$ 43,903	\$ 64,988	\$ 96,198
Operating Expenses:	- \$ 10,271	- \$ 13,754	- \$ 14,505	- \$ 16,589	- \$ 21,846	- \$ 29,033
Expense Ratio:	33.3%	41.2%	40.2%	37.8%	33.6%	30.2%
<b>Net Operating Income:</b>	<b>= \$ 20,575</b>	<b>= \$ 19,609</b>	<b>= \$ 21,581</b>	<b>= \$ 27,314</b>	<b>= \$ 43,142</b>	<b>= \$ 67,165</b>
Loan Payments:	- \$ 15,109	- \$ 15,109	- \$ 15,109	- \$ 15,109	- \$ 15,109	- \$ 15,109
<b>Cash Flow:</b>	<b>= \$ 5,466</b>	<b>= \$ 4,500</b>	<b>= \$ 6,472</b>	<b>= \$ 12,205</b>	<b>= \$ 28,033</b>	<b>= \$ 52,056</b>
Cash Flow Per Unit:	\$ 2,733	\$ 2,250	\$ 3,236	\$ 6,103	\$ 14,017	\$ 26,028
<b>TAX BENEFITS &amp; DEDUCTIONS</b>						
Operating Expenses:	\$ 10,271	\$ 13,754	\$ 14,505	\$ 16,589	\$ 21,846	\$ 29,033
Loan Interest:	+ \$ 12,530	+ \$ 12,202	+ \$ 11,832	+ \$ 10,689	+ \$ 7,068	+ \$ 480
Depreciation:	+ \$ 10,033	+ \$ 10,033	+ \$ 10,033	+ \$ 10,033	+ \$ 10,033	+ \$ 0
<b>Total Deductions:</b>	<b>= \$ 32,834</b>	<b>= \$ 35,989</b>	<b>= \$ 36,370</b>	<b>= \$ 37,311</b>	<b>= \$ 38,947</b>	<b>= \$ 29,513</b>

	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
<b>EQUITY ACCUMULATION</b>						
Property Value:	\$ 338,936	\$ 366,593	\$ 396,507	\$ 482,412	\$ 714,087	\$ 1,057,023
Appreciation:	4%	4%	4%	4%	4%	4%
Loan Balance:	- \$ 207,421	- \$ 201,777	- \$ 195,414	- \$ 175,740	- \$ 113,408	- \$ 0
LTV Ratio:	61.2%	55%	49.3%	36.4%	15.9%	-
<b>Total Equity:</b>	<b>= \$ 131,515</b>	<b>= \$ 164,816</b>	<b>= \$ 201,093</b>	<b>= \$ 306,672</b>	<b>= \$ 600,679</b>	<b>= \$ 1,057,023</b>
<b>SALE ANALYSIS</b>						
Equity:	\$ 131,515	\$ 164,816	\$ 201,093	\$ 306,672	\$ 600,679	\$ 1,057,023
Selling Costs (6%):	- \$ 20,336	- \$ 21,996	- \$ 23,790	- \$ 28,945	- \$ 42,845	- \$ 63,421
<b>Sale Proceeds:</b>	<b>= \$ 111,179</b>	<b>= \$ 142,821</b>	<b>= \$ 177,302</b>	<b>= \$ 277,727</b>	<b>= \$ 557,834</b>	<b>= \$ 993,602</b>
Cumulative Cash Flow:	+ \$ 5,466	+ \$ 13,542	+ \$ 25,480	+ \$ 74,553	+ \$ 278,191	+ \$ 682,459
Total Cash Invested:	- \$ 72,800	- \$ 72,800	- \$ 72,800	- \$ 72,800	- \$ 72,800	- \$ 72,800
<b>Total Profit:</b>	<b>= \$ 43,845</b>	<b>= \$ 83,563</b>	<b>= \$ 129,982</b>	<b>= \$ 279,480</b>	<b>= \$ 763,225</b>	<b>= \$ 1,603,261</b>
<b>INVESTMENT RETURNS</b>						
Cap Rate (Purchase Price):	7.3%	7%	7.7%	9.8%	15.4%	24%
Cap Rate (Market Value):	6.1%	5.3%	5.4%	5.7%	6%	6.4%
Cash on Cash Return:	7.5%	6.2%	8.9%	16.8%	38.5%	71.5%
Return on Equity:	4.2%	2.7%	3.2%	4%	4.7%	4.9%
Return on Investment:	60.2%	114.8%	178.5%	383.9%	1,048.4%	2,202.3%
Internal Rate of Return:	60.2%	30.4%	24.5%	19.6%	16.9%	15.9%
<b>FINANCIAL RATIOS</b>						
Rent to Value:	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Gross Rent Multiplier:	10.66	10.66	10.66	10.66	10.66	10.66
Equity Multiple:	1.6	2.15	2.79	4.84	11.48	23.02
Break Even Ratio:	79.8%	83.9%	79.6%	70%	55.2%	44.5%
Debt Coverage Ratio:	1.36	1.3	1.43	1.81	2.86	4.45
Debt Yield:	9.9%	9.7%	11%	15.5%	38%	-

Cash Flow Over Time



Equity Over Time

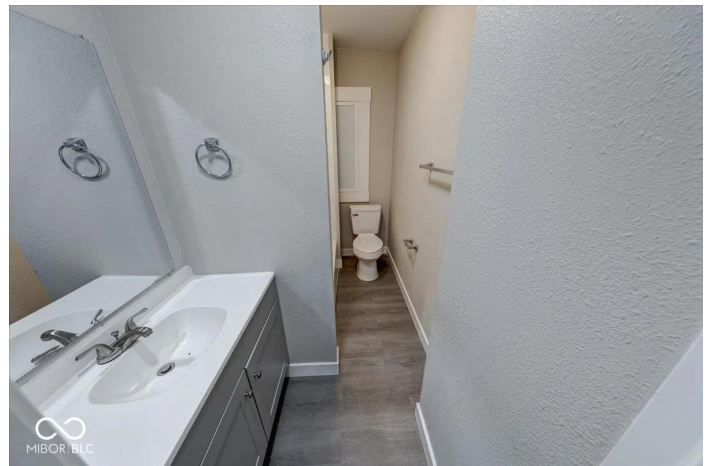


## Property Photos























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