

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

UNITS & RENT ROLL

2 Units - Residential
 2 Beds / 1 Baths / 648 Sq.Ft.
 Gross Rent: \$ 1,325 Per Month

UNIT INFORMATION

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



Purchase Analysis & Returns

PURCHASE & REHAB

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

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

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%

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

PURCHASE COSTS

Total (1% of Price):	\$ 2,800
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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:	\$ 2,650	\$ 31,800
Vacancy (3%):	- \$ 80	\$ 954
Other Income:	+ \$ 0	\$ 0
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Operating Income:	= \$ 2,570	\$ 30,846
Operating Expenses (33.3%):	- \$ 856	\$ 10,271
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Net Operating Income:	= \$ 1,714	\$ 20,575
Loan Payments:	- \$ 1,259	\$ 15,109
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Cash Flow:	= \$ 455	\$ 5,466
Cash Flow Per Unit:	\$ 228	\$ 2,733

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

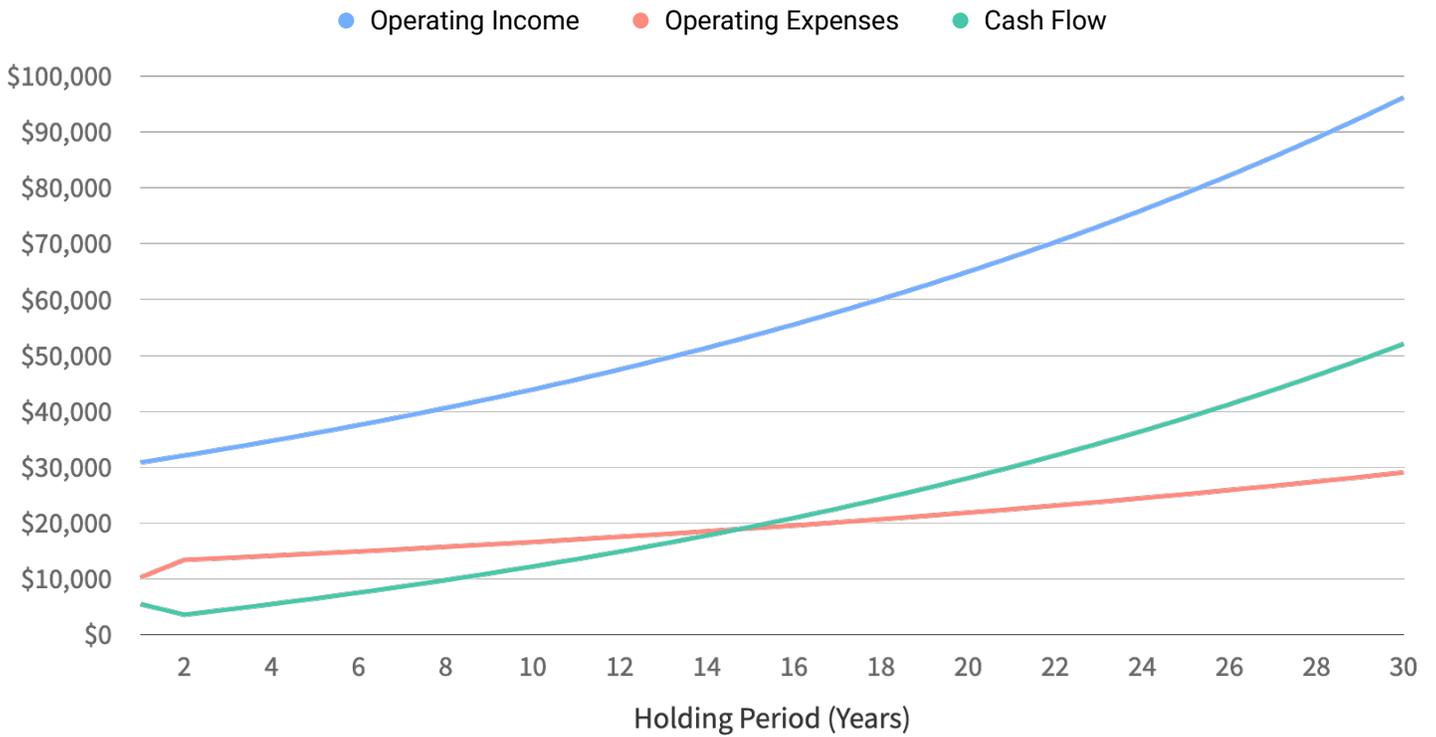
	Monthly	Yearly
OPERATING EXPENSES		
Property Taxes:	\$ 418	\$ 5,021
Insurance:	\$ 130	\$ 1,560
Maintenance:	\$ 133	\$ 1,590
Capital Expenditures:	\$ 0	\$ 0
HOA Fees:	\$ 0	\$ 0
Utilities:	\$ 100	\$ 1,200
Landscaping:	\$ 75	\$ 900
Accounting & Legal Fees:	\$ 0	\$ 0
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Total: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

Buy & Hold Projections

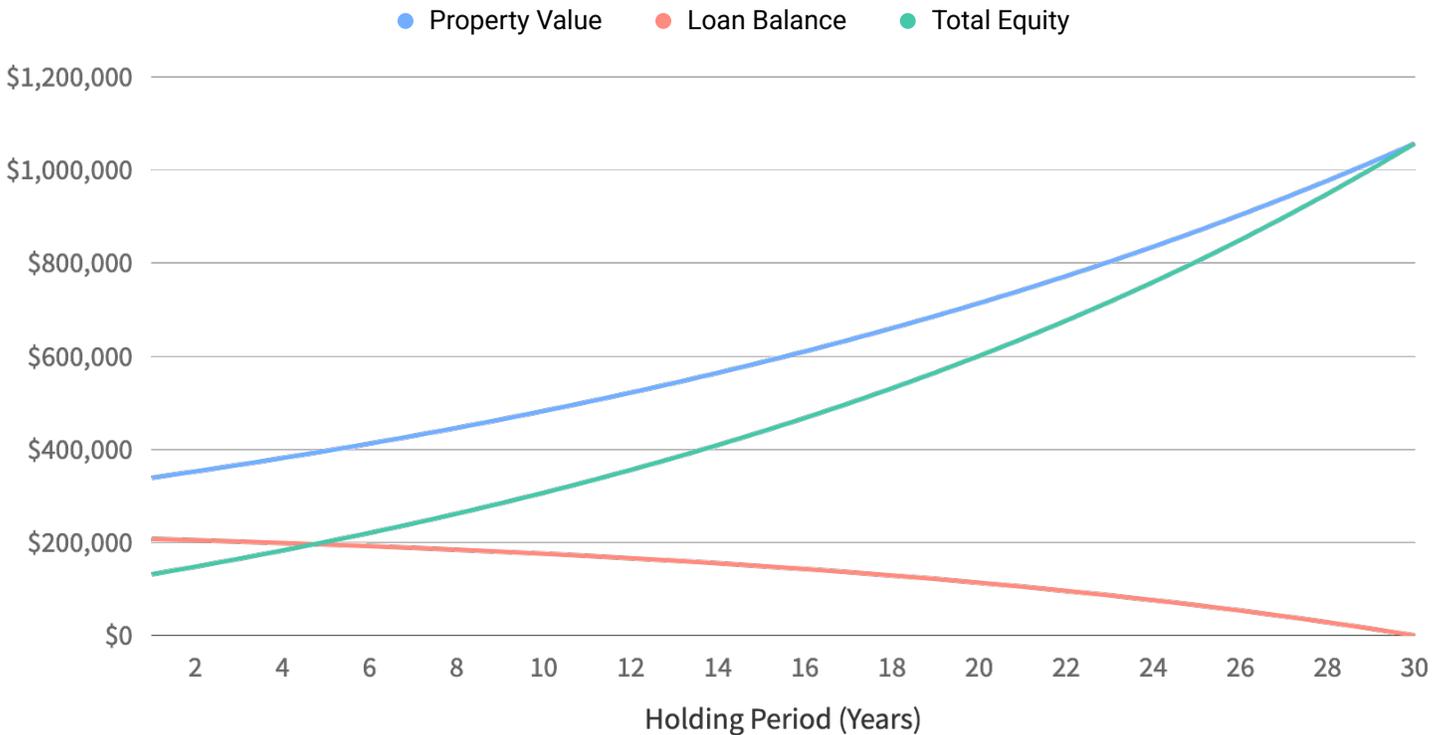
	APPRECIATION 4% Per Year	INCOME INCREASE 4% Per Year	EXPENSE INCREASES 2% Per Year	SELLING COSTS 6% of Price		
	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
RENTAL INCOME						
Gross Rent:	\$ 31,800	\$ 34,395	\$ 37,202	\$ 45,261	\$ 66,998	\$ 99,173
Vacancy:	- \$ 954	- \$ 1,032	- \$ 1,116	- \$ 1,358	- \$ 2,010	- \$ 2,975
Vacancy Rate:	3%	3%	3%	3%	3%	3%
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Operating Income:	= \$ 30,846	= \$ 33,363	= \$ 36,086	= \$ 43,903	= \$ 64,988	= \$ 96,198
Income Increase:	4%	4%	4%	4%	4%	4%
OPERATING EXPENSES						
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
Operating Expenses:	= \$ 10,271	= \$ 13,754	= \$ 14,505	= \$ 16,589	= \$ 21,846	= \$ 29,033
Expense Increase:	2%	2%	2%	2%	2%	2%
CASH FLOW						
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%
Net Operating Income:	= \$ 20,575	= \$ 19,609	= \$ 21,581	= \$ 27,314	= \$ 43,142	= \$ 67,165
Loan Payments:	- \$ 15,109	- \$ 15,109	- \$ 15,109	- \$ 15,109	- \$ 15,109	- \$ 15,109
Cash Flow:	= \$ 5,466	= \$ 4,500	= \$ 6,472	= \$ 12,205	= \$ 28,033	= \$ 52,056
Cash Flow Per Unit:	\$ 2,733	\$ 2,250	\$ 3,236	\$ 6,103	\$ 14,017	\$ 26,028
TAX BENEFITS & DEDUCTIONS						
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
Total Deductions:	= \$ 32,834	= \$ 35,989	= \$ 36,370	= \$ 37,311	= \$ 38,947	= \$ 29,513

	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
EQUITY ACCUMULATION						
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%	-
Total Equity:	= \$ 131,515	= \$ 164,816	= \$ 201,093	= \$ 306,672	= \$ 600,679	= \$ 1,057,023
SALE ANALYSIS						
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
Sale Proceeds:	= \$ 111,179	= \$ 142,821	= \$ 177,302	= \$ 277,727	= \$ 557,834	= \$ 993,602
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
Total Profit:	= \$ 43,845	= \$ 83,563	= \$ 129,982	= \$ 279,480	= \$ 763,225	= \$ 1,603,261
INVESTMENT RETURNS						
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%
FINANCIAL RATIOS						
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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