

# 231 Jackson St

## Investment Property - Buy & Hold

231 Jackson St, Anderson, IN 46016  
House · 3 Beds · 1 Baths · 1,510 Sq.Ft.

**\$ 144,900 Purchase Price · \$ 144,900 ARV**  
**\$ 37,674 Cash Needed · \$ 346/mo Cash Flow · 8.6% Cap Rate · 11% COC**

Prepared by:



The Homeboys



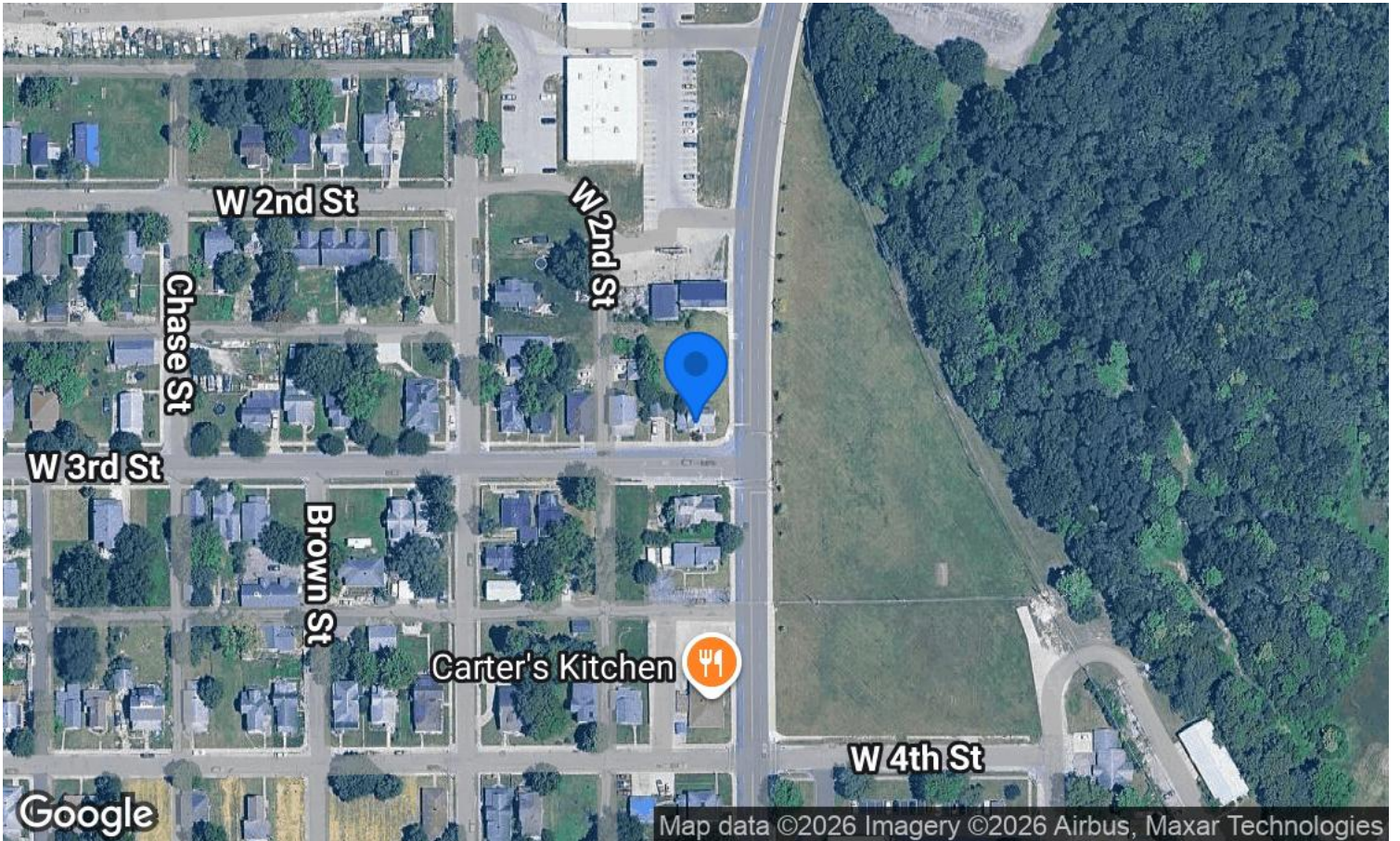
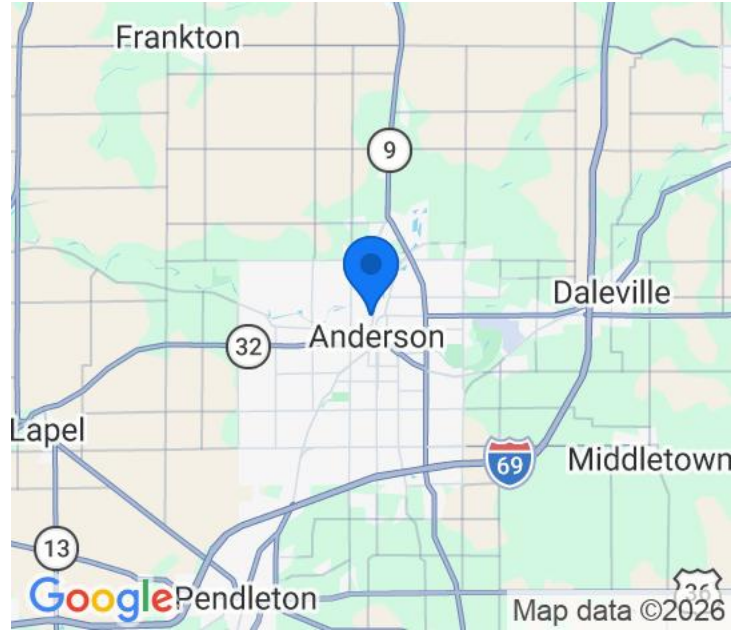
# Property Description

## ADDRESS

231 Jackson St  
Anderson, IN 46016

## DESCRIPTION

Property Type:	House
Beds / Baths:	3 BR / 1 BA
Square Footage:	1,510
Year Built:	1890
Parking:	Garage
Lot Size:	6,970 sq.ft.
Zoning:	Single Family Residential
MLS Number:	22096369



## Purchase Analysis & Returns

### PURCHASE & REHAB

Purchase Price:		\$ 144,900
Amount Financed:	-	\$ 108,675
<b>Down Payment:</b>	<b>=</b>	<b>\$ 36,225</b>
Purchase Costs:	+	\$ 1,449
Rehab Costs:	+	\$ 0
<b>Total Cash Needed:</b>	<b>=</b>	<b>\$ 37,674</b>
After Repair Value:		\$ 144,900
ARV Per Square Foot:		\$ 96
Price Per Square Foot:		\$ 96

### RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	8.6% / 8.6%
Cash on Cash Return:	11%
Return on Equity:	9.6%
Return on Investment:	1.8%
Internal Rate of Return:	1.8%
Rent to Value:	0.9%
Gross Rent Multiplier:	9.66
Equity Multiple:	1.02
Break Even Ratio:	69.3%
Debt Coverage Ratio:	1.5
Debt Yield:	11.4%

### PURCHASE COSTS

<b>Total (1% of Price):</b>	<b>\$ 1,449</b>
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### FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	6.5%
Financing Of:	Price (75%)
Loan Amount:	\$ 108,675
LTC / LTV:	75% / 75%
Loan Payment:	\$ 687 Per Month
	\$ 8,243 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:	\$ 8,000

### 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:	\$ 1,250	\$ 15,000
Vacancy (3%):	- \$ 38	\$ 450
Other Income:	+ \$ 0	\$ 0
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Operating Income:	= \$ 1,212	\$ 14,550
Operating Expenses (14.8%):	- \$ 179	\$ 2,150
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Net Operating Income:	= \$ 1,033	\$ 12,400
Loan Payments:	- \$ 687	\$ 8,243
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<b>Cash Flow:</b>	<b>= \$ 346</b>	<b>\$ 4,157</b>

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

	Monthly	Yearly
<b>OPERATING EXPENSES</b>		
Property Taxes:	\$ 83	\$ 1,000
Insurance:	\$ 46	\$ 550
Maintenance:	\$ 50	\$ 600
Capital Expenditures:	\$ 0	\$ 0
HOA Fees:	\$ 0	\$ 0
Utilities:	\$ 0	\$ 0
Landscaping:	\$ 0	\$ 0
Accounting & Legal Fees:	\$ 0	\$ 0
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<b>Total:</b>	<b>\$ 179</b>	<b>\$ 2,150</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 2	Year 3	Year 5	Year 10	Year 20	Year 30	
<b>RENTAL INCOME</b>								
Gross Rent:	\$ 15,000	\$ 15,600	\$ 16,224	\$ 17,548	\$ 21,350	\$ 31,603	\$ 46,780	
Vacancy:	- \$ 450	- \$ 468	- \$ 487	- \$ 526	- \$ 641	- \$ 948	- \$ 1,403	
Vacancy Rate:	3%	3%	3%	3%	3%	3%	3%	
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	
<b>Operating Income:</b>	<b>= \$ 14,550</b>	<b>= \$ 15,132</b>	<b>= \$ 15,737</b>	<b>= \$ 17,022</b>	<b>= \$ 20,709</b>	<b>= \$ 30,655</b>	<b>= \$ 45,377</b>	
Income Increase:	4%	4%	4%	4%	4%	4%	4%	
<b>OPERATING EXPENSES</b>								
Property Taxes:	\$ 1,000	\$ 1,020	\$ 1,040	\$ 1,082	\$ 1,195	\$ 1,457	\$ 1,776	
Insurance:	+ \$ 550	+ \$ 561	+ \$ 572	+ \$ 595	+ \$ 657	+ \$ 801	+ \$ 977	
Property Management:	N/A	+ \$ 1,513	+ \$ 1,574	+ \$ 1,702	+ \$ 2,071	+ \$ 3,065	+ \$ 4,538	
Maintenance:	+ \$ 600	+ \$ 624	+ \$ 649	+ \$ 702	+ \$ 854	+ \$ 1,264	+ \$ 1,871	
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	
<b>Operating Expenses:</b>	<b>= \$ 2,150</b>	<b>= \$ 3,718</b>	<b>= \$ 3,835</b>	<b>= \$ 4,081</b>	<b>= \$ 4,777</b>	<b>= \$ 6,587</b>	<b>= \$ 9,162</b>	
Expense Increase:	2%	2%	2%	2%	2%	2%	2%	
<b>CASH FLOW</b>								
Operating Income:	\$ 14,550	\$ 15,132	\$ 15,737	\$ 17,022	\$ 20,709	\$ 30,655	\$ 45,377	
Operating Expenses:	- \$ 2,150	- \$ 3,718	- \$ 3,835	- \$ 4,081	- \$ 4,777	- \$ 6,587	- \$ 9,162	
Expense Ratio:	14.8%	24.6%	24.4%	24%	23.1%	21.5%	20.2%	
<b>Net Operating Income:</b>	<b>= \$ 12,400</b>	<b>= \$ 11,414</b>	<b>= \$ 11,902</b>	<b>= \$ 12,941</b>	<b>= \$ 15,932</b>	<b>= \$ 24,068</b>	<b>= \$ 36,215</b>	
Loan Payments:	- \$ 8,243	- \$ 8,243	- \$ 8,243	- \$ 8,243	- \$ 8,243	- \$ 8,243	- \$ 8,243	
<b>Cash Flow:</b>	<b>= \$ 4,157</b>	<b>= \$ 3,171</b>	<b>= \$ 3,659</b>	<b>= \$ 4,698</b>	<b>= \$ 7,689</b>	<b>= \$ 15,825</b>	<b>= \$ 27,972</b>	
<b>TAX BENEFITS &amp; DEDUCTIONS</b>								
Operating Expenses:	\$ 2,150	\$ 3,718	\$ 3,835	\$ 4,081	\$ 4,777	\$ 6,587	\$ 9,162	
Loan Interest:	+ \$ 7,028	+ \$ 6,947	+ \$ 6,860	+ \$ 6,669	+ \$ 6,066	+ \$ 4,080	+ \$ 283	
Depreciation:	+ \$ 5,031	+ \$ 5,031	+ \$ 5,031	+ \$ 5,031	+ \$ 5,031	+ \$ 5,031	+ \$ 0	
<b>Total Deductions:</b>	<b>= \$ 14,209</b>	<b>= \$ 15,696</b>	<b>= \$ 15,726</b>	<b>= \$ 15,780</b>	<b>= \$ 15,874</b>	<b>= \$ 15,698</b>	<b>= \$ 9,445</b>	
<b>EQUITY ACCUMULATION</b>								

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Property Value:	\$ 150,696	\$ 156,724	\$ 162,993	\$ 176,293	\$ 214,487	\$ 317,494	\$ 469,968
Appreciation:	4%	4%	4%	4%	4%	4%	4%
Loan Balance:	- \$ 107,460	- \$ 106,164	- \$ 104,781	- \$ 101,732	- \$ 92,130	- \$ 60,494	- \$ 0
LTV Ratio:	71.3%	67.7%	64.3%	57.7%	43%	19.1%	-
<b>Total Equity:</b>	<b>= \$ 43,236</b>	<b>= \$ 50,560</b>	<b>= \$ 58,212</b>	<b>= \$ 74,561</b>	<b>= \$ 122,357</b>	<b>= \$ 257,000</b>	<b>= \$ 469,968</b>

**SALE ANALYSIS**

Equity:	\$ 43,236	\$ 50,560	\$ 58,212	\$ 74,561	\$ 122,357	\$ 257,000	\$ 469,968
Selling Costs (6%):	- \$ 9,042	- \$ 9,403	- \$ 9,780	- \$ 10,578	- \$ 12,869	- \$ 19,050	- \$ 28,198
<b>Sale Proceeds:</b>	<b>= \$ 34,194</b>	<b>= \$ 41,156</b>	<b>= \$ 48,432</b>	<b>= \$ 63,984</b>	<b>= \$ 109,487</b>	<b>= \$ 237,950</b>	<b>= \$ 441,770</b>
Cumulative Cash Flow:	+ \$ 4,157	+ \$ 7,328	+ \$ 10,987	+ \$ 19,852	+ \$ 52,072	+ \$ 171,014	+ \$ 392,071
Total Cash Invested:	- \$ 37,674	- \$ 37,674	- \$ 37,674	- \$ 37,674	- \$ 37,674	- \$ 37,674	- \$ 37,674
<b>Total Profit:</b>	<b>= \$ 677</b>	<b>= \$ 10,810</b>	<b>= \$ 21,745</b>	<b>= \$ 46,162</b>	<b>= \$ 123,885</b>	<b>= \$ 371,290</b>	<b>= \$ 796,167</b>

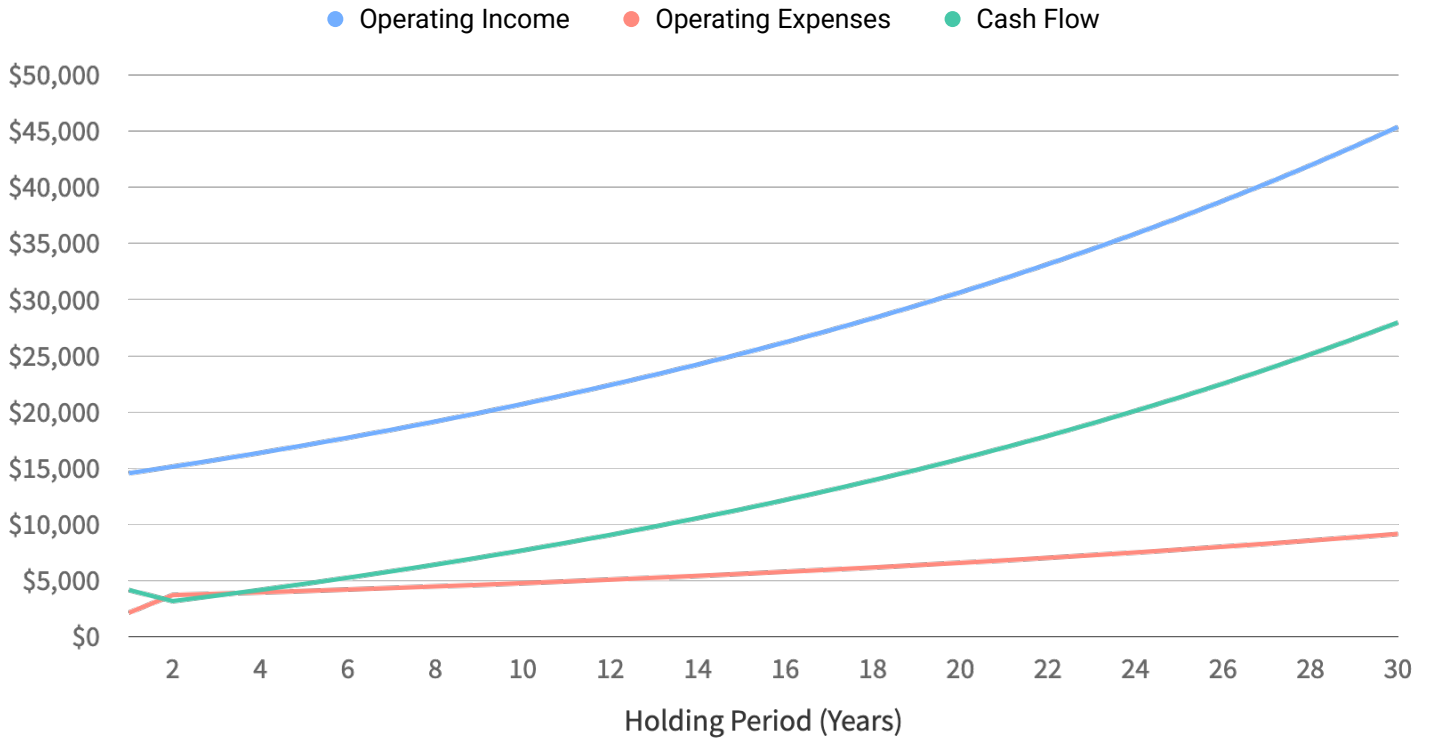
**INVESTMENT RETURNS**

Cap Rate (Purchase Price):	8.6%	7.9%	8.2%	8.9%	11%	16.6%	25%
Cap Rate (Market Value):	8.2%	7.3%	7.3%	7.3%	7.4%	7.6%	7.7%
Cash on Cash Return:	11%	8.4%	9.7%	12.5%	20.4%	42%	74.2%
Return on Equity:	9.6%	6.3%	6.3%	6.3%	6.3%	6.2%	6%
Return on Investment:	1.8%	28.7%	57.7%	122.5%	328.8%	985.5%	2,113.3%
Internal Rate of Return:	1.8%	14.1%	17.8%	19.8%	19.6%	18.3%	17.7%

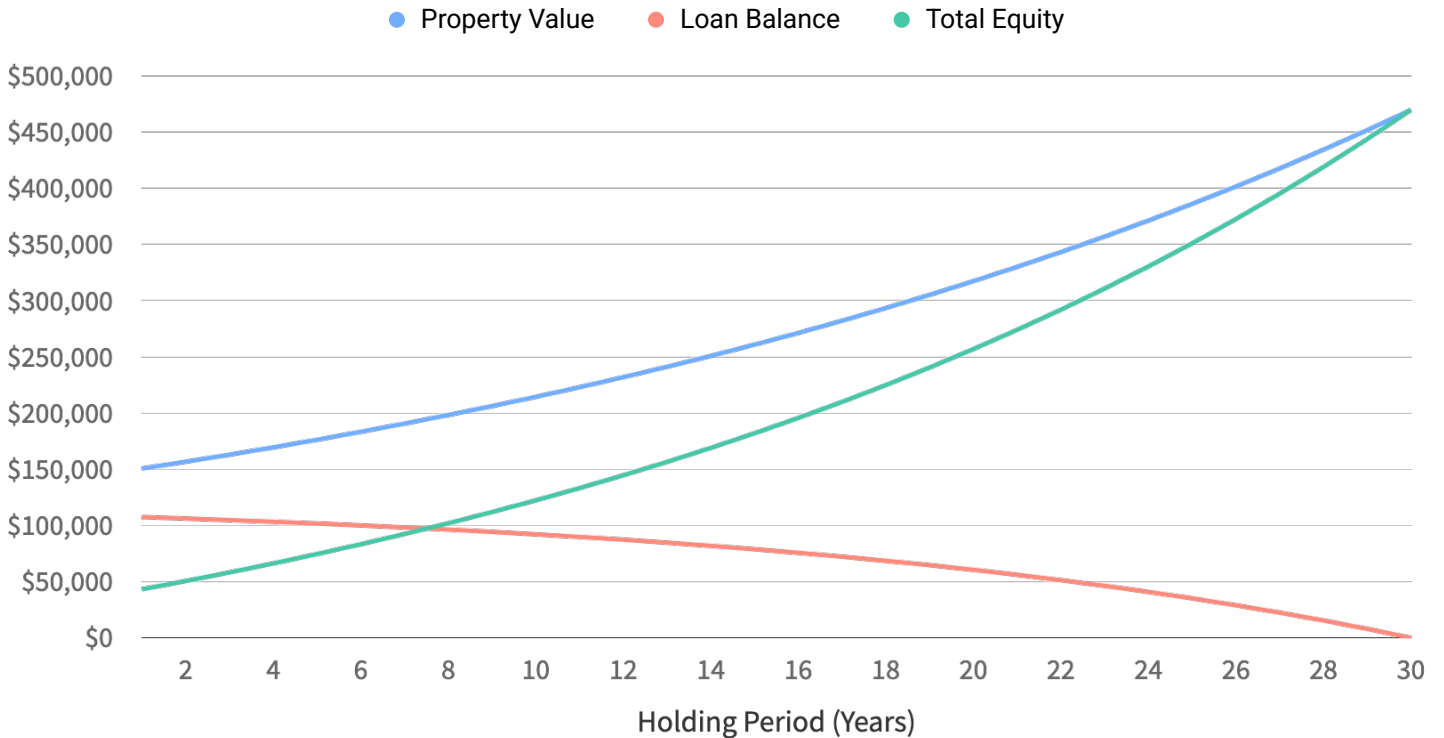
**FINANCIAL RATIOS**

Rent to Value:	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Gross Rent Multiplier:	10.05	10.05	10.05	10.05	10.05	10.05	10.05
Equity Multiple:	1.02	1.29	1.58	2.23	4.29	10.86	22.13
Break Even Ratio:	69.3%	76.7%	74.4%	70.2%	61%	46.9%	37.2%
Debt Coverage Ratio:	1.5	1.38	1.44	1.57	1.93	2.92	4.39
Debt Yield:	11.5%	10.8%	11.4%	12.7%	17.3%	39.8%	-

### Cash Flow Over Time



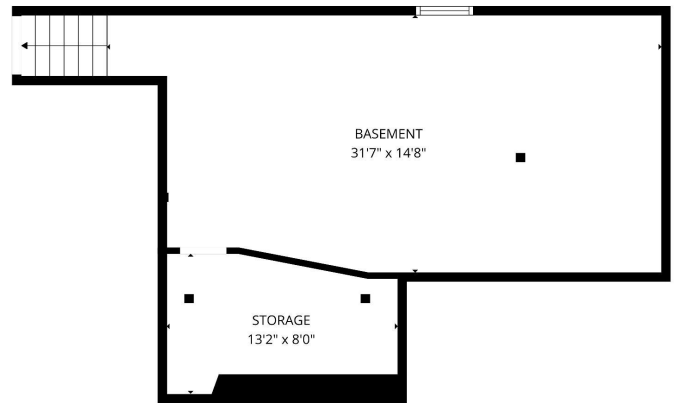
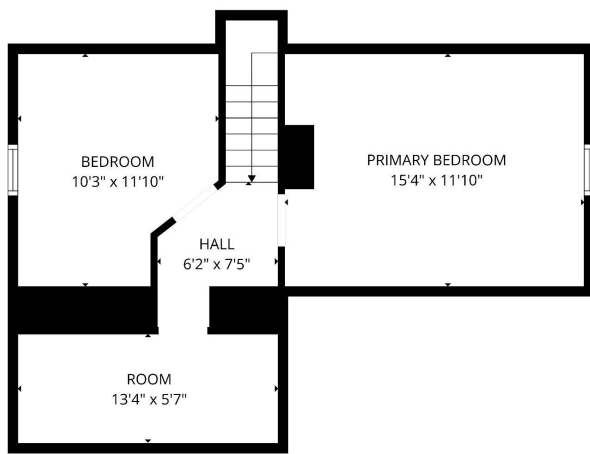
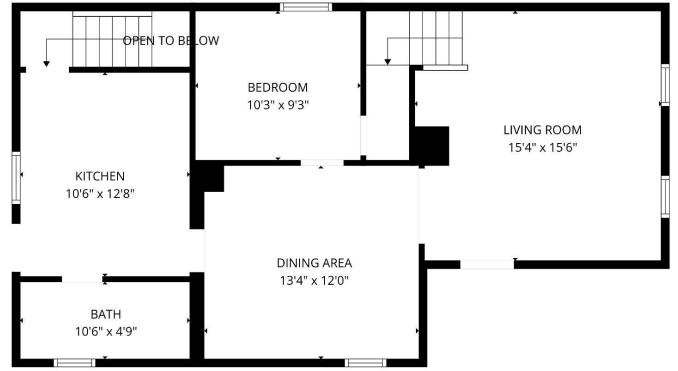
### Equity Over Time



## Property Photos







## Additional Information

Nicely renovated 3/1 with detached garage and basement storage! Several recent updates include new roof, gutters, siding and windows. Interior has all new flooring, fresh paint, updated mechanicals and new fixtures throughout. Move-in ready and waiting for its new owner! Come see today

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