

1217 S 23rd St

Investment Property - Buy & Hold

1217 S 23rd St, New Castle, IN 47362
House · 3 Beds · 1 Baths · 912 Sq.Ft.

3 bedrooms, 1 bathroom ranch in New Castle with detached garage
Rehabbed, Rented, and Ready to Close!

\$ 159,900 Purchase Price · \$ 159,900 ARV
\$ 41,574 Cash Needed · \$ 335/mo Cash Flow · 7.9% Cap Rate · 9.7% COC

Prepared by:



The Homeboys



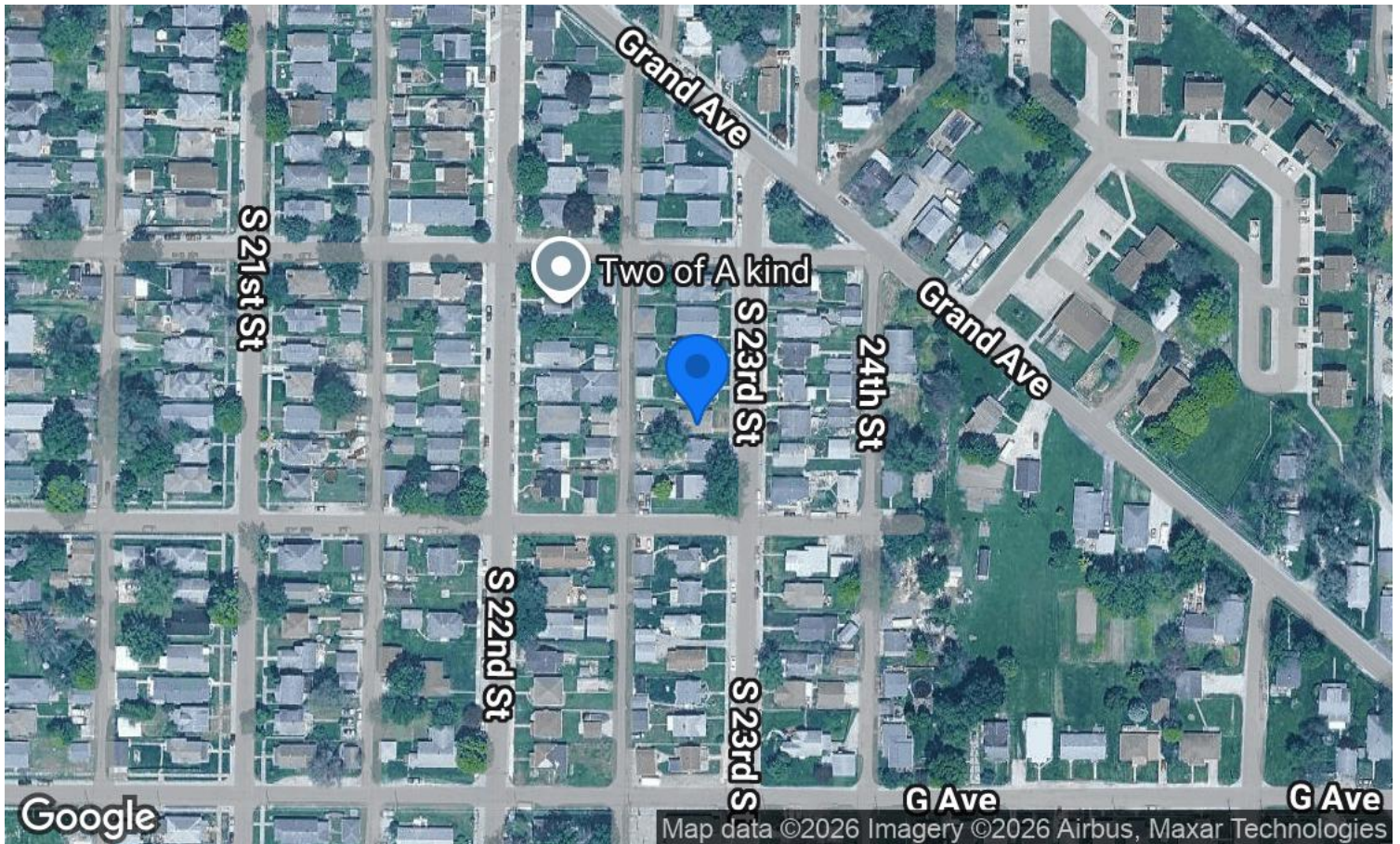
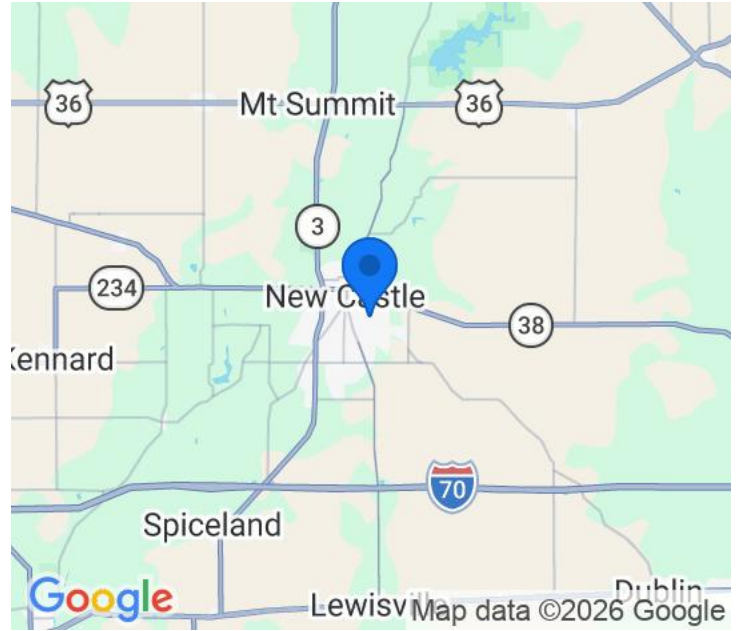
Property Description

ADDRESS

1217 S 23rd St
New Castle, IN 47362

DESCRIPTION

Property Type:	House
Beds / Baths:	3 BR / 1 BA
Square Footage:	912
Year Built:	1955
Parking:	Garage
Lot Size:	4,661 sq.ft.
Zoning:	Single Family Residential
MLS Number:	202423225



Purchase Analysis & Returns

PURCHASE & REHAB

Purchase Price:		\$ 159,900
Amount Financed:	-	\$ 119,925
Down Payment:	=	\$ 39,975
Purchase Costs:	+	\$ 1,599
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 41,574
After Repair Value:		\$ 159,900
ARV Per Square Foot:		\$ 175.3
Price Per Square Foot:		\$ 175.3

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	7.9% / 7.9%
Cash on Cash Return:	9.7%
Return on Equity:	8.4%
Return on Investment:	0.8%
Internal Rate of Return:	0.8%
Rent to Value:	0.8%
Gross Rent Multiplier:	10.06
Equity Multiple:	1.01
Break Even Ratio:	71.7%
Debt Coverage Ratio:	1.47
Debt Yield:	10.5%

PURCHASE COSTS

Total (1% of Price):	\$ 1,599
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FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	5.99%
Financing Of:	Price (75%)
Loan Amount:	\$ 119,925
LTC / LTV:	75% / 75%
Loan Payment:	\$ 718 Per Month \$ 8,619 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:	\$ 6,000

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:	\$ 1,325	\$ 15,900
Vacancy (3%):	- \$ 40	\$ 477
Other Income:	+ \$ 0	\$ 0
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Operating Income:	= \$ 1,285	\$ 15,423
Operating Expenses (18%):	- \$ 232	\$ 2,781
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Net Operating Income:	= \$ 1,053	\$ 12,642
Loan Payments:	- \$ 718	\$ 8,619
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Cash Flow:	= \$ 335	\$ 4,023

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

	Monthly	Yearly
OPERATING EXPENSES		
Property Taxes:	\$ 119	\$ 1,425
Insurance:	\$ 60	\$ 720
Maintenance:	\$ 53	\$ 636
Capital Expenditures:	\$ 0	\$ 0
HOA Fees:	\$ 0	\$ 0
Utilities:	\$ 0	\$ 0
Landscaping:	\$ 0	\$ 0
Accounting & Legal Fees:	\$ 0	\$ 0
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Total:	\$ 232	\$ 2,781

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	
RENTAL INCOME								
Gross Rent:	\$ 15,900	\$ 16,536	\$ 17,197	\$ 18,601	\$ 22,631	\$ 33,499	\$ 49,587	
Vacancy:	- \$ 477	- \$ 496	- \$ 516	- \$ 558	- \$ 679	- \$ 1,005	- \$ 1,488	
Vacancy Rate:	3%	3%	3%	3%	3%	3%	3%	
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	
Operating Income:	= \$ 15,423	= \$ 16,040	= \$ 16,681	= \$ 18,043	= \$ 21,952	= \$ 32,494	= \$ 48,099	
Income Increase:	4%	4%	4%	4%	4%	4%	4%	
OPERATING EXPENSES								
Property Taxes:	\$ 1,425	\$ 1,454	\$ 1,483	\$ 1,542	\$ 1,703	\$ 2,076	\$ 2,531	
Insurance:	+ \$ 720	+ \$ 734	+ \$ 749	+ \$ 779	+ \$ 860	+ \$ 1,049	+ \$ 1,279	
Property Management:	N/A	+ \$ 1,604	+ \$ 1,668	+ \$ 1,804	+ \$ 2,195	+ \$ 3,249	+ \$ 4,810	
Maintenance:	+ \$ 636	+ \$ 661	+ \$ 688	+ \$ 744	+ \$ 905	+ \$ 1,340	+ \$ 1,983	
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	
Operating Expenses:	= \$ 2,781	= \$ 4,453	= \$ 4,588	= \$ 4,869	= \$ 5,663	= \$ 7,714	= \$ 10,603	
Expense Increase:	2%	2%	2%	2%	2%	2%	2%	
CASH FLOW								
Operating Income:	\$ 15,423	\$ 16,040	\$ 16,681	\$ 18,043	\$ 21,952	\$ 32,494	\$ 48,099	
Operating Expenses:	- \$ 2,781	- \$ 4,453	- \$ 4,588	- \$ 4,869	- \$ 5,663	- \$ 7,714	- \$ 10,603	
Expense Ratio:	18%	27.8%	27.5%	27%	25.8%	23.7%	22%	
Net Operating Income:	= \$ 12,642	= \$ 11,587	= \$ 12,093	= \$ 13,174	= \$ 16,289	= \$ 24,780	= \$ 37,496	
Loan Payments:	- \$ 8,619	- \$ 8,619	- \$ 8,619	- \$ 8,619	- \$ 8,619	- \$ 8,619	- \$ 8,619	
Cash Flow:	= \$ 4,023	= \$ 2,968	= \$ 3,474	= \$ 4,555	= \$ 7,670	= \$ 16,161	= \$ 28,877	
TAX BENEFITS & DEDUCTIONS								
Operating Expenses:	\$ 2,781	\$ 4,453	\$ 4,588	\$ 4,869	\$ 5,663	\$ 7,714	\$ 10,603	
Loan Interest:	+ \$ 7,143	+ \$ 7,053	+ \$ 6,956	+ \$ 6,745	+ \$ 6,093	+ \$ 4,027	+ \$ 273	
Depreciation:	+ \$ 5,655	+ \$ 5,655	+ \$ 5,655	+ \$ 5,655	+ \$ 5,655	+ \$ 5,655	+ \$ 0	
Total Deductions:	= \$ 15,579	= \$ 17,160	= \$ 17,199	= \$ 17,269	= \$ 17,410	= \$ 17,396	= \$ 10,876	
EQUITY ACCUMULATION								

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Property Value:	\$ 166,296	\$ 172,948	\$ 179,866	\$ 194,543	\$ 236,691	\$ 350,361	\$ 518,619
Appreciation:	4%	4%	4%	4%	4%	4%	4%
Loan Balance:	- \$ 118,450	- \$ 116,883	- \$ 115,221	- \$ 111,582	- \$ 100,333	- \$ 64,724	- \$ 0
LTV Ratio:	71.2%	67.6%	64.1%	57.4%	42.4%	18.5%	-
Total Equity:	= \$ 47,846	= \$ 56,065	= \$ 64,645	= \$ 82,961	= \$ 136,358	= \$ 285,637	= \$ 518,619

SALE ANALYSIS

Equity:	\$ 47,846	\$ 56,065	\$ 64,645	\$ 82,961	\$ 136,358	\$ 285,637	\$ 518,619
Selling Costs (6%):	- \$ 9,978	- \$ 10,377	- \$ 10,792	- \$ 11,673	- \$ 14,201	- \$ 21,022	- \$ 31,117
Sale Proceeds:	= \$ 37,869	= \$ 45,688	= \$ 53,854	= \$ 71,289	= \$ 122,156	= \$ 264,616	= \$ 487,502
Cumulative Cash Flow:	+ \$ 4,023	+ \$ 6,991	+ \$ 10,465	+ \$ 19,023	+ \$ 50,882	+ \$ 171,452	+ \$ 398,790
Total Cash Invested:	- \$ 41,574	- \$ 41,574	- \$ 41,574	- \$ 41,574	- \$ 41,574	- \$ 41,574	- \$ 41,574
Total Profit:	= \$ 318	= \$ 11,105	= \$ 22,745	= \$ 48,738	= \$ 131,464	= \$ 394,494	= \$ 844,718

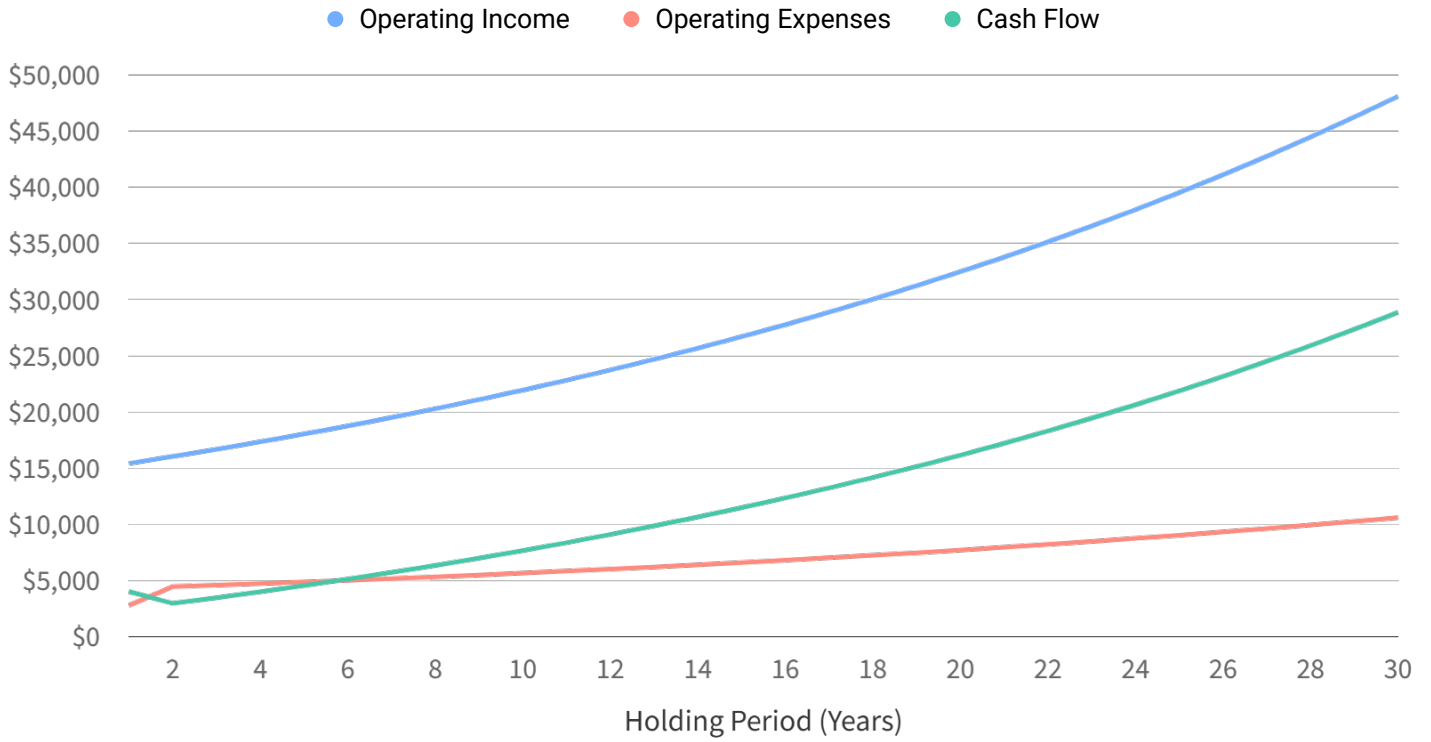
INVESTMENT RETURNS

Cap Rate (Purchase Price):	7.9%	7.2%	7.6%	8.2%	10.2%	15.5%	23.4%
Cap Rate (Market Value):	7.6%	6.7%	6.7%	6.8%	6.9%	7.1%	7.2%
Cash on Cash Return:	9.7%	7.1%	8.4%	11%	18.4%	38.9%	69.5%
Return on Equity:	8.4%	5.3%	5.4%	5.5%	5.6%	5.7%	5.6%
Return on Investment:	0.8%	26.7%	54.7%	117.2%	316.2%	948.9%	2,031.8%
Internal Rate of Return:	0.8%	13.1%	16.8%	18.8%	18.7%	17.4%	16.7%

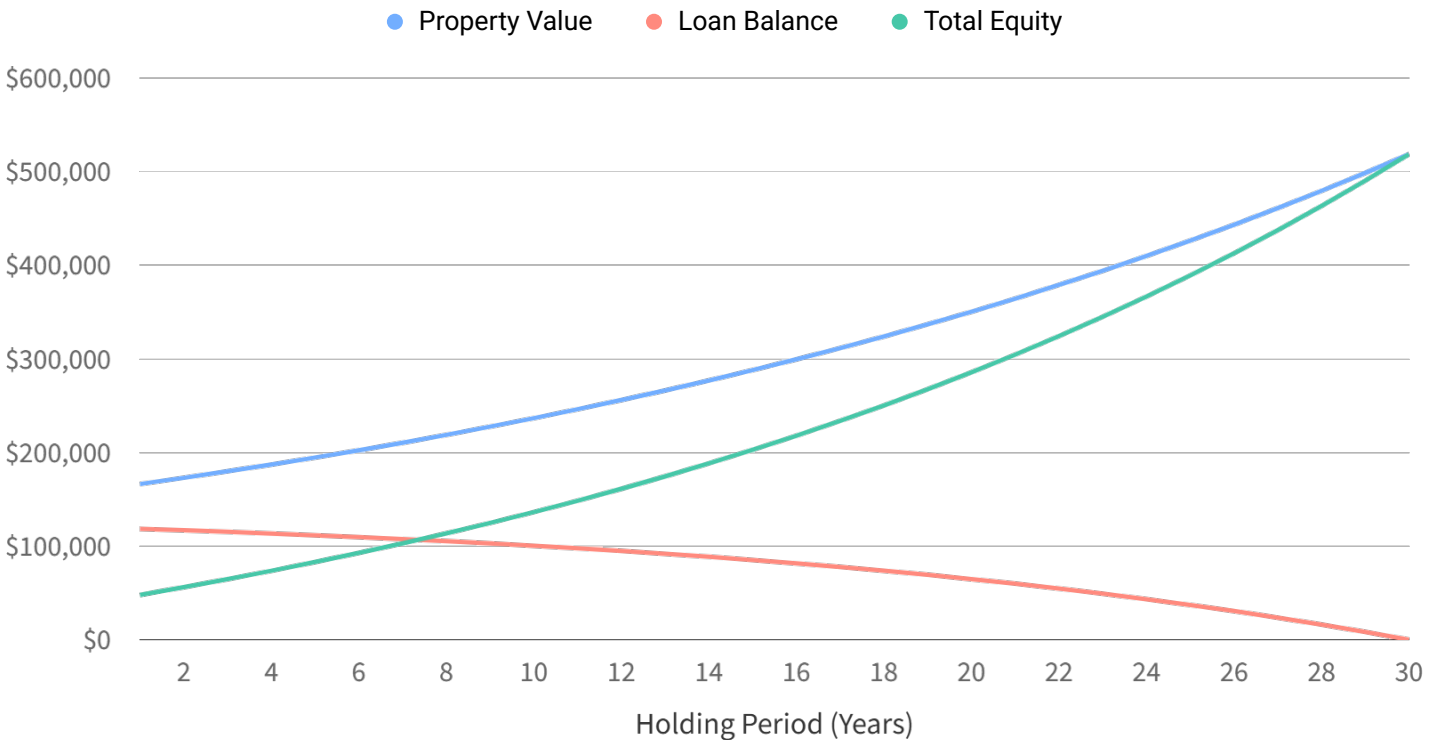
FINANCIAL RATIOS

Rent to Value:	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Gross Rent Multiplier:	10.46	10.46	10.46	10.46	10.46	10.46	10.46
Equity Multiple:	1.01	1.27	1.55	2.17	4.16	10.49	21.32
Break Even Ratio:	71.7%	79.1%	76.8%	72.5%	63.1%	48.8%	38.8%
Debt Coverage Ratio:	1.47	1.34	1.4	1.53	1.89	2.88	4.35
Debt Yield:	10.7%	9.9%	10.5%	11.8%	16.2%	38.3%	-

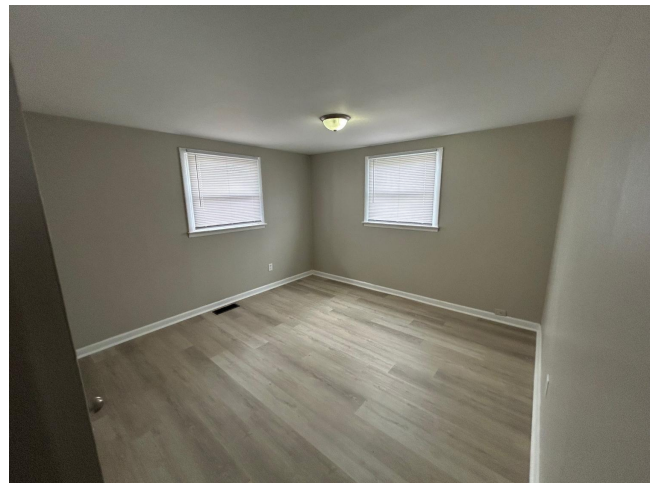
Cash Flow Over Time



Equity Over Time



Property Photos





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