

# 3010 S Hackley St

## Investment Property - Buy & Hold

3010 S Hackley St, Muncie, IN 47302

House · 3 Beds · 1 Baths · 1,722 Sq.Ft.

3 bedroom, 1 bath located in Muncie Indiana

**\$ 149,900 Purchase Price · \$ 149,900 ARV**

**\$ 38,974 Cash Needed · \$ 324/mo Cash Flow · 8% Cap Rate · 10% COC**

Prepared by:



The Homeboys



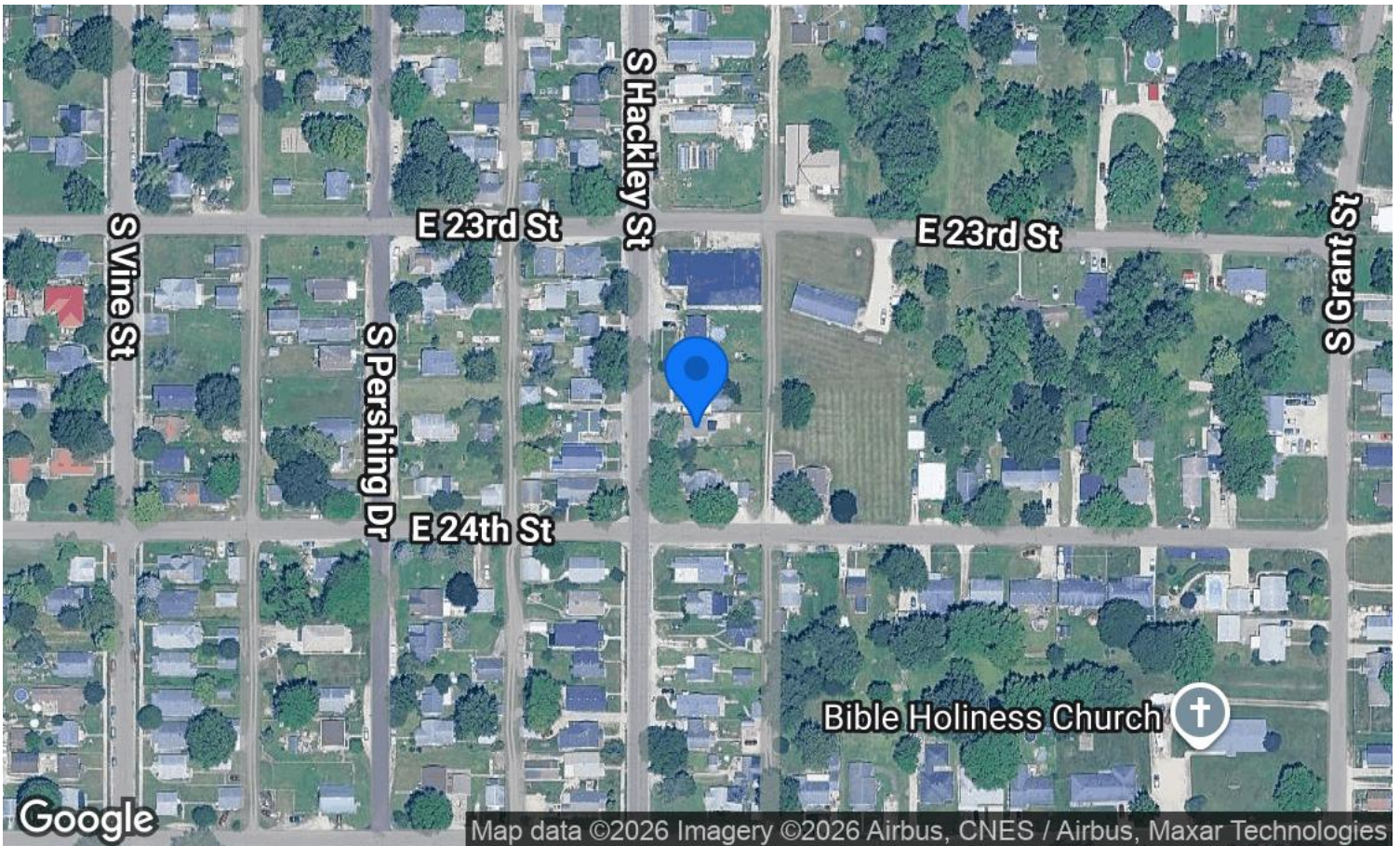
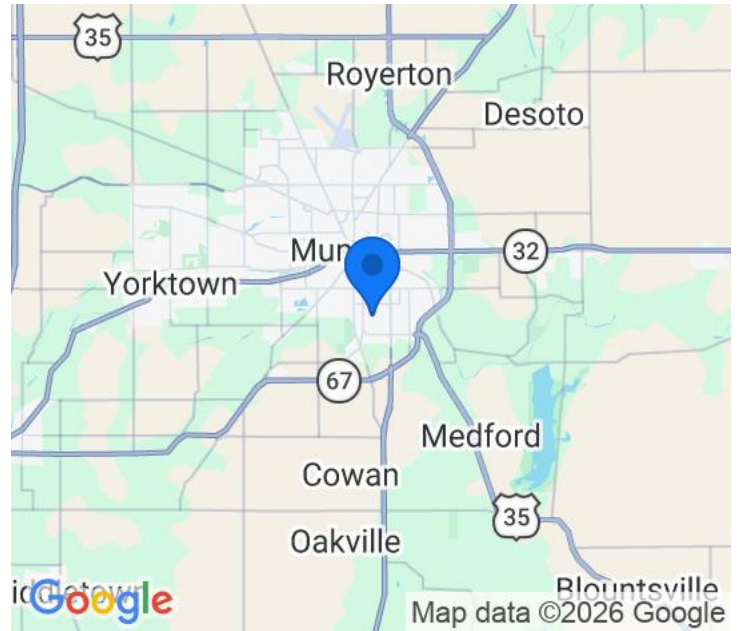
# Property Description

## ADDRESS

3010 S Hackley St  
Muncie, IN 47302

## DESCRIPTION

Property Type:	House
Beds / Baths:	3 BR / 1 BA
Square Footage:	1,722
Year Built:	1935
Lot Size:	4,792 sq.ft.
Zoning:	Single Family Residential



## Purchase Analysis & Returns

### PURCHASE & REHAB

Purchase Price:		\$ 149,900
Amount Financed:	-	\$ 112,425
<b>Down Payment:</b>	=	<b>\$ 37,475</b>
Purchase Costs:	+	\$ 1,499
Rehab Costs:	+	\$ 0
<b>Total Cash Needed:</b>	=	<b>\$ 38,974</b>
After Repair Value:		\$ 149,900
ARV Per Square Foot:		\$ 87
Price Per Square Foot:		\$ 87

### RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):		8% / 8%
Cash on Cash Return:		10%
Return on Equity:		9%
<b>Return on Investment:</b>		<b>-2.6%</b>
<b>Internal Rate of Return:</b>		<b>-2.6%</b>
Rent to Value:		0.8%
Gross Rent Multiplier:		9.99
<b>Equity Multiple:</b>		<b>0.97</b>
Break Even Ratio:		71.1%
Debt Coverage Ratio:		1.48
Debt Yield:		10.6%

### PURCHASE COSTS

<b>Total (1% of Price):</b>		<b>\$ 1,499</b>
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### FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	5.99%
Financing Of:	Price (75%)
Loan Amount:	\$ 112,425
LTC / LTV:	75% / 75%
Loan Payment:	\$ 673 Per Month \$ 8,080 Per Year

### ASSUMPTIONS & PROJECTIONS

Rehab Cost Overrun:	10%
Vacancy Rate:	3%
Appreciation:	3% Per Year
Income Increase:	2% Per Year
Expense Increase:	2% Per Year
Selling Costs:	6% of Sales Price
Depreciation Period:	27.5 Years
Land Value:	\$ 5,000

### 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 (17.7%):	- \$ 215	\$ 2,580
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Net Operating Income:	= \$ 997	\$ 11,970
Loan Payments:	- \$ 673	\$ 8,080
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<b>Cash Flow:</b>	<b>= \$ 324</b>	<b>\$ 3,890</b>

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

	Monthly	Yearly
<b>OPERATING EXPENSES</b>		
Property Taxes:	\$ 105	\$ 1,260
Insurance:	\$ 60	\$ 720
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>\$ 215</b>	<b>\$ 2,580</b>

## Buy & Hold Projections

	APPRECIATION 3% Per Year		INCOME INCREASE 2% 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	\$ 15,300	\$ 15,606	\$ 16,236	\$ 17,926	\$ 21,852	\$ 26,638	
Vacancy:	- \$ 450	- \$ 459	- \$ 468	- \$ 487	- \$ 538	- \$ 656	- \$ 799	
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>= \$ 14,841</b>	<b>= \$ 15,138</b>	<b>= \$ 15,749</b>	<b>= \$ 17,388</b>	<b>= \$ 21,196</b>	<b>= \$ 25,839</b>	
Income Increase:	2%	2%	2%	2%	2%	2%	2%	
<b>OPERATING EXPENSES</b>								
Property Taxes:	\$ 1,260	\$ 1,285	\$ 1,311	\$ 1,364	\$ 1,506	\$ 1,836	\$ 2,238	
Insurance:	+ \$ 720	+ \$ 734	+ \$ 749	+ \$ 779	+ \$ 860	+ \$ 1,049	+ \$ 1,279	
Property Management:	N/A	+ \$ 1,484	+ \$ 1,514	+ \$ 1,575	+ \$ 1,739	+ \$ 2,120	+ \$ 2,584	
Maintenance:	+ \$ 600	+ \$ 612	+ \$ 624	+ \$ 649	+ \$ 717	+ \$ 874	+ \$ 1,066	
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>= \$ 2,580</b>	<b>= \$ 4,115</b>	<b>= \$ 4,198</b>	<b>= \$ 4,367</b>	<b>= \$ 4,822</b>	<b>= \$ 5,879</b>	<b>= \$ 7,167</b>	
Expense Increase:	2%	2%	2%	2%	2%	2%	2%	
<b>CASH FLOW</b>								
Operating Income:	\$ 14,550	\$ 14,841	\$ 15,138	\$ 15,749	\$ 17,388	\$ 21,196	\$ 25,839	
Operating Expenses:	- \$ 2,580	- \$ 4,115	- \$ 4,198	- \$ 4,367	- \$ 4,822	- \$ 5,879	- \$ 7,167	
Expense Ratio:	17.7%	27.7%	27.7%	27.7%	27.7%	27.7%	27.7%	
<b>Net Operating Income:</b>	<b>= \$ 11,970</b>	<b>= \$ 10,726</b>	<b>= \$ 10,940</b>	<b>= \$ 11,382</b>	<b>= \$ 12,566</b>	<b>= \$ 15,317</b>	<b>= \$ 18,672</b>	
Loan Payments:	- \$ 8,080	- \$ 8,080	- \$ 8,080	- \$ 8,080	- \$ 8,080	- \$ 8,080	- \$ 8,080	
<b>Cash Flow:</b>	<b>= \$ 3,890</b>	<b>= \$ 2,646</b>	<b>= \$ 2,860</b>	<b>= \$ 3,302</b>	<b>= \$ 4,486</b>	<b>= \$ 7,237</b>	<b>= \$ 10,592</b>	
<b>TAX BENEFITS &amp; DEDUCTIONS</b>								
Operating Expenses:	\$ 2,580	\$ 4,115	\$ 4,198	\$ 4,367	\$ 4,822	\$ 5,879	\$ 7,167	
Loan Interest:	+ \$ 6,697	+ \$ 6,612	+ \$ 6,521	+ \$ 6,323	+ \$ 5,712	+ \$ 3,775	+ \$ 256	
Depreciation:	+ \$ 5,324	+ \$ 5,324	+ \$ 5,324	+ \$ 5,324	+ \$ 5,324	+ \$ 5,324	+ \$ 0	
<b>Total Deductions:</b>	<b>= \$ 14,600</b>	<b>= \$ 16,050</b>	<b>= \$ 16,043</b>	<b>= \$ 16,014</b>	<b>= \$ 15,857</b>	<b>= \$ 14,978</b>	<b>= \$ 7,423</b>	
<b>EQUITY ACCUMULATION</b>								

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Property Value:	\$ 154,397	\$ 159,029	\$ 163,800	\$ 173,775	\$ 201,453	\$ 270,736	\$ 363,847
Appreciation:	3%	3%	3%	3%	3%	3%	3%
Loan Balance:	- \$ 111,042	- \$ 109,573	- \$ 108,015	- \$ 104,603	- \$ 94,059	- \$ 60,676	- \$ 0
LTV Ratio:	71.9%	68.9%	65.9%	60.2%	46.7%	22.4%	-
<b>Total Equity:</b>	<b>= \$ 43,355</b>	<b>= \$ 49,456</b>	<b>= \$ 55,785</b>	<b>= \$ 69,172</b>	<b>= \$ 107,394</b>	<b>= \$ 210,060</b>	<b>= \$ 363,847</b>

**SALE ANALYSIS**

Equity:	\$ 43,355	\$ 49,456	\$ 55,785	\$ 69,172	\$ 107,394	\$ 210,060	\$ 363,847
Selling Costs (6%):	- \$ 9,264	- \$ 9,542	- \$ 9,828	- \$ 10,427	- \$ 12,087	- \$ 16,244	- \$ 21,831
<b>Sale Proceeds:</b>	<b>= \$ 34,091</b>	<b>= \$ 39,914</b>	<b>= \$ 45,957</b>	<b>= \$ 58,745</b>	<b>= \$ 95,307</b>	<b>= \$ 193,816</b>	<b>= \$ 342,016</b>
Cumulative Cash Flow:	+ \$ 3,890	+ \$ 6,536	+ \$ 9,396	+ \$ 15,776	+ \$ 35,791	+ \$ 95,340	+ \$ 185,624
Total Cash Invested:	- \$ 38,974	- \$ 38,974	- \$ 38,974	- \$ 38,974	- \$ 38,974	- \$ 38,974	- \$ 38,974
<b>Total Profit:</b>	<b>= -\$ 993</b>	<b>= \$ 7,476</b>	<b>= \$ 16,379</b>	<b>= \$ 35,547</b>	<b>= \$ 92,124</b>	<b>= \$ 250,182</b>	<b>= \$ 488,666</b>

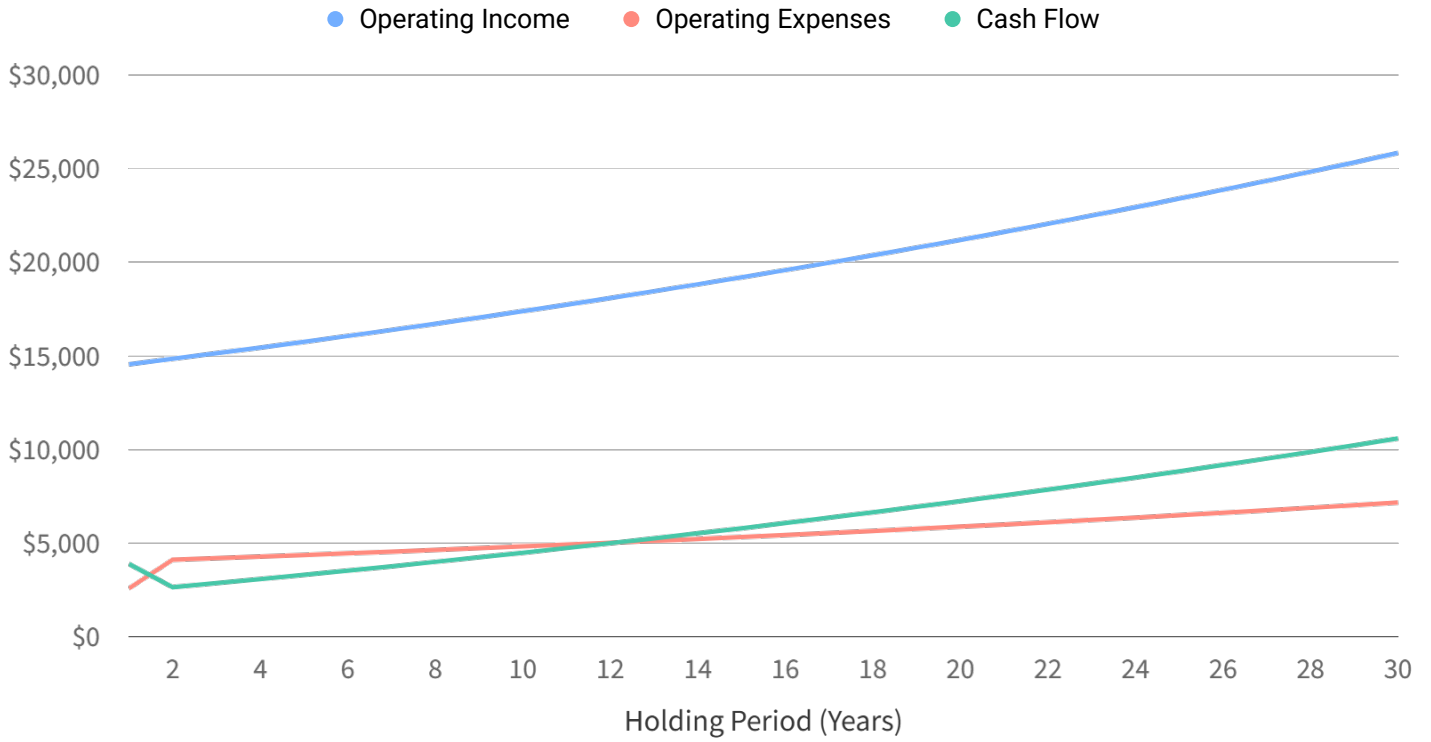
**INVESTMENT RETURNS**

Cap Rate (Purchase Price):	8%	7.2%	7.3%	7.6%	8.4%	10.2%	12.5%
Cap Rate (Market Value):	7.8%	6.7%	6.7%	6.5%	6.2%	5.7%	5.1%
Cash on Cash Return:	10%	6.8%	7.3%	8.5%	11.5%	18.6%	27.2%
Return on Equity:	9%	5.4%	5.1%	4.8%	4.2%	3.4%	2.9%
Return on Investment:	-2.5%	19.2%	42%	91.2%	236.4%	641.9%	1,253.8%
Internal Rate of Return:	-2.5%	9.6%	13.4%	15.6%	15.7%	14.2%	13.3%

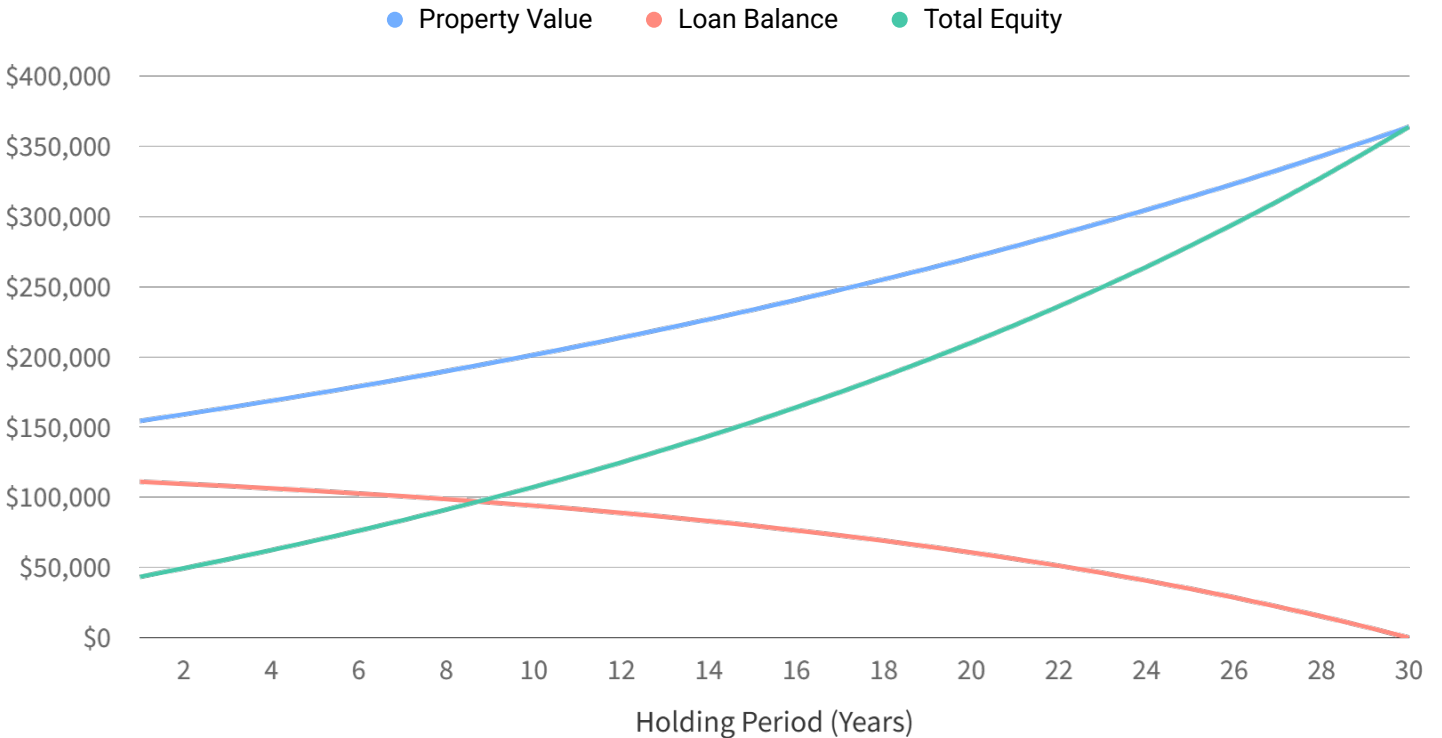
**FINANCIAL RATIOS**

Rent to Value:	0.8%	0.8%	0.8%	0.8%	0.7%	0.7%	0.6%
Gross Rent Multiplier:	10.29	10.39	10.5	10.7	11.24	12.39	13.66
Equity Multiple:	0.97	1.19	1.42	1.91	3.36	7.42	13.54
Break Even Ratio:	71.1%	79.7%	78.7%	76.7%	72%	63.9%	57.2%
Debt Coverage Ratio:	1.48	1.33	1.35	1.41	1.56	1.9	2.31
Debt Yield:	10.8%	9.8%	10.1%	10.9%	13.4%	25.2%	-

### Cash Flow Over Time



### Equity Over Time



# Property Photos





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