

320 S 7th St

Investment Property - Buy & Hold

320 S 7th St, New Castle, IN 47362

House · 4 Beds · 1 Baths · 1,080 Sq.Ft.

4 bedroom 1 bathroom New Castle, Indiana
Rehabbed, Rented, and Ready to Close!

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

\$ 38,974 Cash Needed · \$ 359/mo Cash Flow · 8.6% Cap Rate · 11.1% COC

Prepared by:



The Homeboys



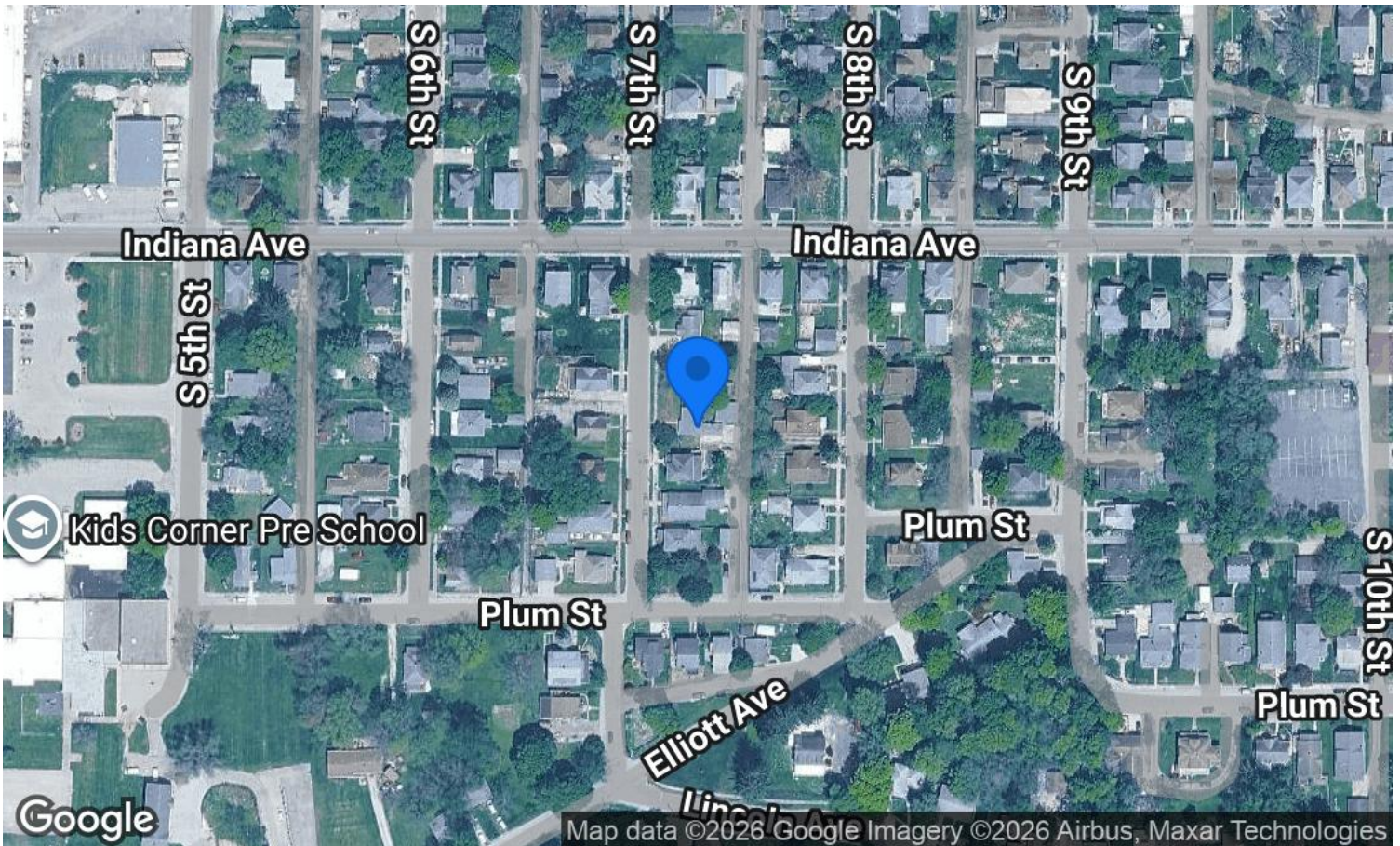
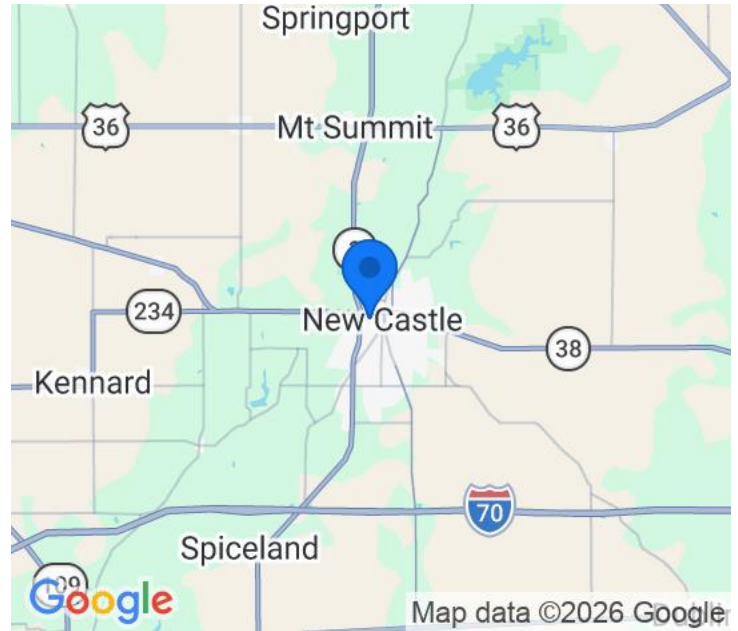
Property Description

ADDRESS

320 S 7th St
New Castle, IN 47362

DESCRIPTION

Property Type:	House
Beds / Baths:	4 BR / 1 BA
Square Footage:	1,080
Year Built:	1951
Lot Size:	11,600 sq.ft.
Zoning:	Single Family Residential



Purchase Analysis & Returns

PURCHASE & REHAB

Purchase Price:		\$ 149,900
Amount Financed:	-	\$ 112,425
Down Payment:	=	\$ 37,475
Purchase Costs:	+	\$ 1,499
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 38,974
After Repair Value:		\$ 149,900
ARV Per Square Foot:		\$ 138.8
Price Per Square Foot:		\$ 138.8

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	8.6% / 8.6%
Cash on Cash Return:	11.1%
Return on Equity:	9.6%
Return on Investment:	1.8%
Internal Rate of Return:	1.8%
Rent to Value:	0.9%
Gross Rent Multiplier:	9.25
Equity Multiple:	1.02
Break Even Ratio:	70.3%
Debt Coverage Ratio:	1.51
Debt Yield:	11.4%

PURCHASE COSTS

Total (1% of Price):	\$ 1,499
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FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	6.5%
Financing Of:	Price (75%)
Loan Amount:	\$ 112,425
LTC / LTV:	75% / 75%
Loan Payment:	\$ 711 Per Month \$ 8,527 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:	\$ 13,000

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:	\$ 1,350	\$ 16,200
Vacancy (3%):	- \$ 41	\$ 486
Other Income:	+ \$ 0	\$ 0
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Operating Income:	= \$ 1,309	\$ 15,714
Operating Expenses (18.3%):	- \$ 239	\$ 2,868
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Net Operating Income:	= \$ 1,070	\$ 12,846
Loan Payments:	- \$ 711	\$ 8,527
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Cash Flow:	= \$ 359	\$ 4,319

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

	Monthly	Yearly
OPERATING EXPENSES		
Property Taxes:	\$ 125	\$ 1,500
Insurance:	\$ 60	\$ 720
Maintenance:	\$ 54	\$ 648
Capital Expenditures:	\$ 0	\$ 0
HOA Fees:	\$ 0	\$ 0
Utilities:	\$ 0	\$ 0
Landscaping:	\$ 0	\$ 0
Accounting & Legal Fees:	\$ 0	\$ 0
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Total:	\$ 239	\$ 2,868

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:	\$ 16,200	\$ 16,848	\$ 17,522	\$ 18,952	\$ 23,058	\$ 34,131	\$ 50,522	
Vacancy:	- \$ 486	- \$ 505	- \$ 526	- \$ 569	- \$ 692	- \$ 1,024	- \$ 1,516	
Vacancy Rate:	3%	3%	3%	3%	3%	3%	3%	
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	
Operating Income:	= \$ 15,714	= \$ 16,343	= \$ 16,996	= \$ 18,383	= \$ 22,366	= \$ 33,107	= \$ 49,006	
Income Increase:	4%	4%	4%	4%	4%	4%	4%	
OPERATING EXPENSES								
Property Taxes:	\$ 1,500	\$ 1,530	\$ 1,561	\$ 1,624	\$ 1,793	\$ 2,185	\$ 2,664	
Insurance:	+ \$ 720	+ \$ 734	+ \$ 749	+ \$ 779	+ \$ 860	+ \$ 1,049	+ \$ 1,279	
Property Management:	N/A	+ \$ 1,634	+ \$ 1,700	+ \$ 1,838	+ \$ 2,237	+ \$ 3,311	+ \$ 4,901	
Maintenance:	+ \$ 648	+ \$ 674	+ \$ 701	+ \$ 758	+ \$ 922	+ \$ 1,365	+ \$ 2,021	
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:	= \$ 2,868	= \$ 4,572	= \$ 4,711	= \$ 4,999	= \$ 5,812	= \$ 7,910	= \$ 10,865	
Expense Increase:	2%	2%	2%	2%	2%	2%	2%	
CASH FLOW								
Operating Income:	\$ 15,714	\$ 16,343	\$ 16,996	\$ 18,383	\$ 22,366	\$ 33,107	\$ 49,006	
Operating Expenses:	- \$ 2,868	- \$ 4,572	- \$ 4,711	- \$ 4,999	- \$ 5,812	- \$ 7,910	- \$ 10,865	
Expense Ratio:	18.3%	28%	27.7%	27.2%	26%	23.9%	22.2%	
Net Operating Income:	= \$ 12,846	= \$ 11,771	= \$ 12,285	= \$ 13,384	= \$ 16,554	= \$ 25,197	= \$ 38,141	
Loan Payments:	- \$ 8,527	- \$ 8,527	- \$ 8,527	- \$ 8,527	- \$ 8,527	- \$ 8,527	- \$ 8,527	
Cash Flow:	= \$ 4,319	= \$ 3,244	= \$ 3,758	= \$ 4,857	= \$ 8,027	= \$ 16,670	= \$ 29,614	
TAX BENEFITS & DEDUCTIONS								
Operating Expenses:	\$ 2,868	\$ 4,572	\$ 4,711	\$ 4,999	\$ 5,812	\$ 7,910	\$ 10,865	
Loan Interest:	+ \$ 7,271	+ \$ 7,186	+ \$ 7,097	+ \$ 6,899	+ \$ 6,275	+ \$ 4,221	+ \$ 293	
Depreciation:	+ \$ 5,033	+ \$ 5,033	+ \$ 5,033	+ \$ 5,033	+ \$ 5,033	+ \$ 5,033	+ \$ 0	
Total Deductions:	= \$ 15,171	= \$ 16,791	= \$ 16,840	= \$ 16,930	= \$ 17,120	= \$ 17,164	= \$ 11,158	

EQUITY ACCUMULATION

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Property Value:	\$ 155,896	\$ 162,132	\$ 168,617	\$ 182,376	\$ 221,889	\$ 328,449	\$ 486,185
Appreciation:	4%	4%	4%	4%	4%	4%	4%
Loan Balance:	- \$ 111,168	- \$ 109,828	- \$ 108,397	- \$ 105,242	- \$ 95,310	- \$ 62,582	- \$ 0
LTV Ratio:	71.3%	67.7%	64.3%	57.7%	43%	19.1%	-
Total Equity:	= \$ 44,728	= \$ 52,304	= \$ 60,220	= \$ 77,134	= \$ 126,579	= \$ 265,867	= \$ 486,185

SALE ANALYSIS

Equity:	\$ 44,728	\$ 52,304	\$ 60,220	\$ 77,134	\$ 126,579	\$ 265,867	\$ 486,185
Selling Costs (6%):	- \$ 9,354	- \$ 9,728	- \$ 10,117	- \$ 10,943	- \$ 13,313	- \$ 19,707	- \$ 29,171
Sale Proceeds:	= \$ 35,374	= \$ 42,576	= \$ 50,103	= \$ 66,191	= \$ 113,266	= \$ 246,160	= \$ 457,014
Cumulative Cash Flow:	+ \$ 4,319	+ \$ 7,563	+ \$ 11,321	+ \$ 20,474	+ \$ 54,010	+ \$ 178,938	+ \$ 412,548
Total Cash Invested:	- \$ 38,974	- \$ 38,974	- \$ 38,974	- \$ 38,974	- \$ 38,974	- \$ 38,974	- \$ 38,974
Total Profit:	= \$ 719	= \$ 11,165	= \$ 22,450	= \$ 47,691	= \$ 128,302	= \$ 386,124	= \$ 830,588

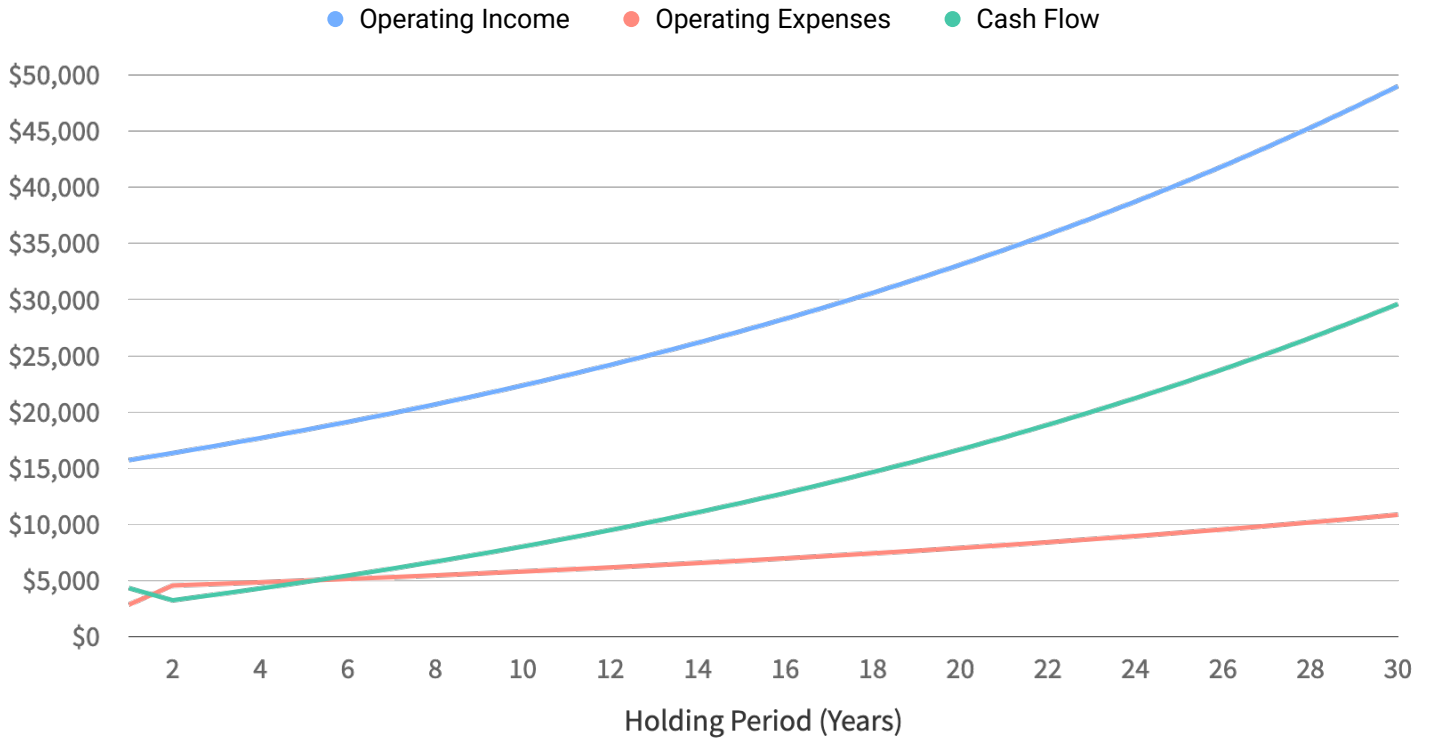
INVESTMENT RETURNS

Cap Rate (Purchase Price):	8.6%	7.9%	8.2%	8.9%	11%	16.8%	25.4%
Cap Rate (Market Value):	8.2%	7.3%	7.3%	7.3%	7.5%	7.7%	7.8%
Cash on Cash Return:	11.1%	8.3%	9.6%	12.5%	20.6%	42.8%	76%
Return on Equity:	9.7%	6.2%	6.2%	6.3%	6.3%	6.3%	6.1%
Return on Investment:	1.8%	28.6%	57.6%	122.4%	329.2%	990.7%	2,131.1%
Internal Rate of Return:	1.8%	14.1%	17.8%	19.8%	19.6%	18.4%	17.7%

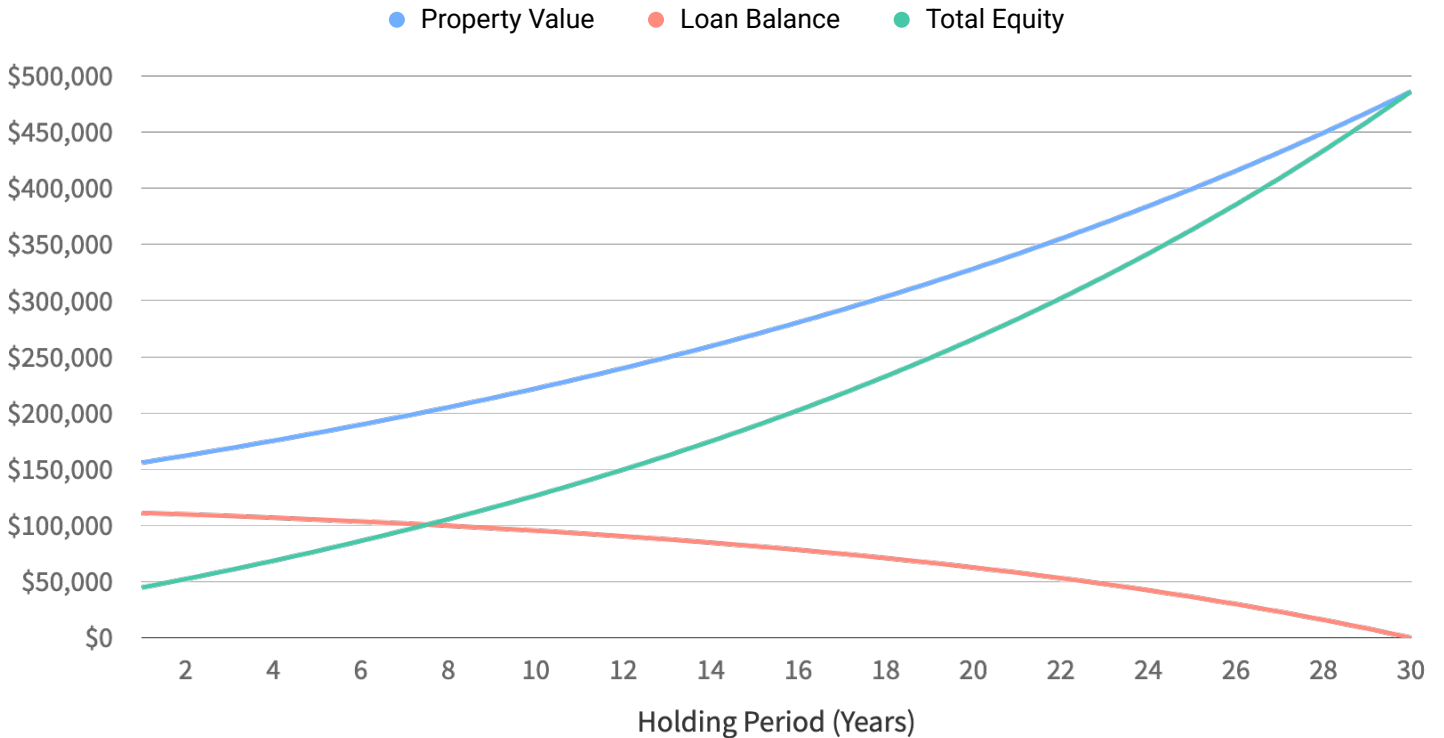
FINANCIAL RATIOS

Rent to Value:	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
Gross Rent Multiplier:	9.62	9.62	9.62	9.62	9.62	9.62	9.62
Equity Multiple:	1.02	1.29	1.58	2.22	4.29	10.91	22.31
Break Even Ratio:	70.3%	77.7%	75.6%	71.4%	62.2%	48.2%	38.4%
Debt Coverage Ratio:	1.51	1.38	1.44	1.57	1.94	2.95	4.47
Debt Yield:	11.6%	10.7%	11.3%	12.7%	17.4%	40.3%	-

Cash Flow Over Time



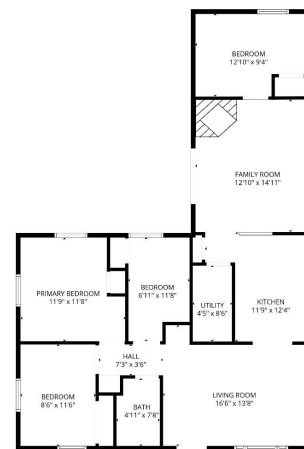
Equity Over Time



Property Photos







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