

3385 N Sherman Dr

Investment Property - Buy & Hold

3385 N Sherman Dr, Indianapolis, IN 46218

House · 2 Beds · 1 Baths · 808 Sq.Ft.

Rehabbed and Rent Ready!

\$ 129,900 Purchase Price · \$ 129,900 ARV

\$ 33,774 Cash Needed · \$ 277/mo Cash Flow · 8.2% Cap Rate · 9.8% COC

Prepared by:



The Homeboys



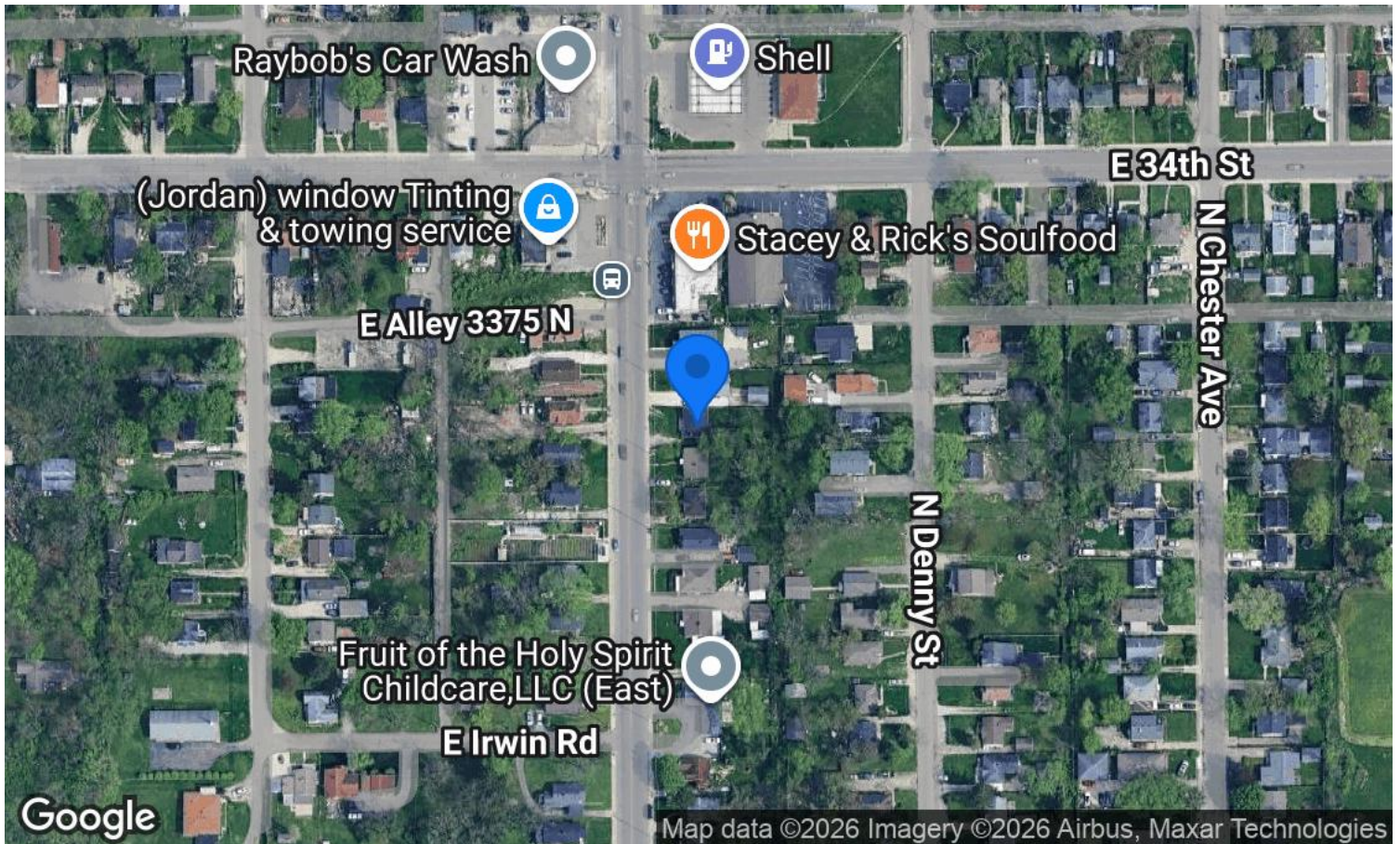
Property Description

ADDRESS

3385 N Sherman Dr
Indianapolis, IN 46218

DESCRIPTION

Property Type:	House
Beds / Baths:	2 BR / 1 BA
Square Footage:	808
Year Built:	1930
Lot Size:	6,970 sq.ft.
Zoning:	Z001



Purchase Analysis & Returns

PURCHASE & REHAB

Purchase Price:		\$ 129,900
Amount Financed:	-	\$ 97,425
Down Payment:	=	\$ 32,475
Purchase Costs:	+	\$ 1,299
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 33,774
After Repair Value:		\$ 129,900
ARV Per Square Foot:		\$ 160.8
Price Per Square Foot:		\$ 160.8

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	8.2% / 8.2%
Cash on Cash Return:	9.8%
Return on Equity:	8.9%
Return on Investment:	-3%
Internal Rate of Return:	-3%
Rent to Value:	0.9%
Gross Rent Multiplier:	9.41
Equity Multiple:	0.97
Break Even Ratio:	72.9%
Debt Coverage Ratio:	1.45
Debt Yield:	11%

PURCHASE COSTS

Total (1% of Price):	\$ 1,299
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FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	6.5%
Financing Of:	Price (75%)
Loan Amount:	\$ 97,425
LTC / LTV:	75% / 75%
Loan Payment:	\$ 616 Per Month \$ 7,390 Per Year

ASSUMPTIONS & PROJECTIONS

Rehab Cost Overrun:	10%
Vacancy Rate:	3%
Appreciation:	3% 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:	\$ 4,500

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:	\$ 1,150	\$ 13,800
Vacancy (3%):	- \$ 35	\$ 414
Other Income:	+ \$ 0	\$ 0
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Operating Income:	= \$ 1,115	\$ 13,386
Operating Expenses (20%):	- \$ 223	\$ 2,672
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Net Operating Income:	= \$ 892	\$ 10,714
Loan Payments:	- \$ 616	\$ 7,390
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Cash Flow:	= \$ 276	\$ 3,324

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

	Monthly	Yearly
OPERATING EXPENSES		
Property Taxes:	\$ 117	\$ 1,400
Insurance:	\$ 60	\$ 720
Maintenance:	\$ 46	\$ 552
Capital Expenditures:	\$ 0	\$ 0
HOA Fees:	\$ 0	\$ 0
Utilities:	\$ 0	\$ 0
Landscaping:	\$ 0	\$ 0
Accounting & Legal Fees:	\$ 0	\$ 0
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Total:	\$ 223	\$ 2,672

Buy & Hold Projections

	APPRECIATION 3% 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:	\$ 13,800	\$ 14,352	\$ 14,926	\$ 16,144	\$ 19,642	\$ 29,075	\$ 43,037	
Vacancy:	- \$ 414	- \$ 431	- \$ 448	- \$ 484	- \$ 589	- \$ 872	- \$ 1,291	
Vacancy Rate:	3%	3%	3%	3%	3%	3%	3%	
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	
Operating Income:	= \$ 13,386	= \$ 13,921	= \$ 14,478	= \$ 15,660	= \$ 19,053	= \$ 28,203	= \$ 41,746	
Income Increase:	4%	4%	4%	4%	4%	4%	4%	
OPERATING EXPENSES								
Property Taxes:	\$ 1,400	\$ 1,428	\$ 1,457	\$ 1,515	\$ 1,673	\$ 2,040	\$ 2,486	
Insurance:	+ \$ 720	+ \$ 734	+ \$ 749	+ \$ 779	+ \$ 860	+ \$ 1,049	+ \$ 1,279	
Property Management:	N/A	+ \$ 1,392	+ \$ 1,448	+ \$ 1,566	+ \$ 1,905	+ \$ 2,820	+ \$ 4,175	
Maintenance:	+ \$ 552	+ \$ 574	+ \$ 597	+ \$ 646	+ \$ 786	+ \$ 1,163	+ \$ 1,721	
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:	= \$ 2,672	= \$ 4,128	= \$ 4,251	= \$ 4,506	= \$ 5,224	= \$ 7,072	= \$ 9,661	
Expense Increase:	2%	2%	2%	2%	2%	2%	2%	
CASH FLOW								
Operating Income:	\$ 13,386	\$ 13,921	\$ 14,478	\$ 15,660	\$ 19,053	\$ 28,203	\$ 41,746	
Operating Expenses:	- \$ 2,672	- \$ 4,128	- \$ 4,251	- \$ 4,506	- \$ 5,224	- \$ 7,072	- \$ 9,661	
Expense Ratio:	20%	29.7%	29.4%	28.8%	27.4%	25.1%	23.1%	
Net Operating Income:	= \$ 10,714	= \$ 9,793	= \$ 10,227	= \$ 11,154	= \$ 13,829	= \$ 21,131	= \$ 32,085	
Loan Payments:	- \$ 7,390	- \$ 7,390	- \$ 7,390	- \$ 7,390	- \$ 7,390	- \$ 7,390	- \$ 7,390	
Cash Flow:	= \$ 3,324	= \$ 2,403	= \$ 2,837	= \$ 3,764	= \$ 6,439	= \$ 13,741	= \$ 24,695	
TAX BENEFITS & DEDUCTIONS								
Operating Expenses:	\$ 2,672	\$ 4,128	\$ 4,251	\$ 4,506	\$ 5,224	\$ 7,072	\$ 9,661	
Loan Interest:	+ \$ 6,301	+ \$ 6,228	+ \$ 6,150	+ \$ 5,978	+ \$ 5,438	+ \$ 3,658	+ \$ 254	
Depreciation:	+ \$ 4,607	+ \$ 4,607	+ \$ 4,607	+ \$ 4,607	+ \$ 4,607	+ \$ 4,607	+ \$ 0	
Total Deductions:	= \$ 13,580	= \$ 14,963	= \$ 15,008	= \$ 15,091	= \$ 15,269	= \$ 15,337	= \$ 9,915	

EQUITY ACCUMULATION

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Property Value:	\$ 133,797	\$ 137,811	\$ 141,945	\$ 150,590	\$ 174,575	\$ 234,614	\$ 315,301
Appreciation:	3%	3%	3%	3%	3%	3%	3%
Loan Balance:	- \$ 96,336	- \$ 95,174	- \$ 93,934	- \$ 91,200	- \$ 82,593	- \$ 54,232	- \$ 0
LTV Ratio:	72%	69.1%	66.2%	60.6%	47.3%	23.1%	-
Total Equity:	= \$ 37,461	= \$ 42,637	= \$ 48,011	= \$ 59,390	= \$ 91,982	= \$ 180,382	= \$ 315,301

SALE ANALYSIS

Equity:	\$ 37,461	\$ 42,637	\$ 48,011	\$ 59,390	\$ 91,982	\$ 180,382	\$ 315,301
Selling Costs (6%):	- \$ 8,028	- \$ 8,269	- \$ 8,517	- \$ 9,035	- \$ 10,475	- \$ 14,077	- \$ 18,918
Sale Proceeds:	= \$ 29,433	= \$ 34,368	= \$ 39,494	= \$ 50,354	= \$ 81,507	= \$ 166,305	= \$ 296,383
Cumulative Cash Flow:	+ \$ 3,324	+ \$ 5,727	+ \$ 8,564	+ \$ 15,618	+ \$ 42,238	+ \$ 144,337	+ \$ 338,353
Total Cash Invested:	- \$ 33,774	- \$ 33,774	- \$ 33,774	- \$ 33,774	- \$ 33,774	- \$ 33,774	- \$ 33,774
Total Profit:	= -\$ 1,017	= \$ 6,321	= \$ 14,284	= \$ 32,198	= \$ 89,971	= \$ 276,868	= \$ 600,962

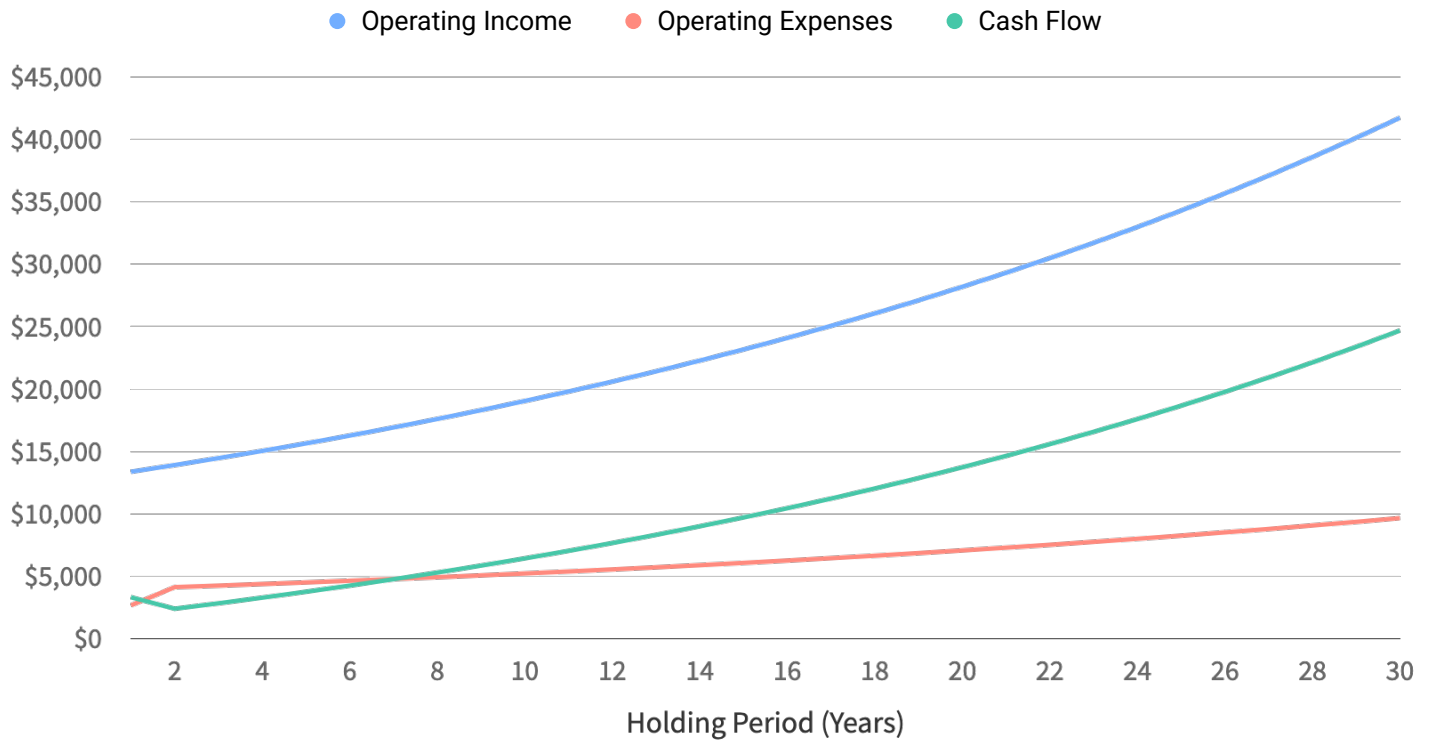
INVESTMENT RETURNS

Cap Rate (Purchase Price):	8.2%	7.5%	7.9%	8.6%	10.6%	16.3%	24.7%
Cap Rate (Market Value):	8%	7.1%	7.2%	7.4%	7.9%	9%	10.2%
Cash on Cash Return:	9.8%	7.1%	8.4%	11.1%	19.1%	40.7%	73.1%
Return on Equity:	8.9%	5.6%	5.9%	6.3%	7%	7.6%	7.8%
Return on Investment:	-3%	18.7%	42.3%	95.3%	266.4%	819.8%	1,779.4%
Internal Rate of Return:	-3%	9.4%	13.5%	16.2%	17.3%	16.9%	16.7%

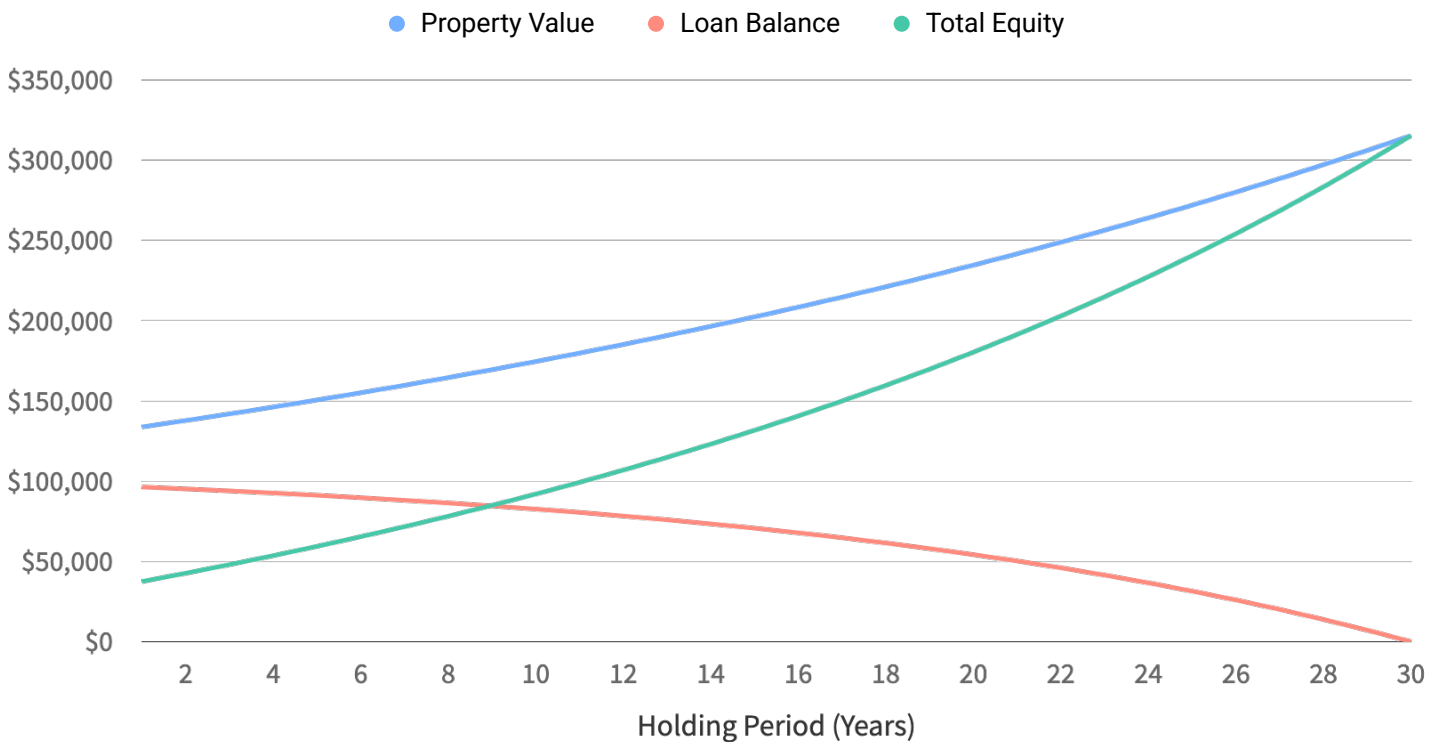
FINANCIAL RATIOS

Rent to Value:	0.9%	0.9%	0.9%	0.9%	0.9%	1%	1.1%
Gross Rent Multiplier:	9.7	9.6	9.51	9.33	8.89	8.07	7.33
Equity Multiple:	0.97	1.19	1.42	1.95	3.66	9.2	18.79
Break Even Ratio:	72.9%	80.3%	78%	73.7%	64.2%	49.7%	39.6%
Debt Coverage Ratio:	1.45	1.33	1.38	1.51	1.87	2.86	4.34
Debt Yield:	11.1%	10.3%	10.9%	12.2%	16.7%	39%	-

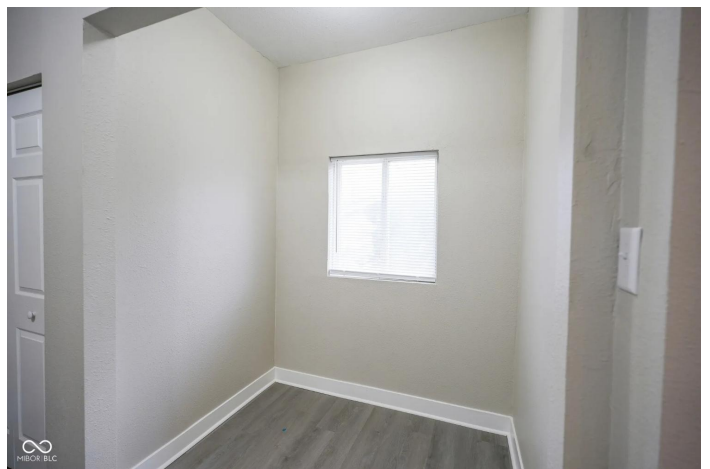
Cash Flow Over Time



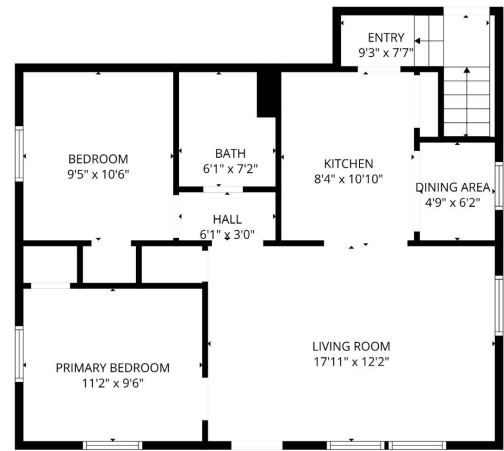
Equity Over Time



Property Photos







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