516 W 4th St

Investment Property - Buy & Hold

516 W 4th St, Anderson, IN 46016

House · 3 Beds · 2 Baths · 1,521 Sq.Ft.

$ 144,900 Purchase Price · **$ 149,900** ARV

$ 37,674 Cash Needed · **$ 353/mo** Cash Flow · **8.9%** Cap Rate · **11.2%** COC

Prepared by:

The Homeboys

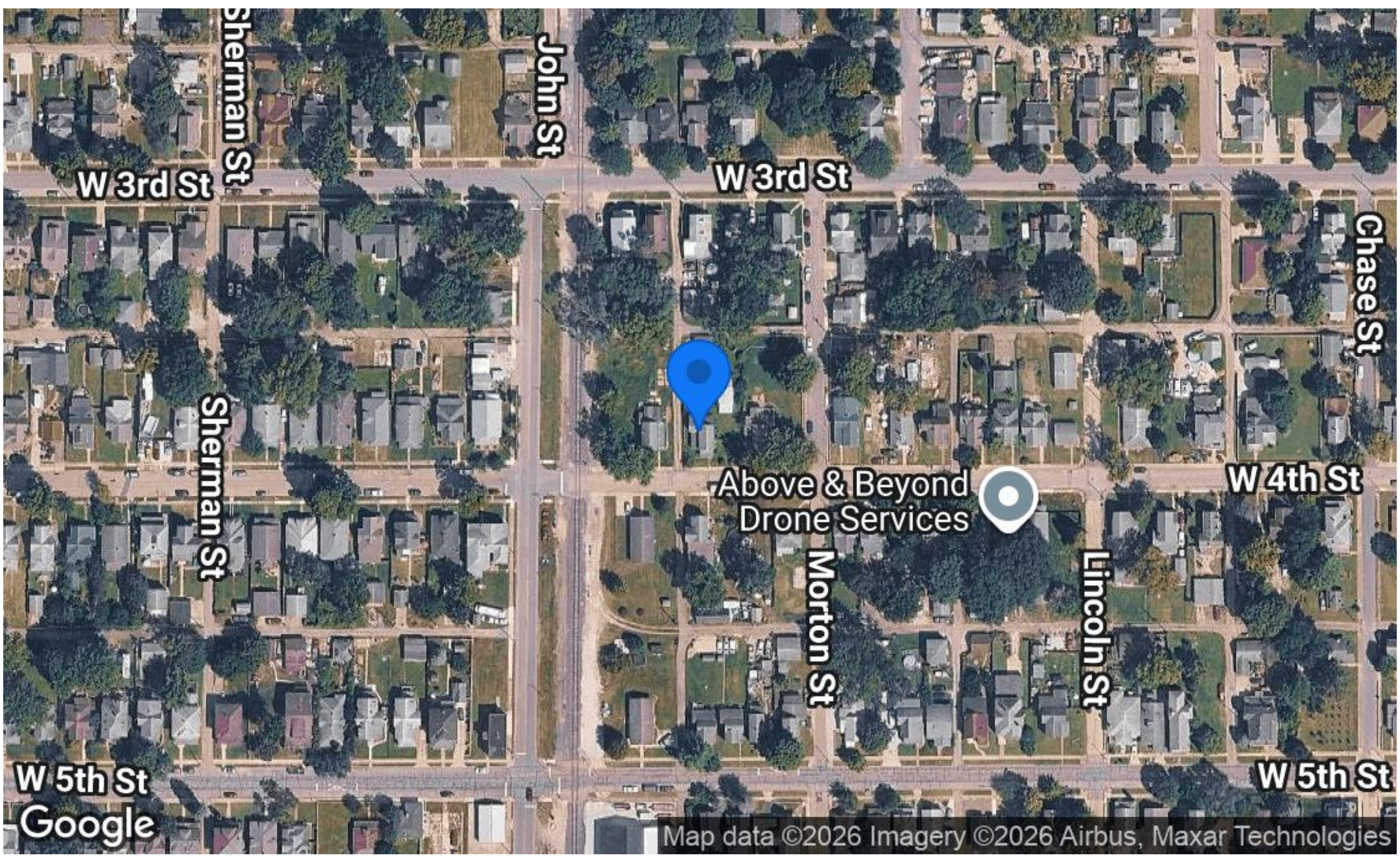
Property Description

ADDRESS

516 W 4th St
Anderson, IN 46016

DESCRIPTION

Property Type:	House
Beds / Baths:	3 BR / 2 BA
Square Footage:	1,521
Year Built:	1880
Parking:	Garage
Lot Size:	10,454 sq.ft.
Zoning:	Single Family Residential
MLS Number:	22088603



Purchase Analysis & Returns

PURCHASE & REHAB

Purchase Price:		$ 144,900
Amount Financed:	-	$ 108,675
Down Payment:	=	**$ 36,225**
Purchase Costs:	+	$ 1,449
Rehab Costs:	+	$ 0
Total Cash Needed:	=	**$ 37,674**
After Repair Value:		$ 149,900
ARV Per Square Foot:		$ 98.6
Price Per Square Foot:		$ 95.3

FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	7%
Financing Of:	Price (75%)
Loan Amount:	$ 108,675
LTC / LTV:	75% / 72.5%
Loan Payment:	$ 723 Per Month $ 8,676 Per Year

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	8.9% / 8.6%
Cash on Cash Return:	11.2%
Return on Equity:	8.8%
Return on Investment:	14.7%
Internal Rate of Return:	14.7%
Rent to Value:	0.9%
Gross Rent Multiplier:	8.94
Equity Multiple:	1.15
Break Even Ratio:	70.8%
Debt Coverage Ratio:	1.49
Debt Yield:	11.9%

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:	$ 8,900

PURCHASE COSTS

Total (1% of Price):	**$ 1,449**

REHAB COSTS

Rehab Costs:	$ 0
Cost Overrun (10%):	$ 0
Total:	**$ 0**
Total Per Square Foot:	$ 0

Cash Flow (Year 1)

CASH FLOW		Monthly	Yearly
Gross Rent:		$ 1,350	$ 16,200
Vacancy (3%):	-	$ 41	$ 486
Other Income:	+	$ 0	$ 0
Operating Income:	=	$ 1,309	$ 15,714
Operating Expenses (17.8%):	-	$ 233	$ 2,801
Net Operating Income:	=	$ 1,076	$ 12,913
Loan Payments:	-	$ 723	$ 8,676
Cash Flow:	=	**$ 353**	**$ 4,237**

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

OPERATING EXPENSES	Monthly	Yearly
Property Taxes:	$ 111	$ 1,333
Insurance:	$ 68	$ 820
Maintenance:	$ 54	$ 648
Capital Expenditures:	$ 0	$ 0
HOA Fees:	$ 0	$ 0
Utilities:	$ 0	$ 0
Landscaping:	$ 0	$ 0
Accounting & Legal Fees:	$ 0	$ 0
Total:	**$ 233**	**$ 2,801**

Buy & Hold Projections

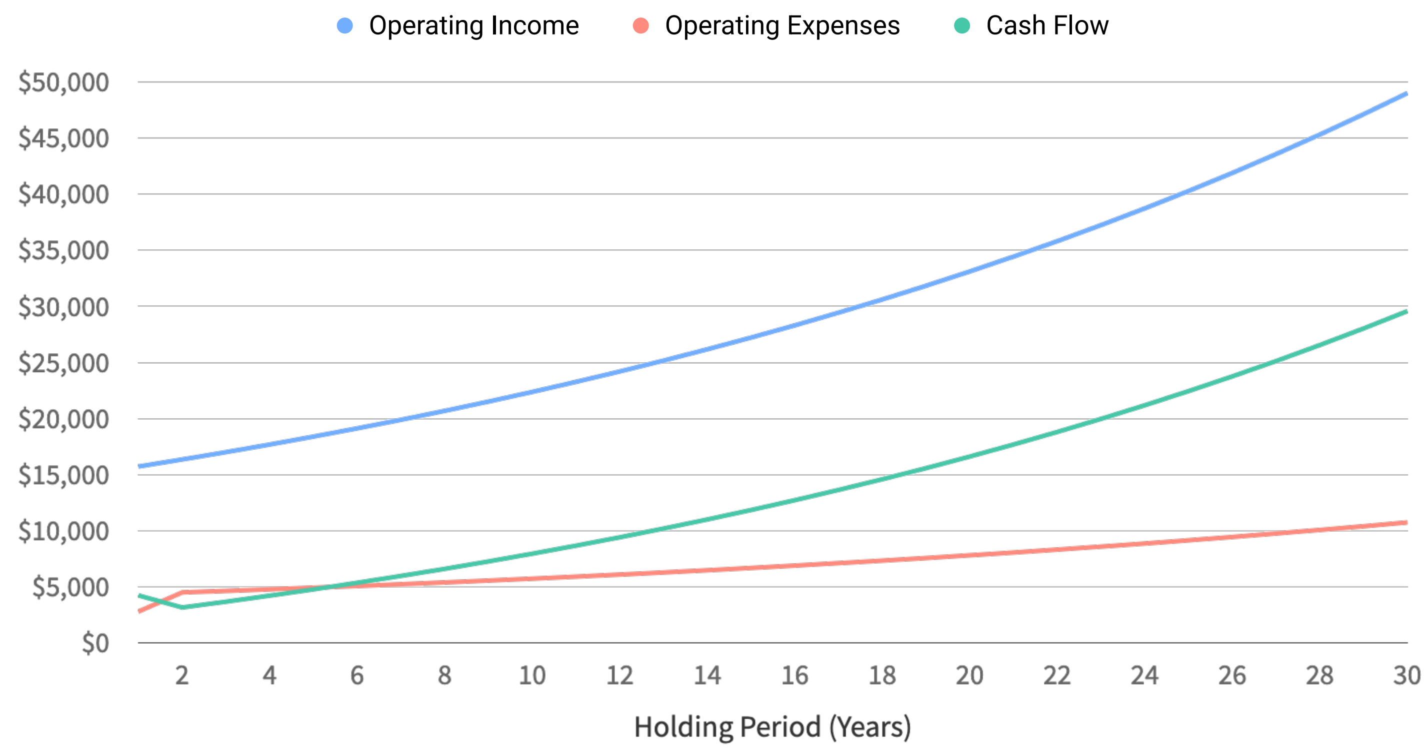
APPRECIATION	INCOME INCREASE	EXPENSE INCREASES	SELLING COSTS
4% Per Year	4% Per Year	2% Per Year	6% of Price

	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:	$ 1,333	$ 1,360	$ 1,387	$ 1,443	$ 1,593	$ 1,942	$ 2,367
Insurance:	+ $ 820	+ $ 836	+ $ 853	+ $ 888	+ $ 980	+ $ 1,195	+ $ 1,456
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:	**= $ 2,801**	**= $ 4,504**	**= $ 4,641**	**= $ 4,927**	**= $ 5,732**	**= $ 7,813**	**= $ 10,745**
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:	- $ 2,801	- $ 4,504	- $ 4,641	- $ 4,927	- $ 5,732	- $ 7,813	- $ 10,745
Expense Ratio:	17.8%	27.6%	27.3%	26.8%	25.6%	23.6%	21.9%
Net Operating Income:	= $ 12,913	= $ 11,839	= $ 12,355	= $ 13,456	= $ 16,634	= $ 25,294	= $ 38,261
Loan Payments:	- $ 8,676	- $ 8,676	- $ 8,676	- $ 8,676	- $ 8,676	- $ 8,676	- $ 8,676
Cash Flow:	**= $ 4,237**	**= $ 3,163**	**= $ 3,679**	**= $ 4,780**	**= $ 7,958**	**= $ 16,618**	**= $ 29,585**
TAX BENEFITS & DEDUCTIONS							
Operating Expenses:	$ 2,801	$ 4,504	$ 4,641	$ 4,927	$ 5,732	$ 7,813	$ 10,745
Loan Interest:	+ $ 7,572	+ $ 7,492	+ $ 7,407	+ $ 7,217	+ $ 6,607	+ $ 4,518	+ $ 320
Depreciation:	+ $ 4,998	+ $ 4,998	+ $ 4,998	+ $ 4,998	+ $ 4,998	+ $ 4,998	+ $ 0
Total Deductions:	**= $ 15,371**	**= $ 16,995**	**= $ 17,046**	**= $ 17,142**	**= $ 17,337**	**= $ 17,329**	**= $ 11,065**

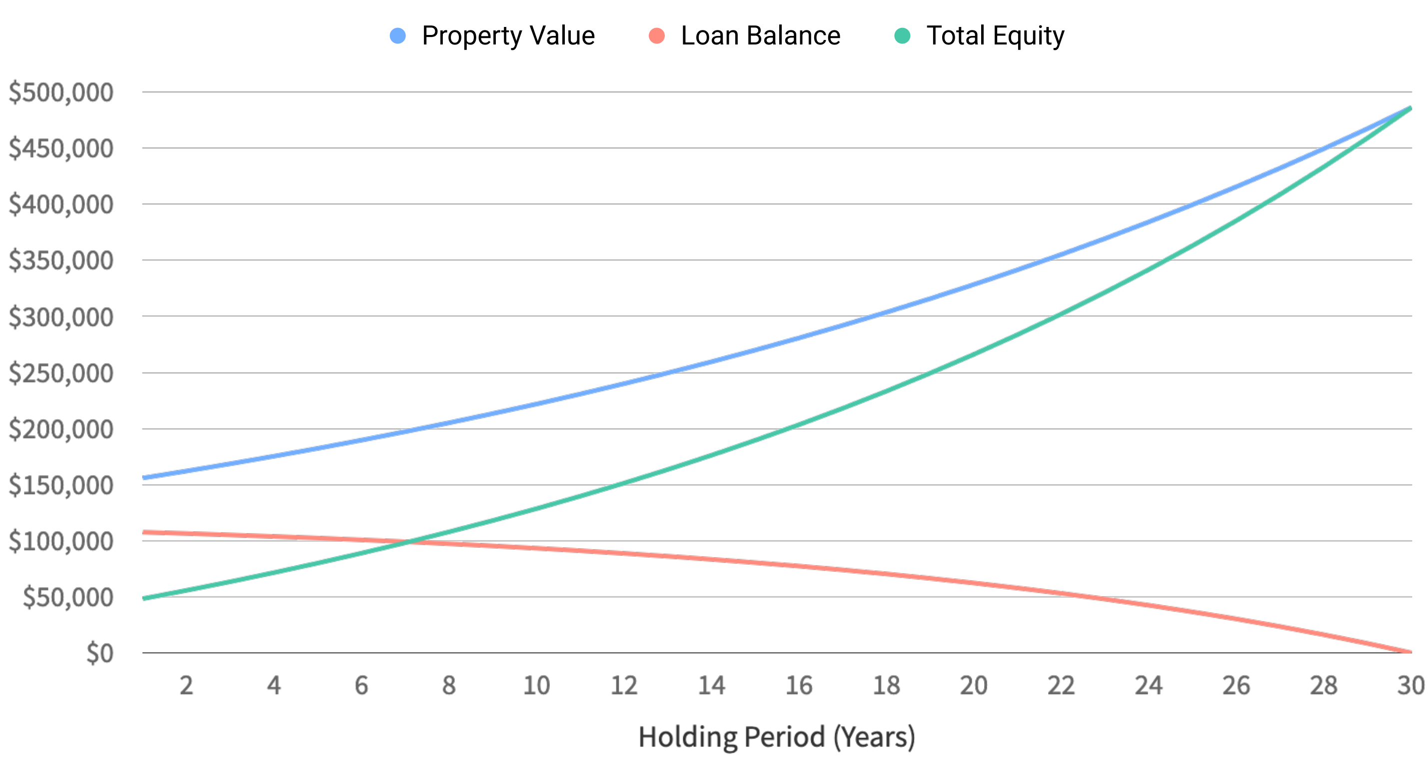
EQUITY ACCUMULATION

	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:	- $ 107,571	- $ 106,387	- $ 105,118	- $ 102,298	- $ 93,257	- $ 62,271	- $ 0
LTV Ratio:	69%	65.6%	62.3%	56.1%	42%	19%	-
Total Equity:	**= $ 48,325**	**= $ 55,745**	**= $ 63,499**	**= $ 80,078**	**= $ 128,632**	**= $ 266,178**	**= $ 486,185**
SALE ANALYSIS							
Equity:	$ 48,325	$ 55,745	$ 63,499	$ 80,078	$ 128,632	$ 266,178	$ 486,185
Selling Costs (6%):	- $ 9,354	- $ 9,728	- $ 10,117	- $ 10,943	- $ 13,313	- $ 19,707	- $ 29,171
Sale Proceeds:	= $ 38,971	= $ 46,017	= $ 53,382	= $ 69,136	= $ 115,319	= $ 246,471	= $ 457,014
Cumulative Cash Flow:	+ $ 4,237	+ $ 7,400	+ $ 11,079	+ $ 20,077	+ $ 53,253	+ $ 177,579	+ $ 410,789
Total Cash Invested:	- $ 37,674	- $ 37,674	- $ 37,674	- $ 37,674	- $ 37,674	- $ 37,674	- $ 37,674
Total Profit:	**= $ 5,534**	**= $ 15,743**	**= $ 26,787**	**= $ 51,539**	**= $ 130,898**	**= $ 386,376**	**= $ 830,129**
INVESTMENT RETURNS							
Cap Rate (Purchase Price):	8.9%	8.2%	8.5%	9.3%	11.5%	17.5%	26.4%
Cap Rate (Market Value):	8.3%	7.3%	7.3%	7.4%	7.5%	7.7%	7.9%
Cash on Cash Return:	11.2%	8.4%	9.8%	12.7%	21.1%	44.1%	78.5%
Return on Equity:	8.8%	5.7%	5.8%	6%	6.2%	6.2%	6.1%
Return on Investment:	14.7%	41.8%	71.1%	136.8%	347.4%	1,025.6%	2,203.5%
Internal Rate of Return:	14.7%	20%	21.2%	21.4%	20.2%	18.6%	18%
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:	1.15	1.42	1.71	2.37	4.47	11.26	23.03
Break Even Ratio:	70.8%	78.2%	76%	71.8%	62.5%	48.3%	38.4%
Debt Coverage Ratio:	1.49	1.36	1.42	1.55	1.92	2.92	4.41
Debt Yield:	12%	11.1%	11.8%	13.2%	17.8%	40.6%	-

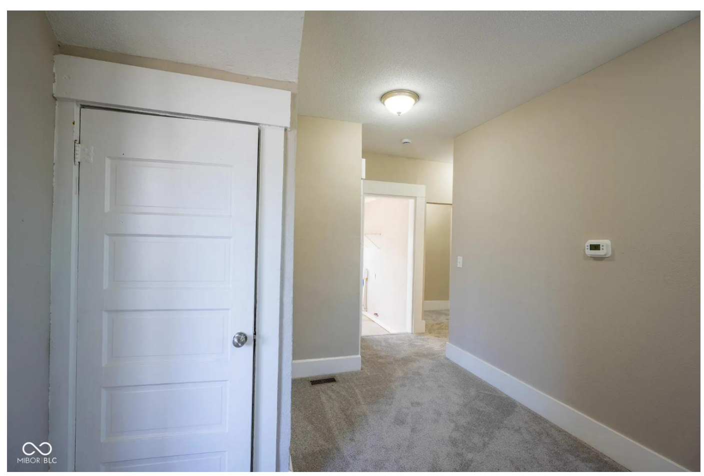
Cash Flow Over Time



Equity Over Time



Property Photos



Additional Information

Spacious 3 bed, 2 bath with fantastic yard and storage garage. This property has multiple updates and is truly move-in ready! Fresh paint inside and out. Brand new flooring, kitchen and bathrooms. Huge living room area and spacious bedrooms. Come see today!

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