

# 1423 Fountain St

## Investment Property - Buy & Hold

1423 Fountain St, Anderson, IN 46016  
House · 2 Beds · 1 Baths · 810 Sq.Ft.

Rehabbed and Ready for Renters!

**\$ 109,900 Purchase Price · \$ 109,900 ARV**  
**\$ 28,574 Cash Needed · \$ 267/mo Cash Flow · 8.6% Cap Rate · 11.2% COC**

Prepared by:



The Homeboys



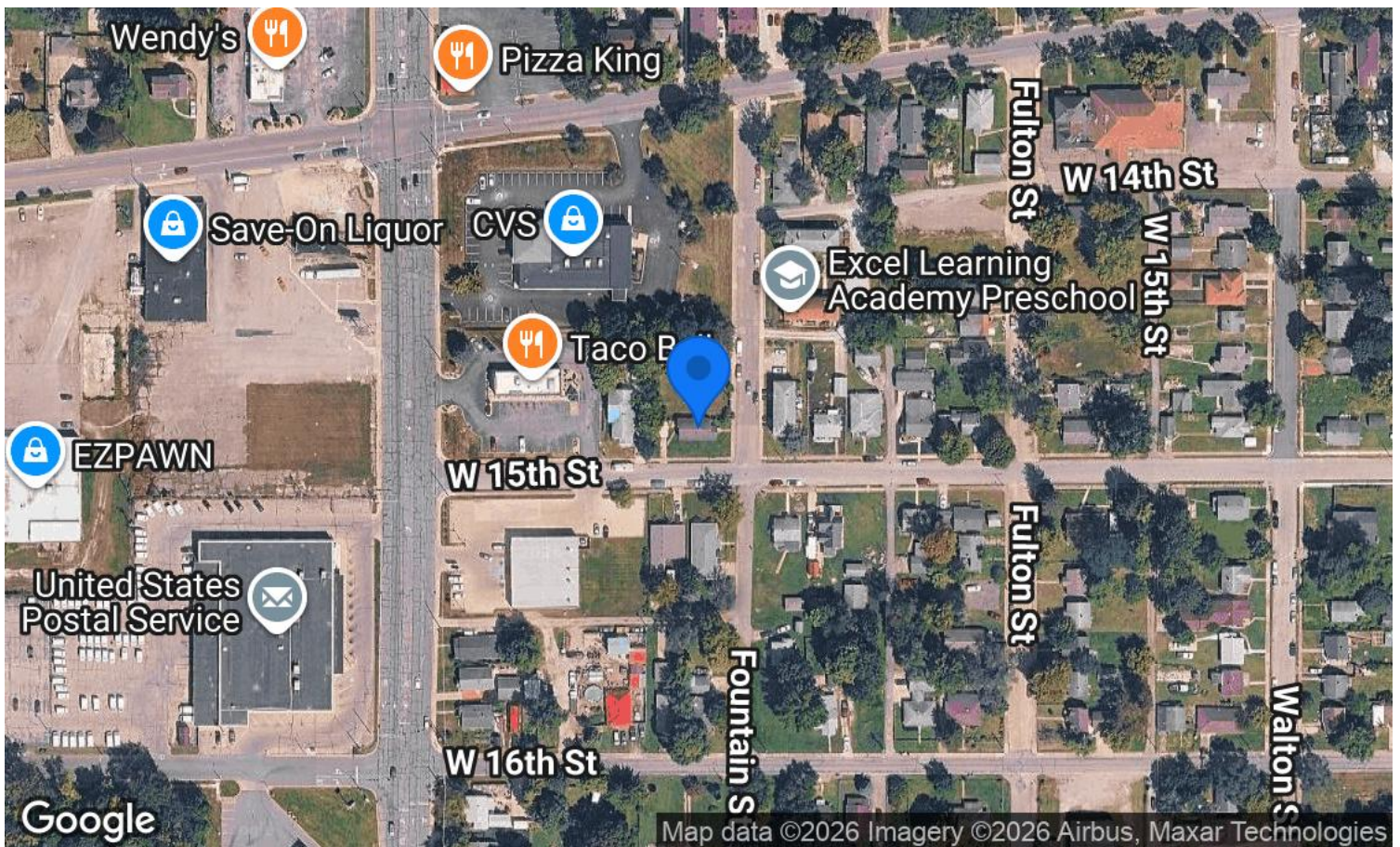
## Property Description

### ADDRESS

1423 Fountain St  
Anderson, IN 46016

### DESCRIPTION

Property Type:	House
Beds / Baths:	2 BR / 1 BA
Square Footage:	810
Year Built:	1925
Lot Size:	2,178 sq.ft.
Zoning:	Single Family Residential



## Purchase Analysis & Returns

### PURCHASE & REHAB

Purchase Price:		\$ 109,900
Amount Financed:	-	\$ 82,425
<b>Down Payment:</b>	=	<b>\$ 27,475</b>
Purchase Costs:	+	\$ 1,099
Rehab Costs:	+	\$ 0
<b>Total Cash Needed:</b>	=	<b>\$ 28,574</b>
After Repair Value:		\$ 109,900
ARV Per Square Foot:		\$ 135.7
Price Per Square Foot:		\$ 135.7

### RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	8.6% / 8.6%
Cash on Cash Return:	11.2%
Return on Equity:	9.8%
Return on Investment:	2%
Internal Rate of Return:	2%
Rent to Value:	0.9%
Gross Rent Multiplier:	9.16
Equity Multiple:	1.02
Break Even Ratio:	70.3%
Debt Coverage Ratio:	1.51
Debt Yield:	11.5%

### PURCHASE COSTS

<b>Total (1% of Price):</b>	<b>\$ 1,099</b>
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### FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	6.5%
Financing Of:	Price (75%)
Loan Amount:	\$ 82,425
LTC / LTV:	75% / 75%
Loan Payment:	\$ 521 Per Month \$ 6,252 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:	\$ 3,700

### 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:	\$ 1,000	\$ 12,000
Vacancy (3%):	- \$ 30	\$ 360
Other Income:	+ \$ 0	\$ 0
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Operating Income:	= \$ 970	\$ 11,640
Operating Expenses (18.7%):	- \$ 182	\$ 2,180
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Net Operating Income:	= \$ 788	\$ 9,460
Loan Payments:	- \$ 521	\$ 6,252
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<b>Cash Flow:</b>	<b>= \$ 267</b>	<b>\$ 3,208</b>

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

	Monthly	Yearly
<b>OPERATING EXPENSES</b>		
Property Taxes:	\$ 82	\$ 980
Insurance:	\$ 60	\$ 720
Maintenance:	\$ 40	\$ 480
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>\$ 182</b>	<b>\$ 2,180</b>

## 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	
<b>RENTAL INCOME</b>								
Gross Rent:	\$ 12,000	\$ 12,480	\$ 12,979	\$ 14,038	\$ 17,080	\$ 25,282	\$ 37,424	
Vacancy:	- \$ 360	- \$ 374	- \$ 389	- \$ 421	- \$ 512	- \$ 758	- \$ 1,123	
Vacancy Rate:	3%	3%	3%	3%	3%	3%	3%	
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	
<b>Operating Income:</b>	<b>= \$ 11,640</b>	<b>= \$ 12,106</b>	<b>= \$ 12,590</b>	<b>= \$ 13,617</b>	<b>= \$ 16,568</b>	<b>= \$ 24,524</b>	<b>= \$ 36,301</b>	
Income Increase:	4%	4%	4%	4%	4%	4%	4%	
<b>OPERATING EXPENSES</b>								
Property Taxes:	\$ 980	\$ 1,000	\$ 1,020	\$ 1,061	\$ 1,171	\$ 1,428	\$ 1,740	
Insurance:	+ \$ 720	+ \$ 734	+ \$ 749	+ \$ 779	+ \$ 860	+ \$ 1,049	+ \$ 1,279	
Property Management:	N/A	+ \$ 1,090	+ \$ 1,133	+ \$ 1,226	+ \$ 1,491	+ \$ 2,207	+ \$ 3,267	
Maintenance:	+ \$ 480	+ \$ 499	+ \$ 519	+ \$ 562	+ \$ 683	+ \$ 1,011	+ \$ 1,497	
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>= \$ 2,180</b>	<b>= \$ 3,323</b>	<b>= \$ 3,421</b>	<b>= \$ 3,628</b>	<b>= \$ 4,205</b>	<b>= \$ 5,695</b>	<b>= \$ 7,783</b>	
Expense Increase:	2%	2%	2%	2%	2%	2%	2%	
<b>CASH FLOW</b>								
Operating Income:	\$ 11,640	\$ 12,106	\$ 12,590	\$ 13,617	\$ 16,568	\$ 24,524	\$ 36,301	
Operating Expenses:	- \$ 2,180	- \$ 3,323	- \$ 3,421	- \$ 3,628	- \$ 4,205	- \$ 5,695	- \$ 7,783	
Expense Ratio:	18.7%	27.4%	27.2%	26.6%	25.4%	23.2%	21.4%	
<b>Net Operating Income:</b>	<b>= \$ 9,460</b>	<b>= \$ 8,783</b>	<b>= \$ 9,169</b>	<b>= \$ 9,989</b>	<b>= \$ 12,363</b>	<b>= \$ 18,829</b>	<b>= \$ 28,518</b>	
Loan Payments:	- \$ 6,252	- \$ 6,252	- \$ 6,252	- \$ 6,252	- \$ 6,252	- \$ 6,252	- \$ 6,252	
<b>Cash Flow:</b>	<b>= \$ 3,208</b>	<b>= \$ 2,531</b>	<b>= \$ 2,917</b>	<b>= \$ 3,737</b>	<b>= \$ 6,111</b>	<b>= \$ 12,577</b>	<b>= \$ 22,266</b>	
<b>TAX BENEFITS &amp; DEDUCTIONS</b>								
Operating Expenses:	\$ 2,180	\$ 3,323	\$ 3,421	\$ 3,628	\$ 4,205	\$ 5,695	\$ 7,783	
Loan Interest:	+ \$ 5,330	+ \$ 5,269	+ \$ 5,203	+ \$ 5,058	+ \$ 4,601	+ \$ 3,095	+ \$ 215	
Depreciation:	+ \$ 3,902	+ \$ 3,902	+ \$ 3,902	+ \$ 3,902	+ \$ 3,902	+ \$ 3,902	+ \$ 0	
<b>Total Deductions:</b>	<b>= \$ 11,412</b>	<b>= \$ 12,494</b>	<b>= \$ 12,526</b>	<b>= \$ 12,588</b>	<b>= \$ 12,707</b>	<b>= \$ 12,691</b>	<b>= \$ 7,998</b>	
<b>EQUITY ACCUMULATION</b>								

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Property Value:	\$ 114,296	\$ 118,868	\$ 123,623	\$ 133,710	\$ 162,679	\$ 240,804	\$ 356,449
Appreciation:	4%	4%	4%	4%	4%	4%	4%
Loan Balance:	- \$ 81,504	- \$ 80,521	- \$ 79,472	- \$ 77,159	- \$ 69,877	- \$ 45,882	- \$ 0
LTV Ratio:	71.3%	67.7%	64.3%	57.7%	43%	19.1%	-
<b>Total Equity:</b>	<b>= \$ 32,792</b>	<b>= \$ 38,347</b>	<b>= \$ 44,151</b>	<b>= \$ 56,551</b>	<b>= \$ 92,802</b>	<b>= \$ 194,922</b>	<b>= \$ 356,449</b>

**SALE ANALYSIS**

Equity:	\$ 32,792	\$ 38,347	\$ 44,151	\$ 56,551	\$ 92,802	\$ 194,922	\$ 356,449
Selling Costs (6%):	- \$ 6,858	- \$ 7,132	- \$ 7,417	- \$ 8,023	- \$ 9,761	- \$ 14,448	- \$ 21,387
<b>Sale Proceeds:</b>	<b>= \$ 25,935</b>	<b>= \$ 31,215</b>	<b>= \$ 36,734</b>	<b>= \$ 48,529</b>	<b>= \$ 83,042</b>	<b>= \$ 180,474</b>	<b>= \$ 335,062</b>
Cumulative Cash Flow:	+ \$ 3,208	+ \$ 5,739	+ \$ 8,656	+ \$ 15,712	+ \$ 41,321	+ \$ 135,831	+ \$ 311,677
Total Cash Invested:	- \$ 28,574	- \$ 28,574	- \$ 28,574	- \$ 28,574	- \$ 28,574	- \$ 28,574	- \$ 28,574
<b>Total Profit:</b>	<b>= \$ 569</b>	<b>= \$ 8,380</b>	<b>= \$ 16,816</b>	<b>= \$ 35,667</b>	<b>= \$ 95,789</b>	<b>= \$ 287,731</b>	<b>= \$ 618,165</b>

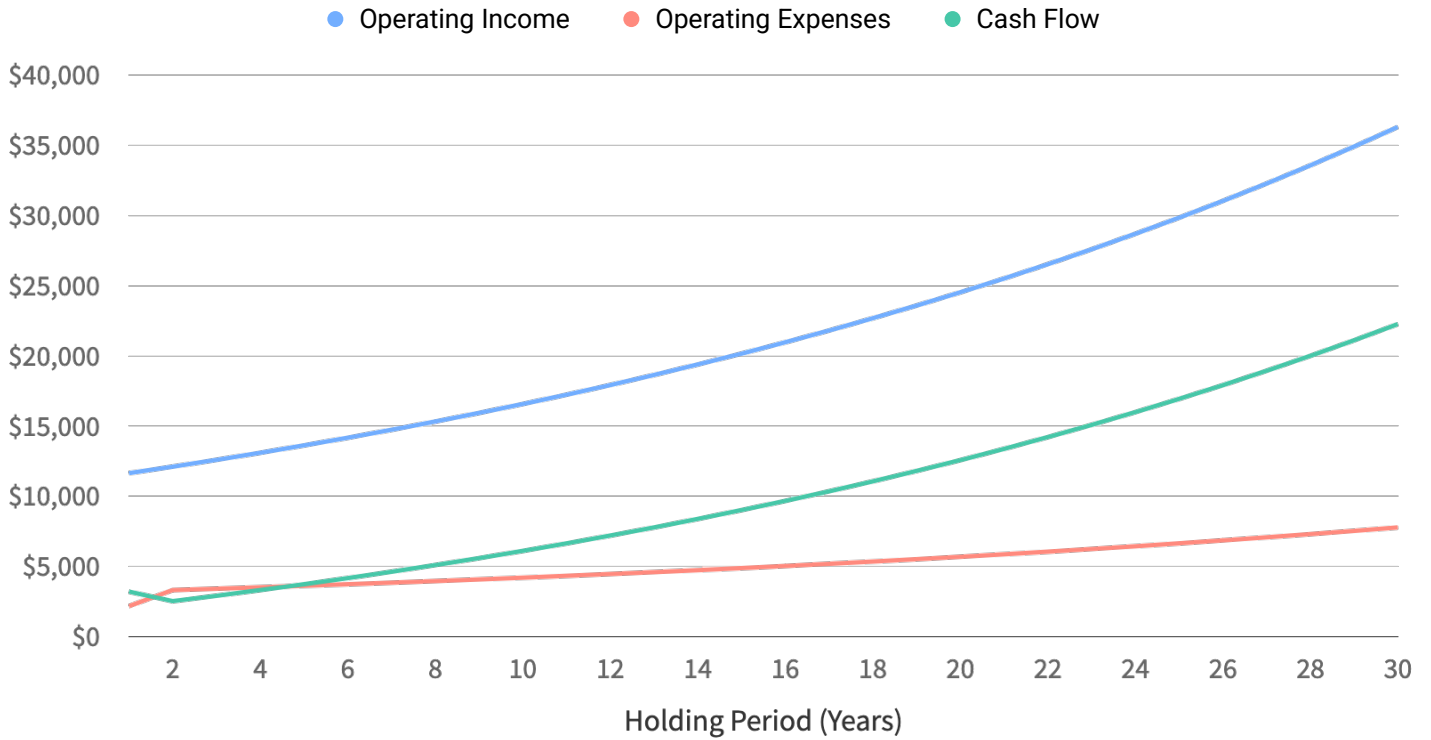
**INVESTMENT RETURNS**

Cap Rate (Purchase Price):	8.6%	8%	8.3%	9.1%	11.2%	17.1%	25.9%
Cap Rate (Market Value):	8.3%	7.4%	7.4%	7.5%	7.6%	7.8%	8%
Cash on Cash Return:	11.2%	8.9%	10.2%	13.1%	21.4%	44%	77.9%
Return on Equity:	9.8%	6.6%	6.6%	6.6%	6.6%	6.5%	6.2%
Return on Investment:	2%	29.3%	58.8%	124.8%	335.2%	1,007%	2,163.4%
Internal Rate of Return:	2%	14.4%	18.1%	20.1%	20%	18.7%	18.1%

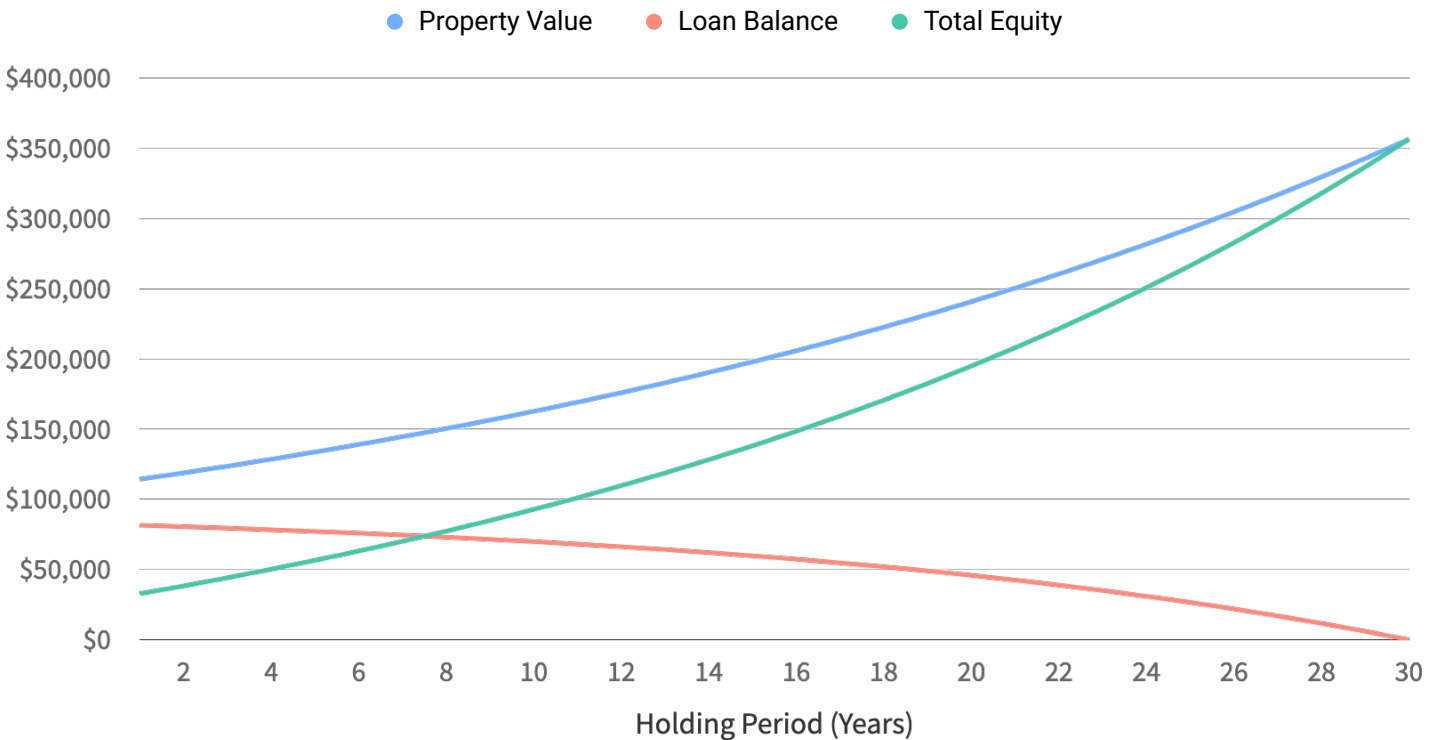
**FINANCIAL RATIOS**

Rent to Value:	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
Gross Rent Multiplier:	9.52	9.52	9.52	9.52	9.52	9.52	9.52
Equity Multiple:	1.02	1.29	1.59	2.25	4.35	11.07	22.63
Break Even Ratio:	70.3%	76.7%	74.5%	70.4%	61.2%	47.3%	37.5%
Debt Coverage Ratio:	1.51	1.4	1.47	1.6	1.98	3.01	4.56
Debt Yield:	11.6%	10.9%	11.5%	12.9%	17.7%	41%	-

### Cash Flow Over Time



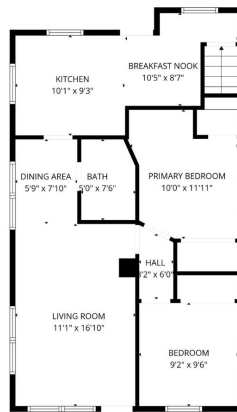
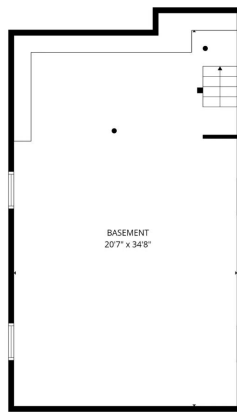
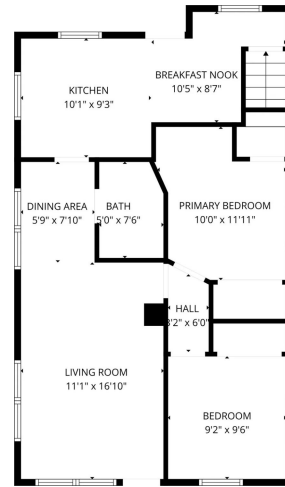
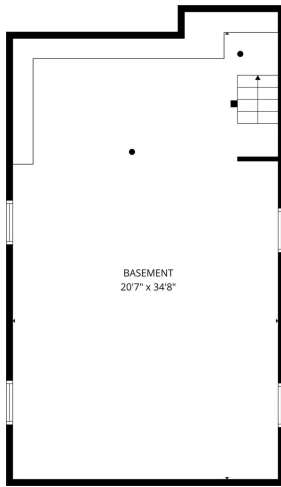
### Equity Over Time



## Property Photos







Basement 1

1st floor

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