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!

$ 124,900 Purchase Price · **$ 124,900** ARV
$ 32,474 Cash Needed · **$ 300/mo** Cash Flow · **8.6%** Cap Rate · **11.1%** COC

Prepared by:

The Homeboys

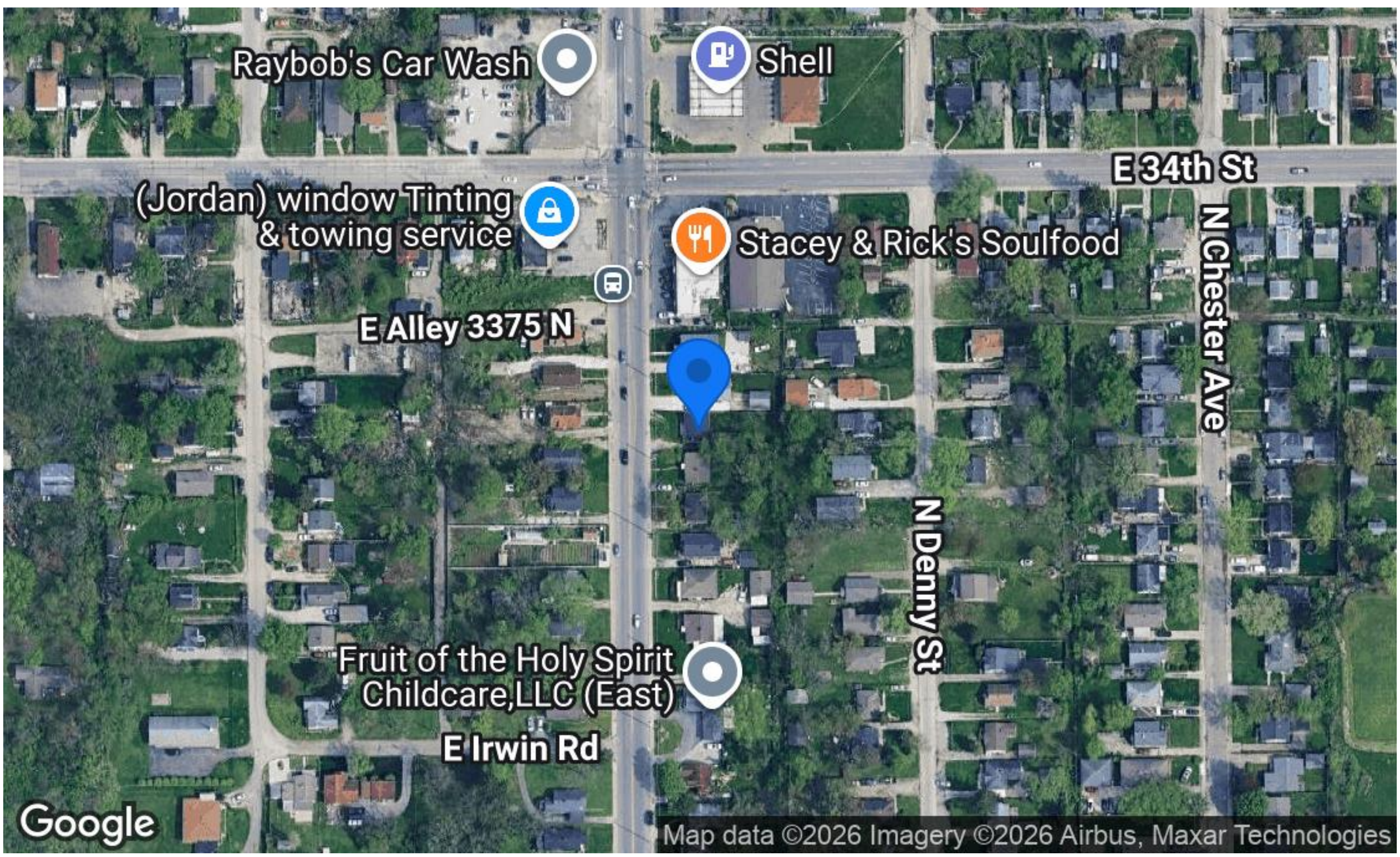
Property Description

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:		$ 124,900
Amount Financed:	-	$ 93,675
Down Payment:	=	$ 31,225
Purchase Costs:	+	$ 1,249
Rehab Costs:	+	$ 0
Total Cash Needed:	=	**$ 32,474**
After Repair Value:		$ 124,900
ARV Per Square Foot:		$ 154.6
Price Per Square Foot:		$ 154.6

FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	6.5%
Financing Of:	Price (75%)
Loan Amount:	$ 93,675
LTC / LTV:	75% / 75%
Loan Payment:	$ 592 Per Month $ 7,105 Per Year

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	8.6% / 8.6%
Cash on Cash Return:	11.1%
Return on Equity:	10%
Return on Investment:	-1.8%
Internal Rate of Return:	-1.8%
Rent to Value:	0.9%
Gross Rent Multiplier:	9.05
Equity Multiple:	0.98
Break Even Ratio:	70.8%
Debt Coverage Ratio:	1.51
Debt Yield:	11.4%

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

PURCHASE COSTS

Total (1% of Price):	**$ 1,249**

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:		$ 1,150	$ 13,800
Vacancy (3%):	-	$ 35	$ 414
Other Income:	+	$ 0	$ 0
Operating Income:	=	$ 1,115	$ 13,386
Operating Expenses (20%):	-	$ 223	$ 2,672
Net Operating Income:	=	$ 892	$ 10,714
Loan Payments:	-	$ 592	$ 7,105
Cash Flow:	=	**$ 300**	**$ 3,609**

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

OPERATING EXPENSES	Monthly	Yearly
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
Total:	**$ 223**	**$ 2,672**

Buy & Hold Projections

APPRECIATION	INCOME INCREASE	EXPENSE INCREASES	SELLING COSTS
3% 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:	$ 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:	- $ 7,105	- $ 7,105	- $ 7,105	- $ 7,105	- $ 7,105	- $ 7,105	- $ 7,105
Cash Flow:	**= $ 3,609**	**= $ 2,688**	**= $ 3,122**	**= $ 4,049**	**= $ 6,724**	**= $ 14,026**	**= $ 24,980**
TAX BENEFITS & DEDUCTIONS							
Operating Expenses:	$ 2,672	$ 4,128	$ 4,251	$ 4,506	$ 5,224	$ 7,072	$ 9,661
Loan Interest:	+ $ 6,058	+ $ 5,988	+ $ 5,913	+ $ 5,748	+ $ 5,229	+ $ 3,517	+ $ 244
Depreciation:	+ $ 4,424	+ $ 4,424	+ $ 4,424	+ $ 4,424	+ $ 4,424	+ $ 4,424	+ $ 0
Total Deductions:	**= $ 13,154**	**= $ 14,540**	**= $ 14,588**	**= $ 14,678**	**= $ 14,876**	**= $ 15,013**	**= $ 9,905**

EQUITY ACCUMULATION

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Property Value: Appreciation:	$ 128,647 3%	$ 132,506 3%	$ 136,482 3%	$ 144,793 3%	$ 167,855 3%	$ 225,583 3%	$ 303,165 3%
Loan Balance: LTV Ratio:	- $ 92,628 72%	- $ 91,511 69.1%	- $ 90,319 66.2%	- $ 87,690 60.6%	- $ 79,414 47.3%	- $ 52,144 23.1%	- $ 0 -
Total Equity:	**= $ 36,019**	**= $ 40,995**	**= $ 46,163**	**= $ 57,103**	**= $ 88,441**	**= $ 173,439**	**= $ 303,165**

SALE ANALYSIS

Equity:	$ 36,019	$ 40,995	$ 46,163	$ 57,103	$ 88,441	$ 173,439	$ 303,165
Selling Costs (6%):	- $ 7,719	- $ 7,950	- $ 8,189	- $ 8,688	- $ 10,071	- $ 13,535	- $ 18,190
Sale Proceeds:	= $ 28,300	= $ 33,045	= $ 37,974	= $ 48,415	= $ 78,370	= $ 159,904	= $ 284,975
Cumulative Cash Flow:	+ $ 3,609	+ $ 6,297	+ $ 9,419	+ $ 17,043	+ $ 45,088	+ $ 150,037	+ $ 346,903
Total Cash Invested:	- $ 32,474	- $ 32,474	- $ 32,474	- $ 32,474	- $ 32,474	- $ 32,474	- $ 32,474
Total Profit:	**= -$ 565**	**= $ 6,868**	**= $ 14,919**	**= $ 32,984**	**= $ 90,984**	**= $ 277,467**	**= $ 599,404**

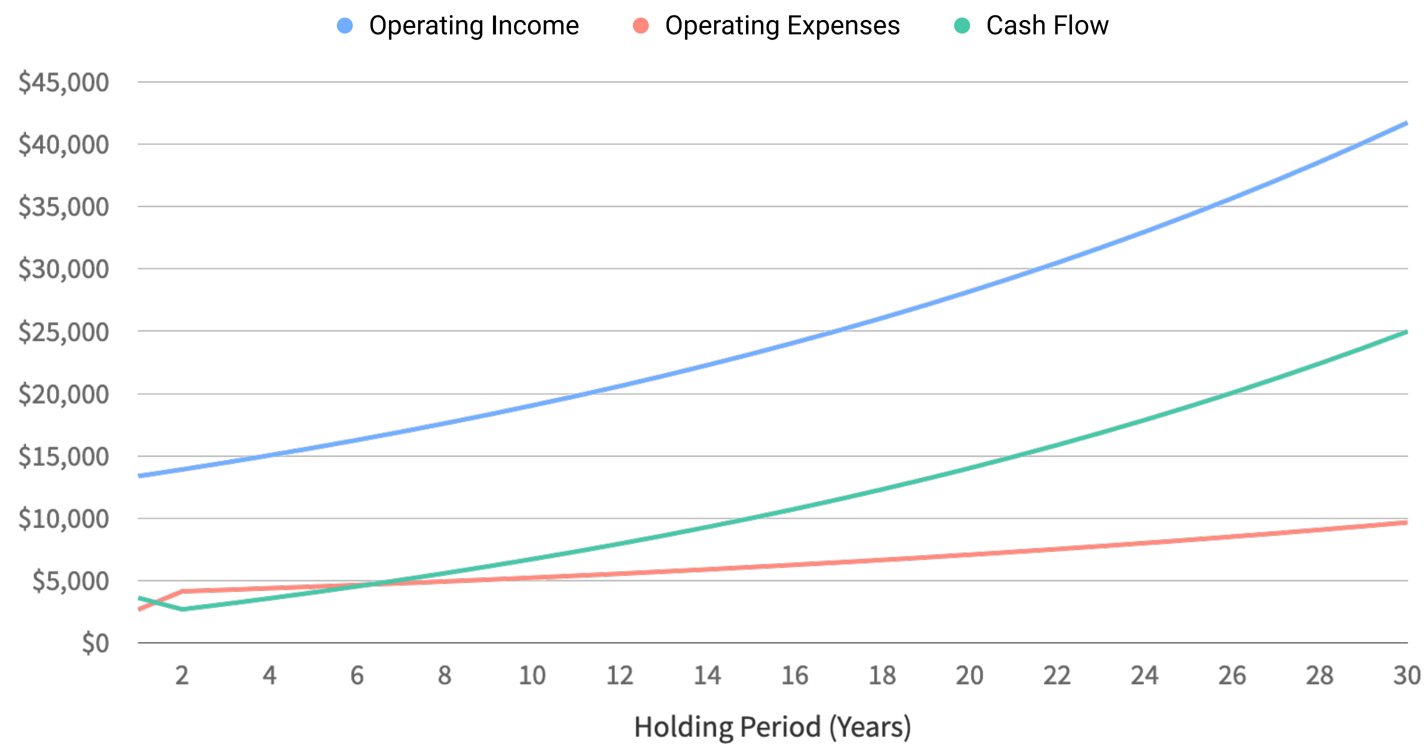
INVESTMENT RETURNS

Cap Rate (Purchase Price):	8.6%	7.8%	8.2%	8.9%	11.1%	16.9%	25.7%
Cap Rate (Market Value):	8.3%	7.4%	7.5%	7.7%	8.2%	9.4%	10.6%
Cash on Cash Return:	11.1%	8.3%	9.6%	12.5%	20.7%	43.2%	76.9%
Return on Equity:	10%	6.6%	6.8%	7.1%	7.6%	8.1%	8.2%
Return on Investment:	-1.7%	21.1%	45.9%	101.6%	280.2%	854.4%	1,845.8%
Internal Rate of Return:	-1.7%	10.6%	14.6%	17.3%	18.2%	17.8%	17.5%

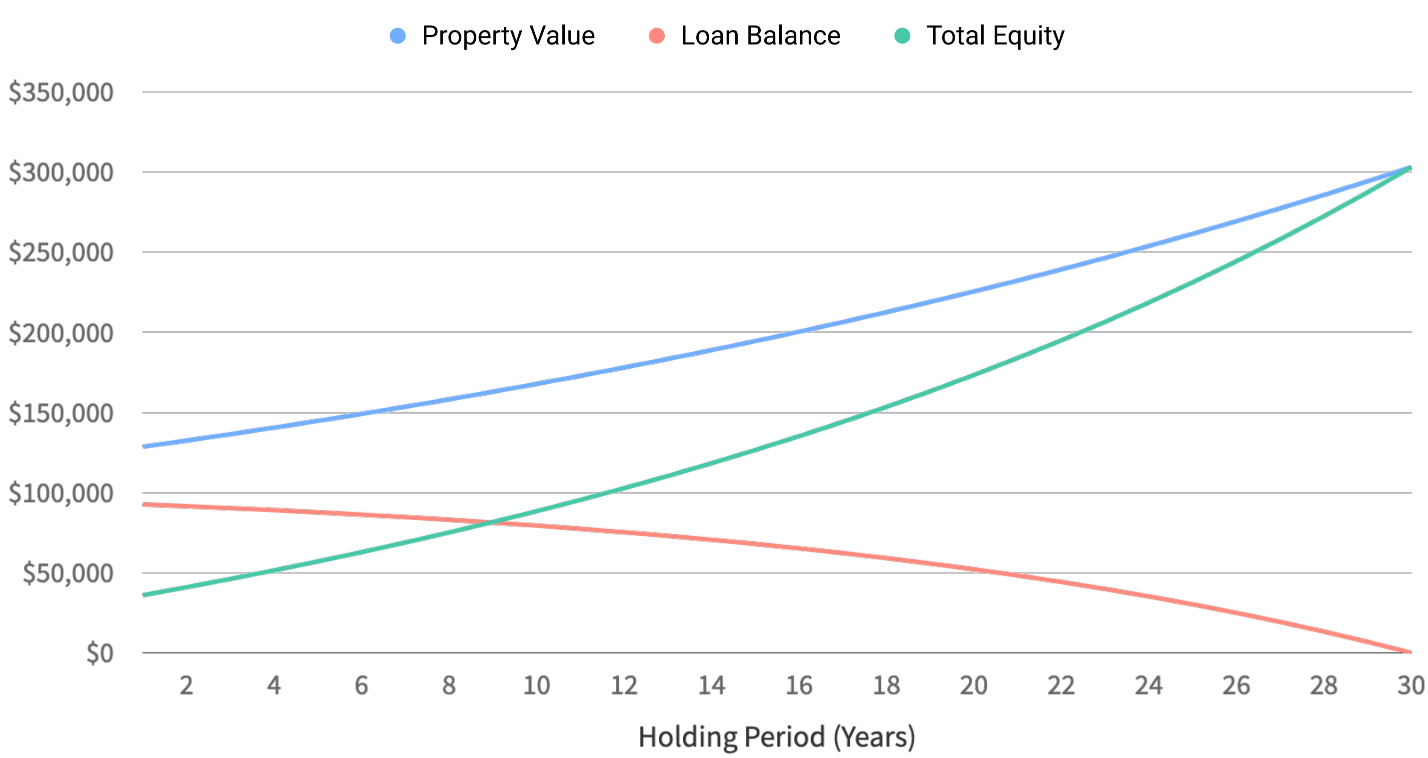
FINANCIAL RATIOS

Rent to Value:	0.9%	0.9%	0.9%	0.9%	1%	1.1%	1.2%
Gross Rent Multiplier:	9.32	9.23	9.14	8.97	8.55	7.76	7.04
Equity Multiple:	0.98	1.21	1.46	2.02	3.8	9.54	19.46
Break Even Ratio:	70.8%	78.3%	76.1%	71.9%	62.8%	48.8%	39%
Debt Coverage Ratio:	1.51	1.38	1.44	1.57	1.95	2.97	4.52
Debt Yield:	11.6%	10.7%	11.3%	12.7%	17.4%	40.5%	-

Cash Flow Over Time



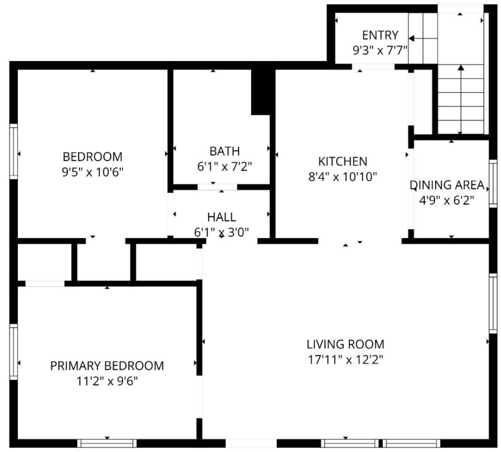
Equity Over Time



Property Photos







ENTRY
9'3" x 7'7"
BEDROOM
9'5" x 10'6"
BATH
6'1" x 7'2"
KITCHEN
8'4" x 10'10"
DINING AREA
4'9" x 6'2"
HALL
6'1" x 3'0"
PRIMARY BEDROOM
11'2" x 9'6"
LIVING ROOM
17'11" x 12'2"

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