

# 1807 E 18th St

## Investment Property - Buy & Hold

1807 E 18th St, Anderson, IN 46016  
House · 2 Beds · 1 Baths · 930 Sq.Ft.

**\$ 129,900 Purchase Price · \$ 129,900 ARV**  
**\$ 33,774 Cash Needed · \$ 319/mo Cash Flow · 8.6% Cap Rate · 11.3% COC**

Prepared by:



The Homeboys



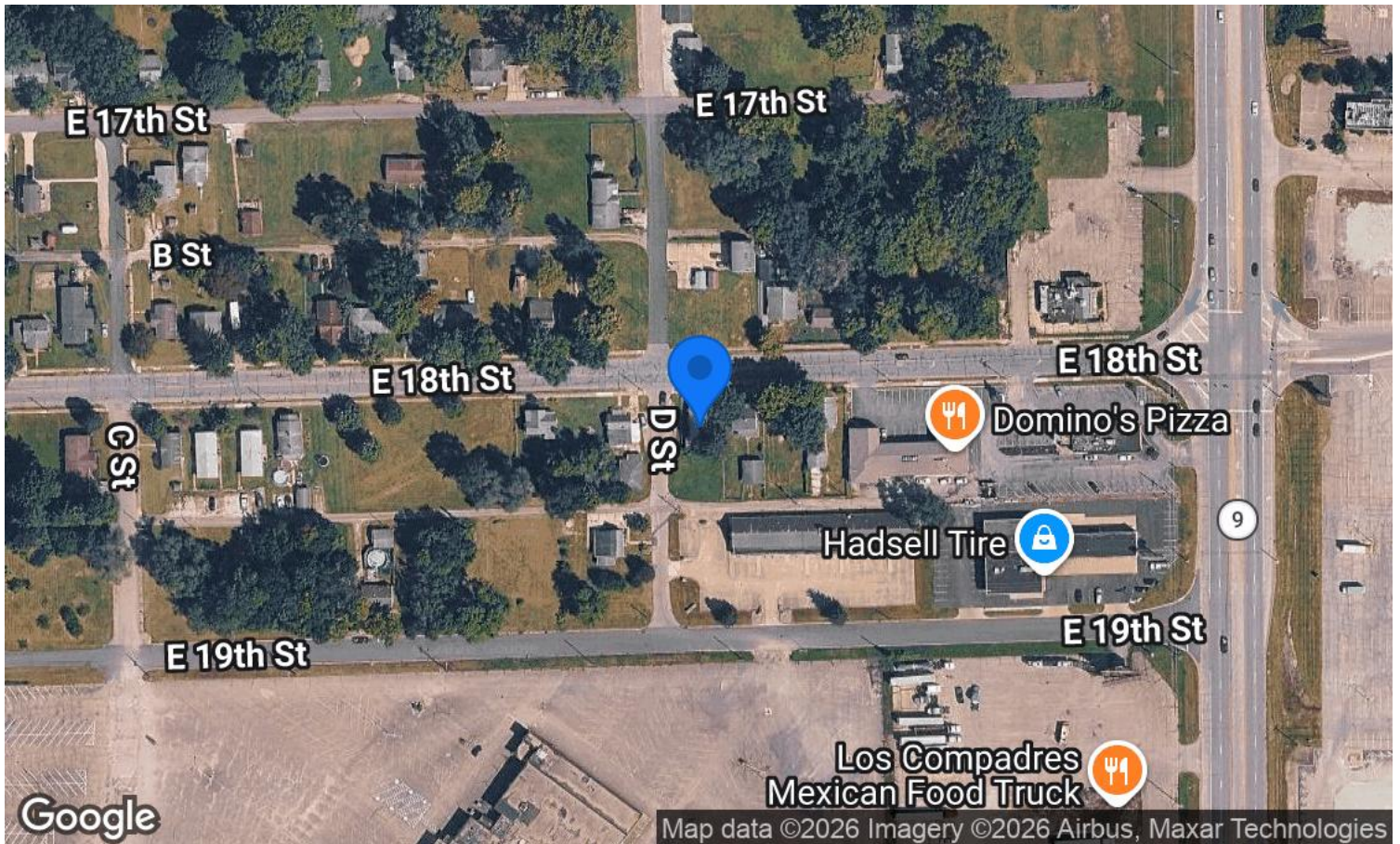
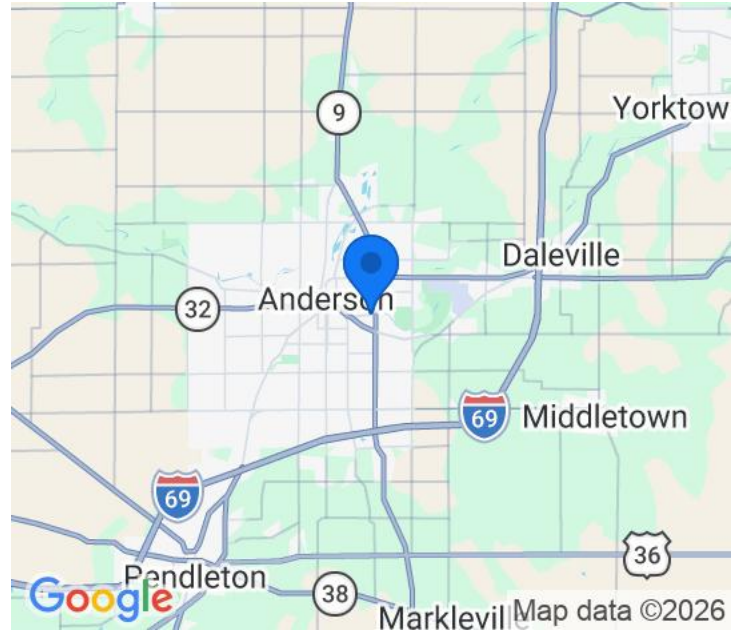
# Property Description

## ADDRESS

1807 E 18th St  
Anderson, IN 46016

## DESCRIPTION

Property Type:	House
Beds / Baths:	2 BR / 1 BA
Square Footage:	930
Year Built:	1900
Lot Size:	6,534 sq.ft.
Zoning:	Single Family Residential
MLS Number:	22101769



## Purchase Analysis & Returns

### PURCHASE & REHAB

Purchase Price:		\$ 129,900
Amount Financed:	-	\$ 97,425
<b>Down Payment:</b>	=	<b>\$ 32,475</b>
Purchase Costs:	+	\$ 1,299
Rehab Costs:	+	\$ 0
<b>Total Cash Needed:</b>	=	<b>\$ 33,774</b>
After Repair Value:		\$ 129,900
ARV Per Square Foot:		\$ 139.7
Price Per Square Foot:		\$ 139.7

### RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):		8.6% / 8.6%
Cash on Cash Return:		11.3%
Return on Equity:		10.2%
<b>Return on Investment:</b>		<b>-1.5%</b>
<b>Internal Rate of Return:</b>		<b>-1.5%</b>
Rent to Value:		0.8%
Gross Rent Multiplier:		9.84
<b>Equity Multiple:</b>		<b>0.98</b>
Break Even Ratio:		68%
Debt Coverage Ratio:		1.52
Debt Yield:		11.5%

### PURCHASE COSTS

<b>Total (1% of Price):</b>		<b>\$ 1,299</b>
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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:	3% Per Year
Expense Increase:	2% Per Year
Selling Costs:	6% of Sales Price
Depreciation Period:	27.5 Years
Land Value:	\$ 6,000

### 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:	\$ 1,100	\$ 13,200
Vacancy (3%):	- \$ 33	\$ 396
Other Income:	+ \$ 0	\$ 0
<hr/>		
Operating Income:	= \$ 1,067	\$ 12,804
Operating Expenses (12.4%):	- \$ 132	\$ 1,583
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Net Operating Income:	= \$ 935	\$ 11,221
Loan Payments:	- \$ 616	\$ 7,390
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<b>Cash Flow:</b>	<b>= \$ 319</b>	<b>\$ 3,831</b>

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

	Monthly	Yearly
<b>OPERATING EXPENSES</b>		
Property Taxes:	\$ 40	\$ 480
Insurance:	\$ 48	\$ 575
Maintenance:	\$ 44	\$ 528
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>\$ 132</b>	<b>\$ 1,583</b>

## Buy & Hold Projections

	APPRECIATION 3% Per Year		INCOME INCREASE 3% 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:	\$ 13,200	\$ 13,596	\$ 14,004	\$ 14,857	\$ 17,223	\$ 23,146	\$ 31,107	
Vacancy:	- \$ 396	- \$ 408	- \$ 420	- \$ 446	- \$ 517	- \$ 694	- \$ 933	
Vacancy Rate:	3%	3%	3%	3%	3%	3%	3%	
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	
<b>Operating Income:</b>	<b>= \$ 12,804</b>	<b>= \$ 13,188</b>	<b>= \$ 13,584</b>	<b>= \$ 14,411</b>	<b>= \$ 16,706</b>	<b>= \$ 22,452</b>	<b>= \$ 30,174</b>	
Income Increase:	3%	3%	3%	3%	3%	3%	3%	
<b>OPERATING EXPENSES</b>								
Property Taxes:	\$ 480	\$ 490	\$ 499	\$ 520	\$ 574	\$ 699	\$ 852	
Insurance:	+ \$ 575	+ \$ 587	+ \$ 598	+ \$ 622	+ \$ 687	+ \$ 838	+ \$ 1,021	
Property Management:	N/A	+ \$ 1,319	+ \$ 1,358	+ \$ 1,441	+ \$ 1,671	+ \$ 2,245	+ \$ 3,017	
Maintenance:	+ \$ 528	+ \$ 544	+ \$ 560	+ \$ 594	+ \$ 689	+ \$ 926	+ \$ 1,244	
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>= \$ 1,583</b>	<b>= \$ 2,940</b>	<b>= \$ 3,015</b>	<b>= \$ 3,177</b>	<b>= \$ 3,621</b>	<b>= \$ 4,708</b>	<b>= \$ 6,134</b>	
Expense Increase:	2%	2%	2%	2%	2%	2%	2%	
<b>CASH FLOW</b>								
Operating Income:	\$ 12,804	\$ 13,188	\$ 13,584	\$ 14,411	\$ 16,706	\$ 22,452	\$ 30,174	
Operating Expenses:	- \$ 1,583	- \$ 2,940	- \$ 3,015	- \$ 3,177	- \$ 3,621	- \$ 4,708	- \$ 6,134	
Expense Ratio:	12.4%	22.3%	22.2%	22%	21.7%	21%	20.3%	
<b>Net Operating Income:</b>	<b>= \$ 11,221</b>	<b>= \$ 10,248</b>	<b>= \$ 10,569</b>	<b>= \$ 11,234</b>	<b>= \$ 13,085</b>	<b>= \$ 17,744</b>	<b>= \$ 24,040</b>	
Loan Payments:	- \$ 7,390	- \$ 7,390	- \$ 7,390	- \$ 7,390	- \$ 7,390	- \$ 7,390	- \$ 7,390	
<b>Cash Flow:</b>	<b>= \$ 3,831</b>	<b>= \$ 2,858</b>	<b>= \$ 3,179</b>	<b>= \$ 3,844</b>	<b>= \$ 5,695</b>	<b>= \$ 10,354</b>	<b>= \$ 16,650</b>	
<b>TAX BENEFITS &amp; DEDUCTIONS</b>								
Operating Expenses:	\$ 1,583	\$ 2,940	\$ 3,015	\$ 3,177	\$ 3,621	\$ 4,708	\$ 6,134	
Loan Interest:	+ \$ 6,301	+ \$ 6,228	+ \$ 6,150	+ \$ 5,978	+ \$ 5,438	+ \$ 3,658	+ \$ 254	
Depreciation:	+ \$ 4,553	+ \$ 4,553	+ \$ 4,553	+ \$ 4,553	+ \$ 4,553	+ \$ 4,553	+ \$ 0	
<b>Total Deductions:</b>	<b>= \$ 12,436</b>	<b>= \$ 13,720</b>	<b>= \$ 13,718</b>	<b>= \$ 13,708</b>	<b>= \$ 13,612</b>	<b>= \$ 12,918</b>	<b>= \$ 6,388</b>	
<b>EQUITY ACCUMULATION</b>								

	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%	-
<b>Total Equity:</b>	<b>= \$ 37,461</b>	<b>= \$ 42,637</b>	<b>= \$ 48,011</b>	<b>= \$ 59,390</b>	<b>= \$ 91,982</b>	<b>= \$ 180,382</b>	<b>= \$ 315,301</b>

**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
<b>Sale Proceeds:</b>	<b>= \$ 29,433</b>	<b>= \$ 34,368</b>	<b>= \$ 39,494</b>	<b>= \$ 50,354</b>	<b>= \$ 81,507</b>	<b>= \$ 166,305</b>	<b>= \$ 296,383</b>
Cumulative Cash Flow:	+ \$ 3,831	+ \$ 6,689	+ \$ 9,868	+ \$ 17,218	+ \$ 41,879	+ \$ 123,299	+ \$ 259,900
Total Cash Invested:	- \$ 33,774	- \$ 33,774	- \$ 33,774	- \$ 33,774	- \$ 33,774	- \$ 33,774	- \$ 33,774
<b>Total Profit:</b>	<b>= -\$ 510</b>	<b>= \$ 7,283</b>	<b>= \$ 15,588</b>	<b>= \$ 33,798</b>	<b>= \$ 89,612</b>	<b>= \$ 255,830</b>	<b>= \$ 522,509</b>

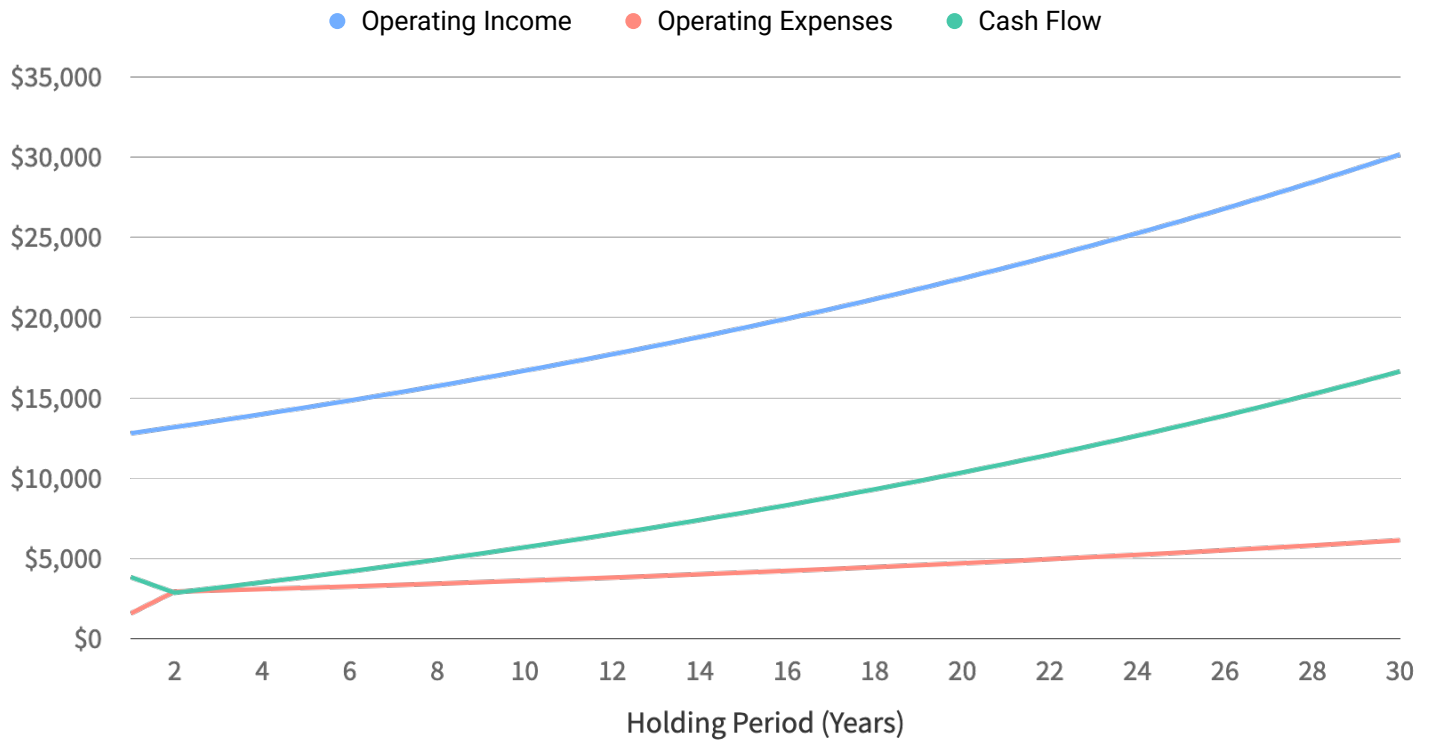
**INVESTMENT RETURNS**

Cap Rate (Purchase Price):	8.6%	7.9%	8.1%	8.6%	10.1%	13.7%	18.5%
Cap Rate (Market Value):	8.4%	7.4%	7.4%	7.5%	7.5%	7.6%	7.6%
Cash on Cash Return:	11.3%	8.5%	9.4%	11.4%	16.9%	30.7%	49.3%
Return on Equity:	10.2%	6.7%	6.6%	6.5%	6.2%	5.7%	5.3%
Return on Investment:	-1.5%	21.6%	46.2%	100.1%	265.3%	757.5%	1,547.1%
Internal Rate of Return:	-1.5%	10.8%	14.7%	17.1%	17.6%	16.6%	16%

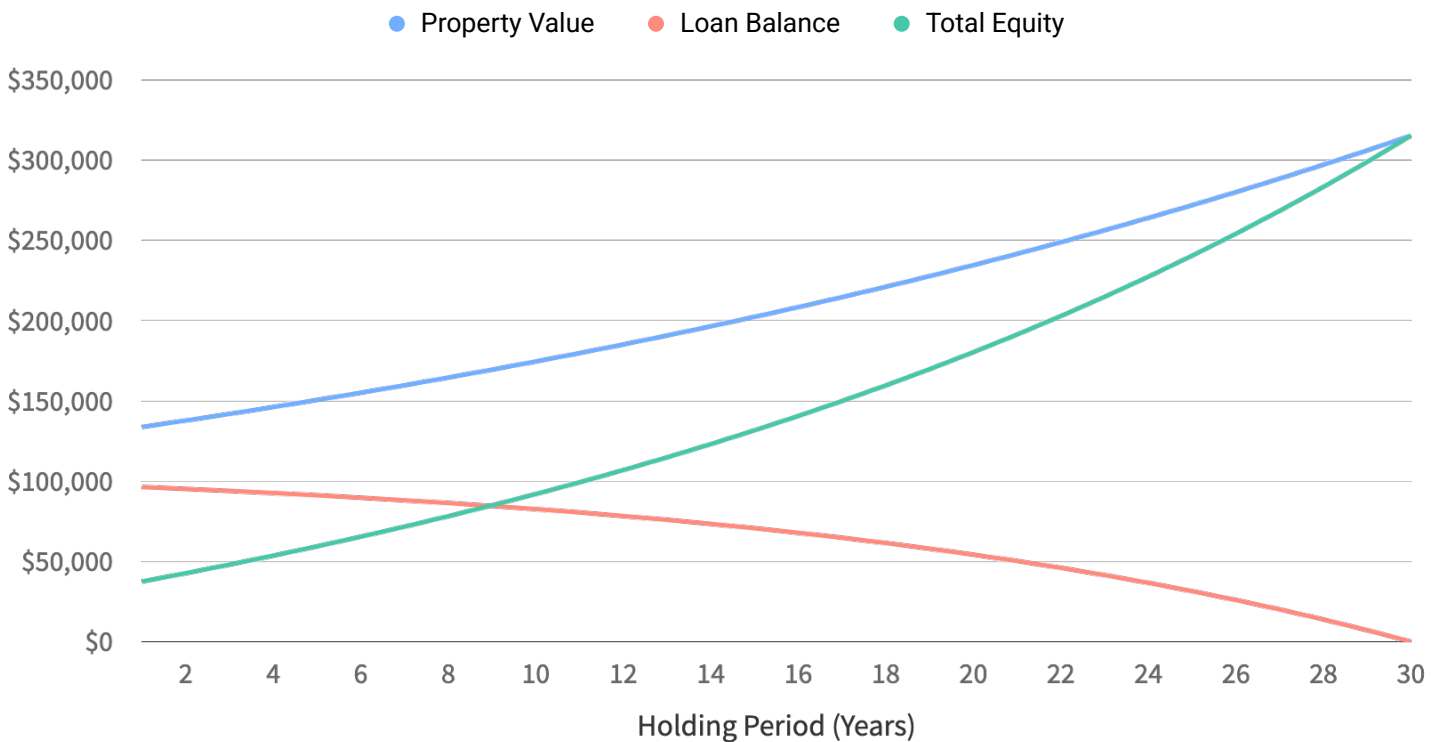
**FINANCIAL RATIOS**

Rent to Value:	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Gross Rent Multiplier:	10.14	10.14	10.14	10.14	10.14	10.14	10.14
Equity Multiple:	0.98	1.22	1.46	2	3.65	8.57	16.47
Break Even Ratio:	68%	76%	74.3%	71.1%	63.9%	52.3%	43.5%
Debt Coverage Ratio:	1.52	1.39	1.43	1.52	1.77	2.4	3.25
Debt Yield:	11.6%	10.8%	11.3%	12.3%	15.8%	32.7%	-

### Cash Flow Over Time

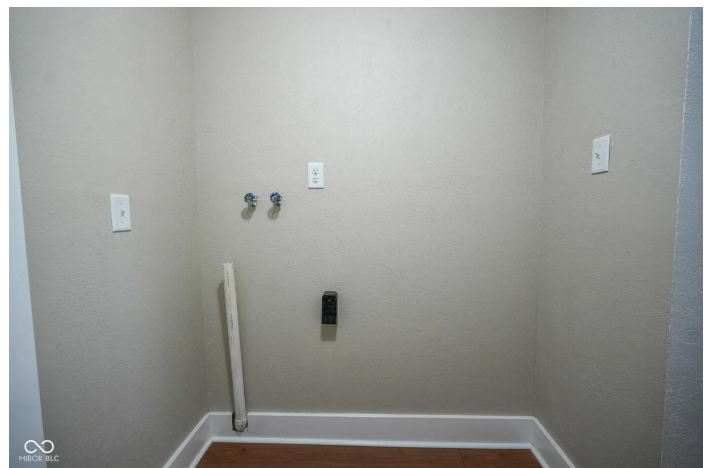


### Equity Over Time

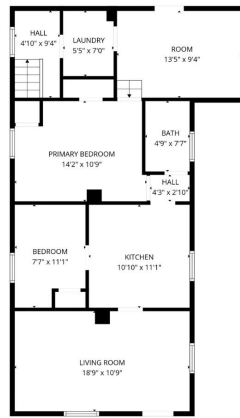
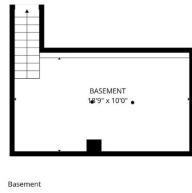
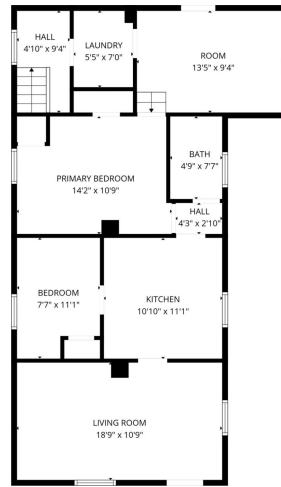
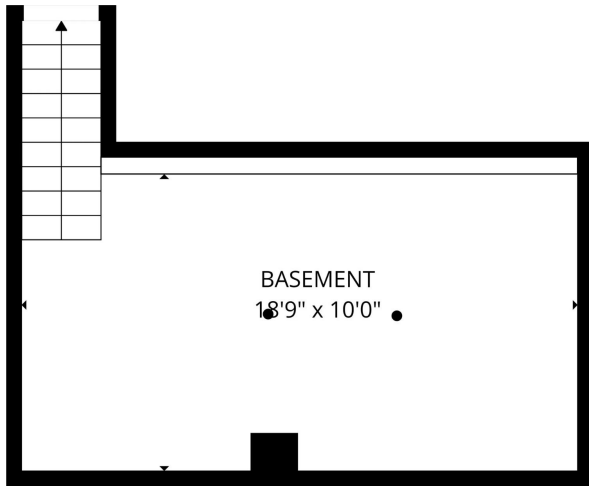


## Property Photos









1st floor

## Additional Information

Fully renovated 3/1 on Anderson's east side! This home has seen a tremendous amount of recent improvements. All new vinyl plank throughout, fresh paint/drywall, fully updated kitchen and bathroom. Note: one bedroom is a pass-through. Could also be used as extra living space or office. Come see today!

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