

1644 E Southern Ave

Investment Property - Buy & Hold

1644 E Southern Ave, Indianapolis, IN 46203
House · 3 Beds · 2 Baths · 951 Sq.Ft.

\$ 169,900 Purchase Price · \$ 180,000 ARV
\$ 44,174 Cash Needed · \$ 301/mo Cash Flow · 7.8% Cap Rate · 8.2% COC

Prepared by:



The Homeboys



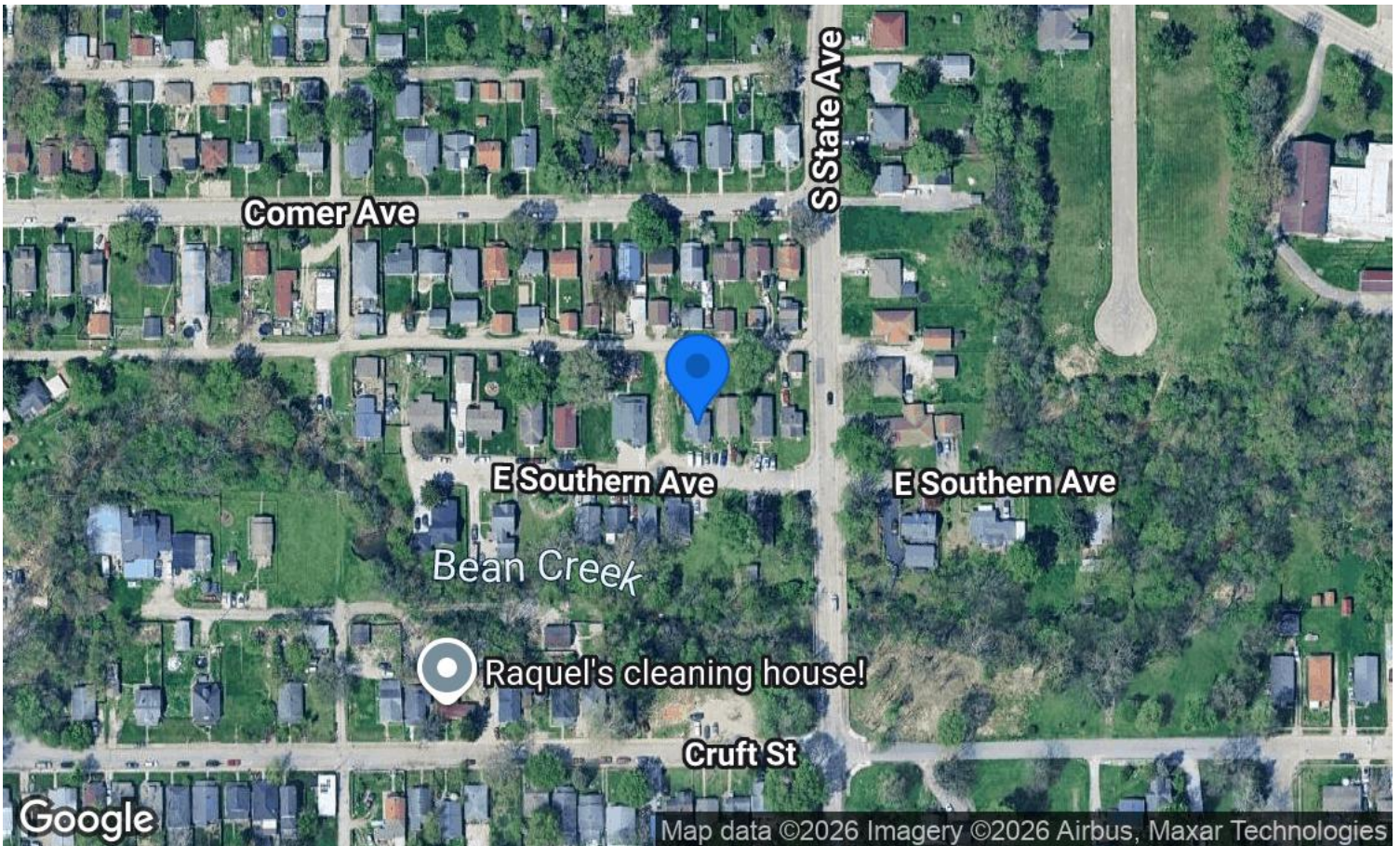
Property Description

ADDRESS

1644 E Southern Ave
Indianapolis, IN 46203

DESCRIPTION

| | |
|-----------------|--------------|
| Property Type: | House |
| Beds / Baths: | 3 BR / 2 BA |
| Square Footage: | 951 |
| Year Built: | 1926 |
| Lot Size: | 5,227 sq.ft. |
| MLS Number: | 22083275 |



Purchase Analysis & Returns

PURCHASE & REHAB

| | | |
|---------------------------|---|------------------|
| Purchase Price: | | \$ 169,900 |
| Amount Financed: | - | \$ 127,425 |
| Down Payment: | = | \$ 42,475 |
| Purchase Costs: | + | \$ 1,699 |
| Rehab Costs: | + | \$ 0 |
| Total Cash Needed: | = | \$ 44,174 |
| After Repair Value: | | \$ 180,000 |
| ARV Per Square Foot: | | \$ 189.3 |
| Price Per Square Foot: | | \$ 178.7 |

RETURNS & RATIOS (Year 1)

| | |
|-----------------------------|-------------|
| Cap Rate (Purchase/Market): | 7.8% / 7.4% |
| Cash on Cash Return: | 8.2% |
| Return on Equity: | 6.1% |
| Return on Investment: | 17.5% |
| Internal Rate of Return: | 17.5% |
| Rent to Value: | 1% |
| Gross Rent Multiplier: | 8.58 |
| Equity Multiple: | 1.17 |
| Break Even Ratio: | 78.7% |
| Debt Coverage Ratio: | 1.37 |
| Debt Yield: | 10.4% |

PURCHASE COSTS

| | |
|-----------------------------|-----------------|
| Total (1% of Price): | \$ 1,699 |
|-----------------------------|-----------------|

FINANCING (PURCHASE)

| | |
|----------------|---------------------------------------|
| Loan Type: | Amortizing, 30 Year |
| Interest Rate: | 6.5% |
| Financing Of: | Price (75%) |
| Loan Amount: | \$ 127,425 |
| LTC / LTV: | 75% / 70.8% |
| Loan Payment: | \$ 805 Per Month \$ 9,665 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: | \$ 7,800 |

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: | \$ 1,650 | \$ 19,800 |
| Vacancy (3%): | - \$ 50 | \$ 594 |
| Other Income: | + \$ 0 | \$ 0 |
| <hr/> | | |
| Operating Income: | = \$ 1,600 | \$ 19,206 |
| Operating Expenses (30.8%): | - \$ 493 | \$ 5,919 |
| <hr/> | | |
| Net Operating Income: | = \$ 1,107 | \$ 13,287 |
| Loan Payments: | - \$ 805 | \$ 9,665 |
| <hr/> | | |
| Cash Flow: | = \$ 302 | \$ 3,622 |

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

| | Monthly | Yearly |
|---------------------------|---------------|-----------------|
| OPERATING EXPENSES | | |
| Property Taxes: | \$ 261 | \$ 3,127 |
| Insurance: | \$ 167 | \$ 2,000 |
| Maintenance: | \$ 66 | \$ 792 |
| Capital Expenditures: | \$ 0 | \$ 0 |
| HOA Fees: | \$ 0 | \$ 0 |
| Utilities: | \$ 0 | \$ 0 |
| Landscaping: | \$ 0 | \$ 0 |
| Accounting & Legal Fees: | \$ 0 | \$ 0 |
| <hr/> | | |
| Total: | \$ 493 | \$ 5,919 |

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: | \$ 19,800 | \$ 20,592 | \$ 21,416 | \$ 23,163 | \$ 28,182 | \$ 41,716 | \$ 61,749 | |
| Vacancy: | - \$ 594 | - \$ 618 | - \$ 642 | - \$ 695 | - \$ 845 | - \$ 1,251 | - \$ 1,852 | |
| Vacancy Rate: | 3% | 3% | 3% | 3% | 3% | 3% | 3% | |
| Other Income: | + \$ 0 | + \$ 0 | + \$ 0 | + \$ 0 | + \$ 0 | + \$ 0 | + \$ 0 | |
| Operating Income: | = \$ 19,206 | = \$ 19,974 | = \$ 20,774 | = \$ 22,468 | = \$ 27,337 | = \$ 40,465 | = \$ 59,897 | |
| Income Increase: | 4% | 4% | 4% | 4% | 4% | 4% | 4% | |
| OPERATING EXPENSES | | | | | | | | |
| Property Taxes: | \$ 3,127 | \$ 3,190 | \$ 3,253 | \$ 3,385 | \$ 3,737 | \$ 4,555 | \$ 5,553 | |
| Insurance: | + \$ 2,000 | + \$ 2,040 | + \$ 2,081 | + \$ 2,165 | + \$ 2,390 | + \$ 2,914 | + \$ 3,552 | |
| Property Management: | N/A | + \$ 1,997 | + \$ 2,077 | + \$ 2,247 | + \$ 2,734 | + \$ 4,046 | + \$ 5,990 | |
| Maintenance: | + \$ 792 | + \$ 824 | + \$ 857 | + \$ 927 | + \$ 1,127 | + \$ 1,669 | + \$ 2,470 | |
| 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: | = \$ 5,919 | = \$ 8,051 | = \$ 8,268 | = \$ 8,724 | = \$ 9,988 | = \$ 13,184 | = \$ 17,565 | |
| Expense Increase: | 2% | 2% | 2% | 2% | 2% | 2% | 2% | |
| CASH FLOW | | | | | | | | |
| Operating Income: | \$ 19,206 | \$ 19,974 | \$ 20,774 | \$ 22,468 | \$ 27,337 | \$ 40,465 | \$ 59,897 | |
| Operating Expenses: | - \$ 5,919 | - \$ 8,051 | - \$ 8,268 | - \$ 8,724 | - \$ 9,988 | - \$ 13,184 | - \$ 17,565 | |
| Expense Ratio: | 30.8% | 40.3% | 39.8% | 38.8% | 36.5% | 32.6% | 29.3% | |
| Net Operating Income: | = \$ 13,287 | = \$ 11,923 | = \$ 12,506 | = \$ 13,744 | = \$ 17,349 | = \$ 27,281 | = \$ 42,332 | |
| Loan Payments: | - \$ 9,665 | - \$ 9,665 | - \$ 9,665 | - \$ 9,665 | - \$ 9,665 | - \$ 9,665 | - \$ 9,665 | |
| Cash Flow: | = \$ 3,622 | = \$ 2,258 | = \$ 2,841 | = \$ 4,079 | = \$ 7,684 | = \$ 17,616 | = \$ 32,667 | |
| TAX BENEFITS & DEDUCTIONS | | | | | | | | |
| Operating Expenses: | \$ 5,919 | \$ 8,051 | \$ 8,268 | \$ 8,724 | \$ 9,988 | \$ 13,184 | \$ 17,565 | |
| Loan Interest: | + \$ 8,241 | + \$ 8,145 | + \$ 8,044 | + \$ 7,819 | + \$ 7,112 | + \$ 4,784 | + \$ 332 | |
| Depreciation: | + \$ 5,956 | + \$ 5,956 | + \$ 5,956 | + \$ 5,956 | + \$ 5,956 | + \$ 5,956 | + \$ 0 | |
| Total Deductions: | = \$ 20,116 | = \$ 22,153 | = \$ 22,268 | = \$ 22,499 | = \$ 23,057 | = \$ 23,924 | = \$ 17,897 | |
| EQUITY ACCUMULATION | | | | | | | | |

| | Year 1 | Year 2 | Year 3 | Year 5 | Year 10 | Year 20 | Year 30 |
|----------------------|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
| Property Value: | \$ 185,400 | \$ 190,962 | \$ 196,691 | \$ 208,669 | \$ 241,905 | \$ 325,100 | \$ 436,907 |
| Appreciation: | 3% | 3% | 3% | 3% | 3% | 3% | 3% |
| Loan Balance: | - \$ 126,001 | - \$ 124,481 | - \$ 122,860 | - \$ 119,284 | - \$ 108,026 | - \$ 70,931 | - \$ 0 |
| LTV Ratio: | 68% | 65.2% | 62.5% | 57.2% | 44.7% | 21.8% | - |
| Total Equity: | = \$ 59,399 | = \$ 66,481 | = \$ 73,831 | = \$ 89,385 | = \$ 133,879 | = \$ 254,169 | = \$ 436,907 |

SALE ANALYSIS

| | | | | | | | |
|------------------------|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
| Equity: | \$ 59,399 | \$ 66,481 | \$ 73,831 | \$ 89,385 | \$ 133,879 | \$ 254,169 | \$ 436,907 |
| Selling Costs (6%): | - \$ 11,124 | - \$ 11,458 | - \$ 11,801 | - \$ 12,520 | - \$ 14,514 | - \$ 19,506 | - \$ 26,214 |
| Green Proceeds: | = \$ 48,275 | = \$ 55,023 | = \$ 62,030 | = \$ 76,865 | = \$ 119,365 | = \$ 234,663 | = \$ 410,693 |
| Cumulative Cash Flow: | + \$ 3,622 | + \$ 5,880 | + \$ 8,721 | + \$ 16,248 | + \$ 47,154 | + \$ 175,191 | + \$ 429,007 |
| Total Cash Invested: | - \$ 44,174 | - \$ 44,174 | - \$ 44,174 | - \$ 44,174 | - \$ 44,174 | - \$ 44,174 | - \$ 44,174 |
| Total Profit: | = \$ 7,723 | = \$ 16,729 | = \$ 26,577 | = \$ 48,939 | = \$ 122,345 | = \$ 365,680 | = \$ 795,526 |

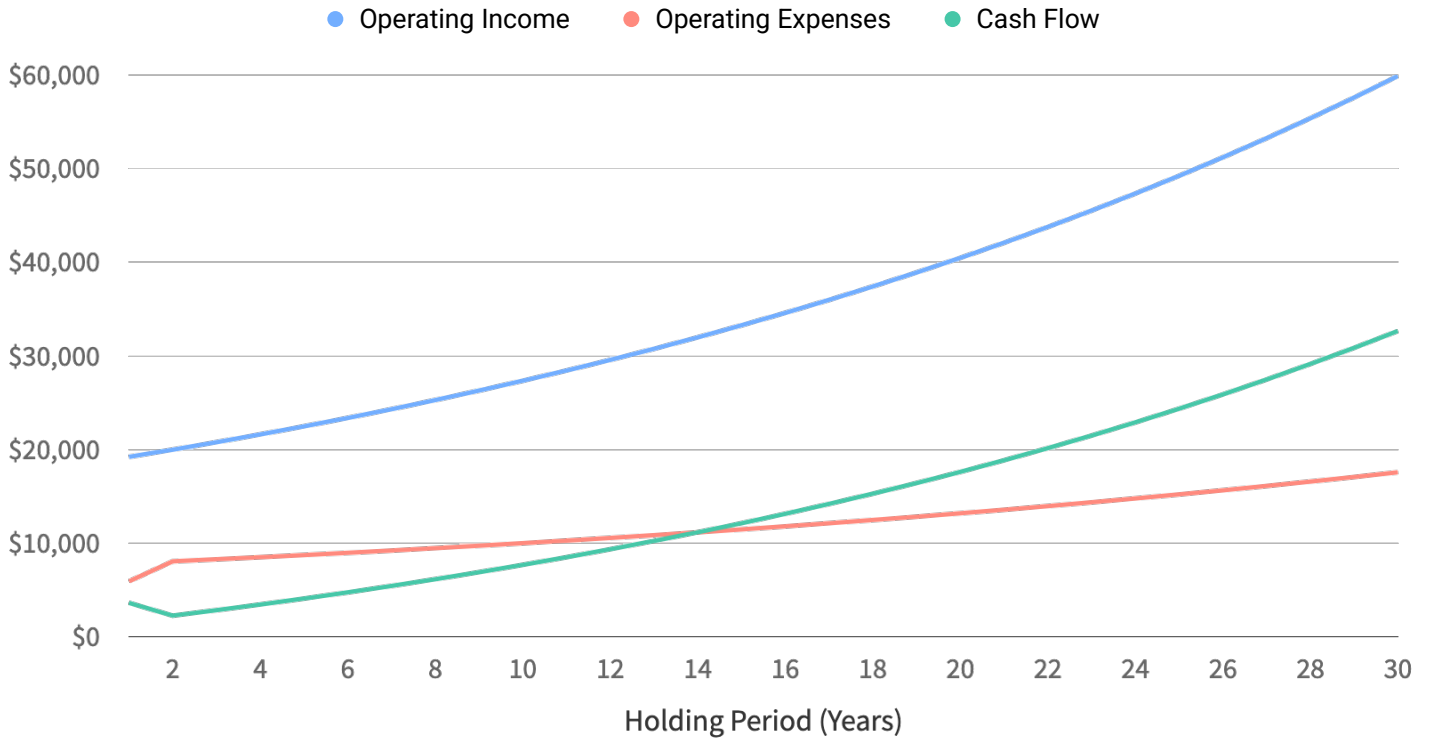
INVESTMENT RETURNS

| | | | | | | | |
|----------------------------|-------|-------|-------|--------|-------|--------|----------|
| Cap Rate (Purchase Price): | 7.8% | 7% | 7.4% | 8.1% | 10.2% | 16.1% | 24.9% |
| Cap Rate (Market Value): | 7.2% | 6.2% | 6.4% | 6.6% | 7.2% | 8.4% | 9.7% |
| Cash on Cash Return: | 8.2% | 5.1% | 6.4% | 9.2% | 17.4% | 39.9% | 74% |
| Return on Equity: | 6.1% | 3.4% | 3.8% | 4.6% | 5.7% | 6.9% | 7.5% |
| Return on Investment: | 17.5% | 37.9% | 60.2% | 110.8% | 277% | 827.8% | 1,800.9% |
| Internal Rate of Return: | 17.5% | 18% | 18% | 17.6% | 16.9% | 16.1% | 15.8% |

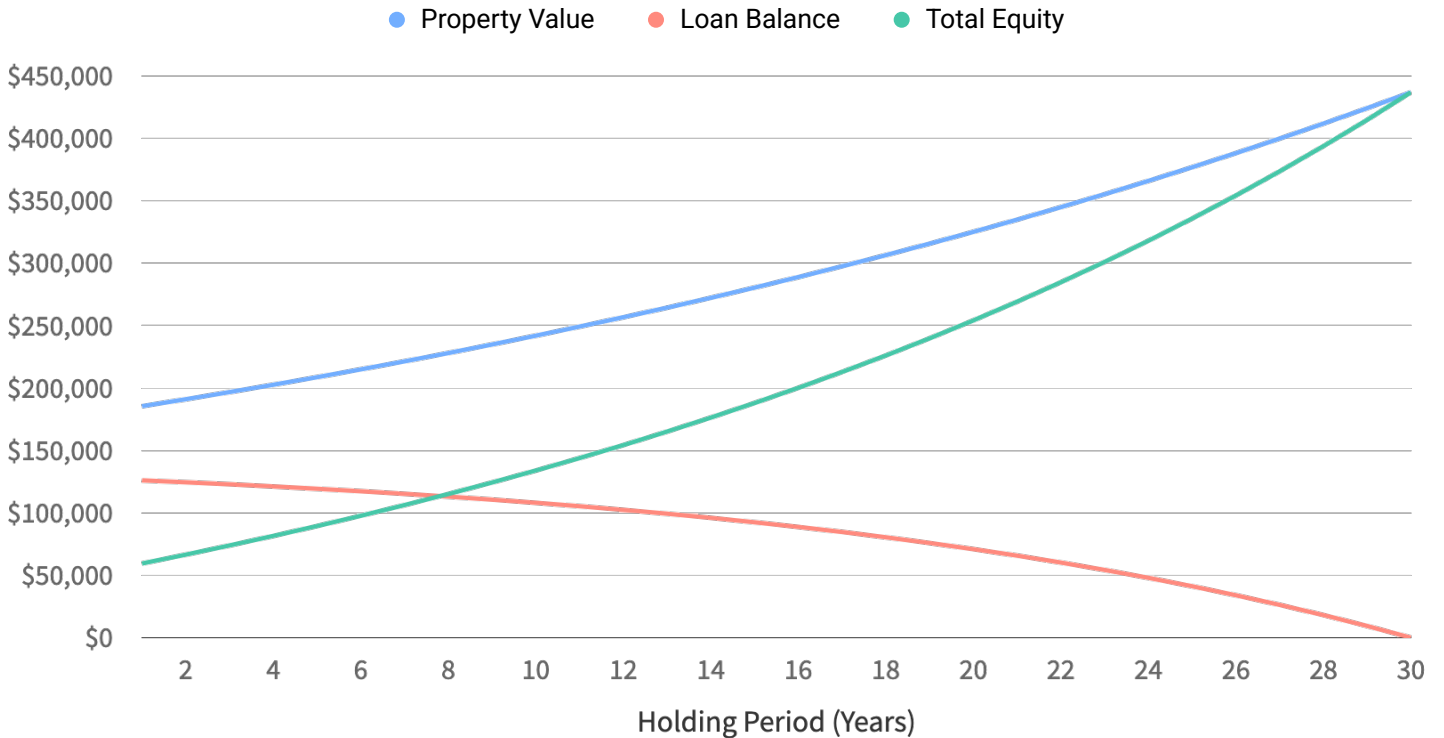
FINANCIAL RATIOS

| | | | | | | | |
|------------------------|-------|------|-------|-------|-------|-------|-------|
| Rent to Value: | 0.9% | 0.9% | 0.9% | 0.9% | 1% | 1.1% | 1.2% |
| Gross Rent Multiplier: | 9.36 | 9.27 | 9.18 | 9.01 | 8.58 | 7.79 | 7.08 |
| Equity Multiple: | 1.17 | 1.38 | 1.6 | 2.11 | 3.77 | 9.28 | 19.01 |
| Break Even Ratio: | 78.7% | 86% | 83.7% | 79.4% | 69.7% | 54.8% | 44.1% |
| Debt Coverage Ratio: | 1.37 | 1.23 | 1.29 | 1.42 | 1.8 | 2.82 | 4.38 |
| Debt Yield: | 10.5% | 9.6% | 10.2% | 11.5% | 16.1% | 38.5% | - |

Cash Flow Over Time



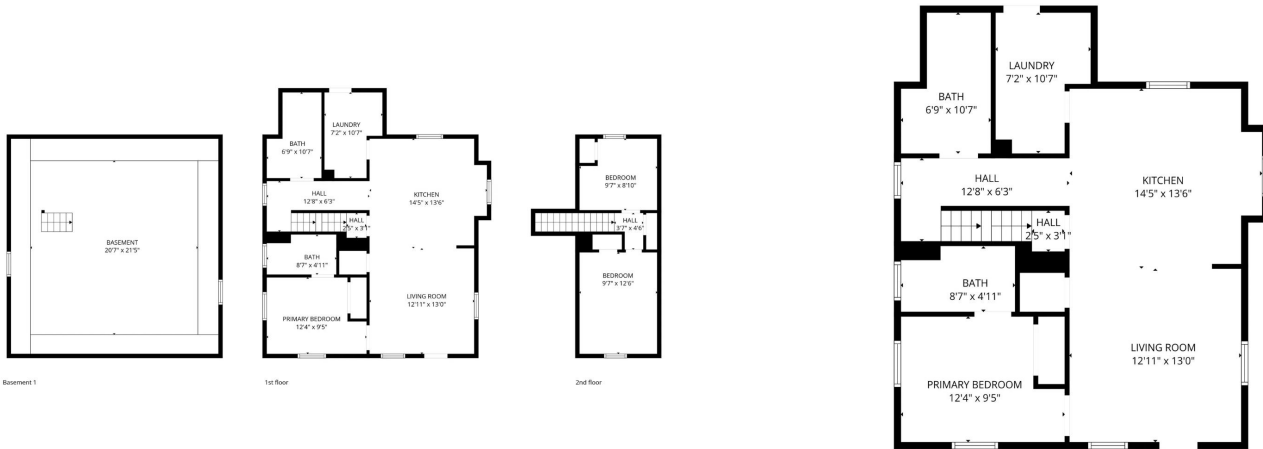
Equity Over Time

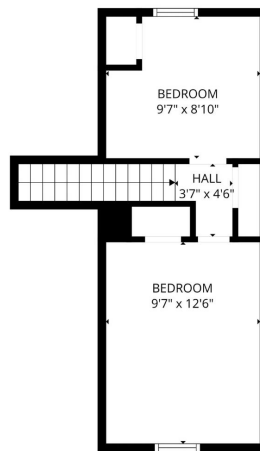


Property Photos









Additional Information

Stunning 3 bedroom, 2 bath on Indy's southside. Fully remodeled with open concept. Kitchen/Living room combo maximizes the space the space on the main level. First floor primary suite with private full bathroom. All new flooring, paint, fixtures and more. Brand new HVAC system and other mechanicals. Great starter home with short drive to downtown and Fountain Square. Come take a look!

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