

3515 E 10th St

Investment Property - Buy & Hold

3515 E 10th St, Indianapolis, IN 46201
House · 3 Beds · 2 Baths · 1,484 Sq.Ft.

\$ 174,900 Purchase Price · \$ 174,900 ARV
\$ 46,349 Cash Needed · \$ 221/mo Cash Flow · 7.2% Cap Rate · 5.7% COC

Prepared by:



The Homeboys



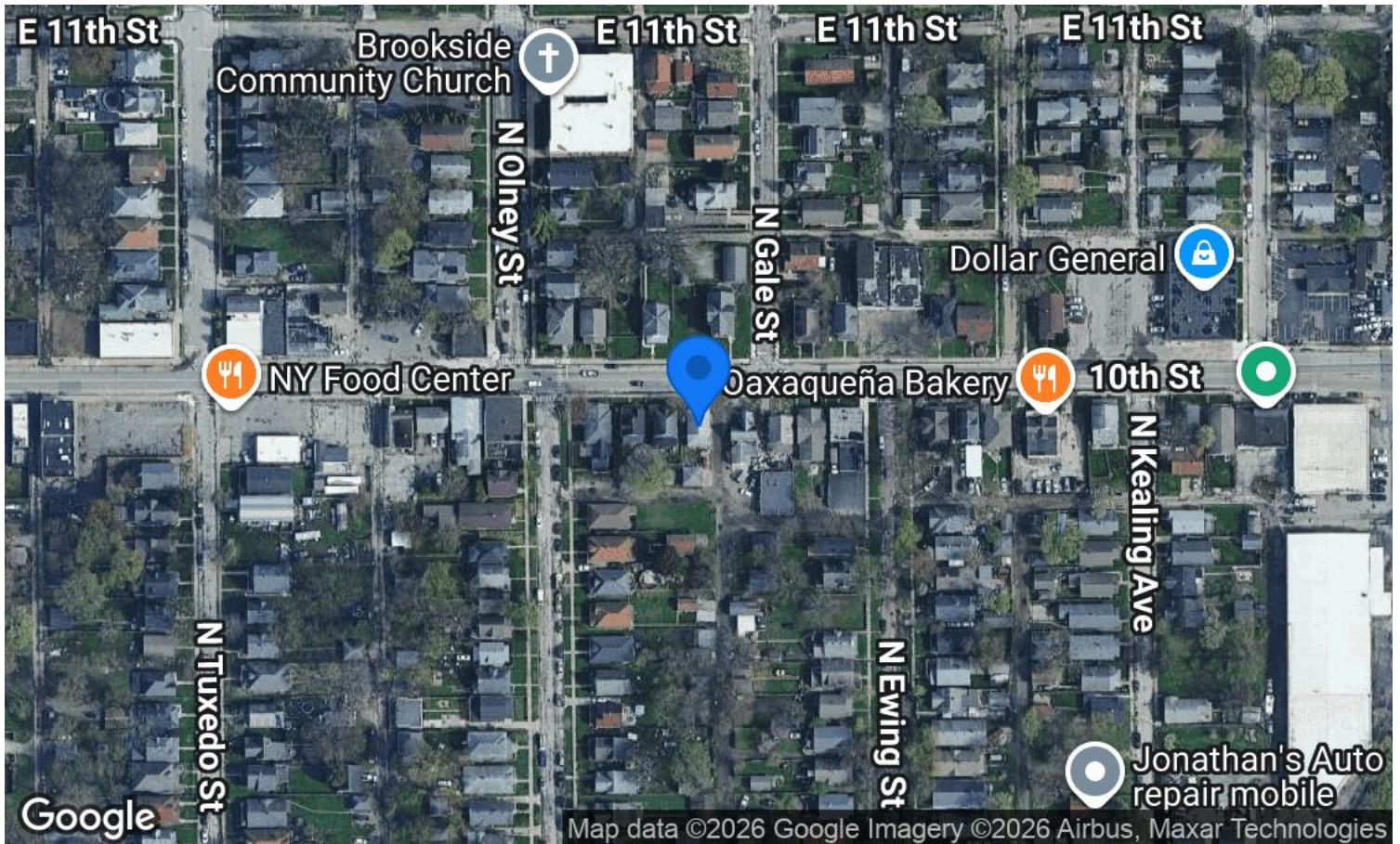
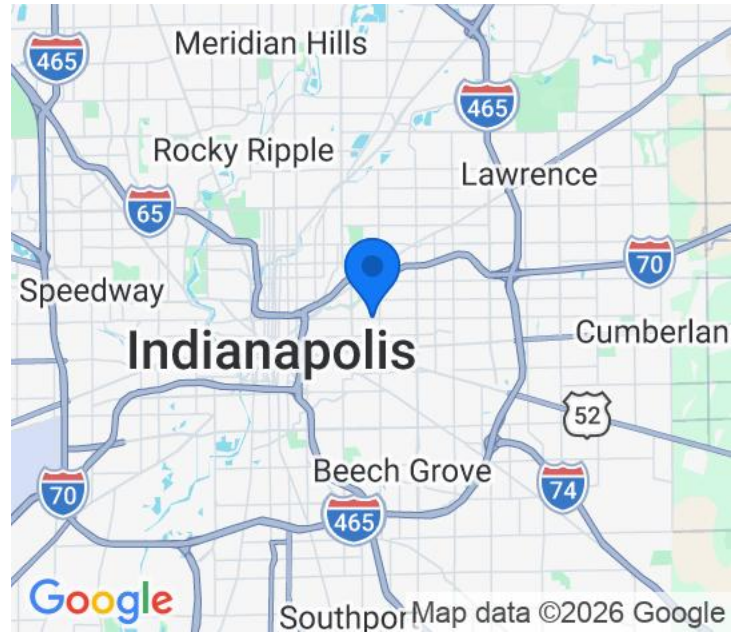
Property Description

ADDRESS

3515 E 10th St
Indianapolis, IN 46201

DESCRIPTION

Property Type:	House
Beds / Baths:	3 BR / 2 BA
Square Footage:	1,484
Year Built:	1915
Parking:	Garage
Lot Size:	3,920 sq.ft.
Zoning:	Z001
MLS Number:	22088532



Purchase Analysis & Returns

PURCHASE & REHAB

Purchase Price:		\$ 174,900
Amount Financed:	-	\$ 131,175
Down Payment:	=	\$ 43,725
Purchase Costs:	+	\$ 2,624
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 46,349
After Repair Value:		\$ 174,900
ARV Per Square Foot:		\$ 117.9
Price Per Square Foot:		\$ 117.9

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	7.2% / 7.2%
Cash on Cash Return:	5.7%
Return on Equity:	5.1%
Return on Investment:	-5.2%
Internal Rate of Return:	-5.2%
Rent to Value:	0.9%
Gross Rent Multiplier:	9.72
Equity Multiple:	0.95
Break Even Ratio:	82.2%
Debt Coverage Ratio:	1.27
Debt Yield:	9.6%

PURCHASE COSTS

Total (1.5% of Price):	\$ 2,624
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FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	6.5%
Financing Of:	Price (75%)
Loan Amount:	\$ 131,175
LTC / LTV:	75% / 75%
Loan Payment:	\$ 829 Per Month
	\$ 9,949 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:	\$ 4,200

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:	\$ 1,500	\$ 18,000
Vacancy (3%):	- \$ 45	\$ 540
Other Income:	+ \$ 0	\$ 0
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Operating Income:	= \$ 1,455	\$ 17,460
Operating Expenses (27.8%):	- \$ 404	\$ 4,853
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Net Operating Income:	= \$ 1,051	\$ 12,607
Loan Payments:	- \$ 829	\$ 9,949
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Cash Flow:	= \$ 222	\$ 2,658

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

	Monthly	Yearly
OPERATING EXPENSES		
Property Taxes:	\$ 250	\$ 2,998
Insurance:	\$ 95	\$ 1,135
Maintenance:	\$ 60	\$ 720
Capital Expenditures:	\$ 0	\$ 0
HOA Fees:	\$ 0	\$ 0
Utilities:	\$ 0	\$ 0
Landscaping:	\$ 0	\$ 0
Accounting & Legal Fees:	\$ 0	\$ 0
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Total:	\$ 404	\$ 4,853

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		
RENTAL INCOME									
Gross Rent:	\$ 18,000	\$ 18,720	\$ 19,469	\$ 21,057	\$ 25,620	\$ 37,923	\$ 56,136		
Vacancy:	- \$ 540	- \$ 562	- \$ 584	- \$ 632	- \$ 769	- \$ 1,138	- \$ 1,684		
Vacancy Rate:	3%	3%	3%	3%	3%	3%	3%		
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0		
Operating Income:	= \$ 17,460	= \$ 18,158	= \$ 18,885	= \$ 20,425	= \$ 24,851	= \$ 36,785	= \$ 54,452		
Income Increase:	4%	4%	4%	4%	4%	4%	4%		
OPERATING EXPENSES									
Property Taxes:	\$ 2,998	\$ 3,058	\$ 3,119	\$ 3,245	\$ 3,583	\$ 4,368	\$ 5,324		
Insurance:	+ \$ 1,135	+ \$ 1,158	+ \$ 1,181	+ \$ 1,229	+ \$ 1,356	+ \$ 1,653	+ \$ 2,016		
Property Management:	N/A	+ \$ 1,816	+ \$ 1,888	+ \$ 2,043	+ \$ 2,485	+ \$ 3,679	+ \$ 5,445		
Maintenance:	+ \$ 720	+ \$ 749	+ \$ 779	+ \$ 842	+ \$ 1,025	+ \$ 1,517	+ \$ 2,245		
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:	= \$ 4,853	= \$ 6,781	= \$ 6,967	= \$ 7,359	= \$ 8,449	= \$ 11,217	= \$ 15,030		
Expense Increase:	2%	2%	2%	2%	2%	2%	2%		
CASH FLOW									
Operating Income:	\$ 17,460	\$ 18,158	\$ 18,885	\$ 20,425	\$ 24,851	\$ 36,785	\$ 54,452		
Operating Expenses:	- \$ 4,853	- \$ 6,781	- \$ 6,967	- \$ 7,359	- \$ 8,449	- \$ 11,217	- \$ 15,030		
Expense Ratio:	27.8%	37.3%	36.9%	36%	34%	30.5%	27.6%		
Net Operating Income:	= \$ 12,607	= \$ 11,377	= \$ 11,918	= \$ 13,066	= \$ 16,402	= \$ 25,568	= \$ 39,422		
Loan Payments:	- \$ 9,949	- \$ 9,949	- \$ 9,949	- \$ 9,949	- \$ 9,949	- \$ 9,949	- \$ 9,949		
Cash Flow:	= \$ 2,658	= \$ 1,428	= \$ 1,969	= \$ 3,117	= \$ 6,453	= \$ 15,619	= \$ 29,473		
TAX BENEFITS & DEDUCTIONS									
Operating Expenses:	\$ 4,853	\$ 6,781	\$ 6,967	\$ 7,359	\$ 8,449	\$ 11,217	\$ 15,030		
Loan Interest:	+ \$ 8,483	+ \$ 8,385	+ \$ 8,280	+ \$ 8,049	+ \$ 7,322	+ \$ 4,925	+ \$ 342		
Depreciation:	+ \$ 6,303	+ \$ 6,303	+ \$ 6,303	+ \$ 6,303	+ \$ 6,303	+ \$ 6,303	+ \$ 0		
Total Deductions:	= \$ 19,639	= \$ 21,469	= \$ 21,550	= \$ 21,711	= \$ 22,073	= \$ 22,445	= \$ 15,372		
EQUITY ACCUMULATION									

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Property Value:	\$ 181,896	\$ 189,172	\$ 196,739	\$ 212,793	\$ 258,895	\$ 383,227	\$ 567,270
Appreciation:	4%	4%	4%	4%	4%	4%	4%
Loan Balance:	- \$ 129,709	- \$ 128,144	- \$ 126,475	- \$ 122,794	- \$ 111,205	- \$ 73,019	- \$ 0
LTV Ratio:	71.3%	67.7%	64.3%	57.7%	43%	19.1%	-
Total Equity:	= \$ 52,187	= \$ 61,028	= \$ 70,264	= \$ 89,999	= \$ 147,690	= \$ 310,208	= \$ 567,270

SALE ANALYSIS

Equity:	\$ 52,187	\$ 61,028	\$ 70,264	\$ 89,999	\$ 147,690	\$ 310,208	\$ 567,270
Selling Costs (6%):	- \$ 10,914	- \$ 11,350	- \$ 11,804	- \$ 12,768	- \$ 15,534	- \$ 22,994	- \$ 34,036
Sale Proceeds:	= \$ 41,273	= \$ 49,677	= \$ 58,459	= \$ 77,231	= \$ 132,156	= \$ 287,214	= \$ 533,234
Cumulative Cash Flow:	+ \$ 2,658	+ \$ 4,086	+ \$ 6,055	+ \$ 11,704	+ \$ 37,020	+ \$ 148,834	+ \$ 376,539
Total Cash Invested:	- \$ 46,349	- \$ 46,349	- \$ 46,349	- \$ 46,349	- \$ 46,349	- \$ 46,349	- \$ 46,349
Total Profit:	= -\$ 2,418	= \$ 7,414	= \$ 18,165	= \$ 42,586	= \$ 122,827	= \$ 389,699	= \$ 863,424

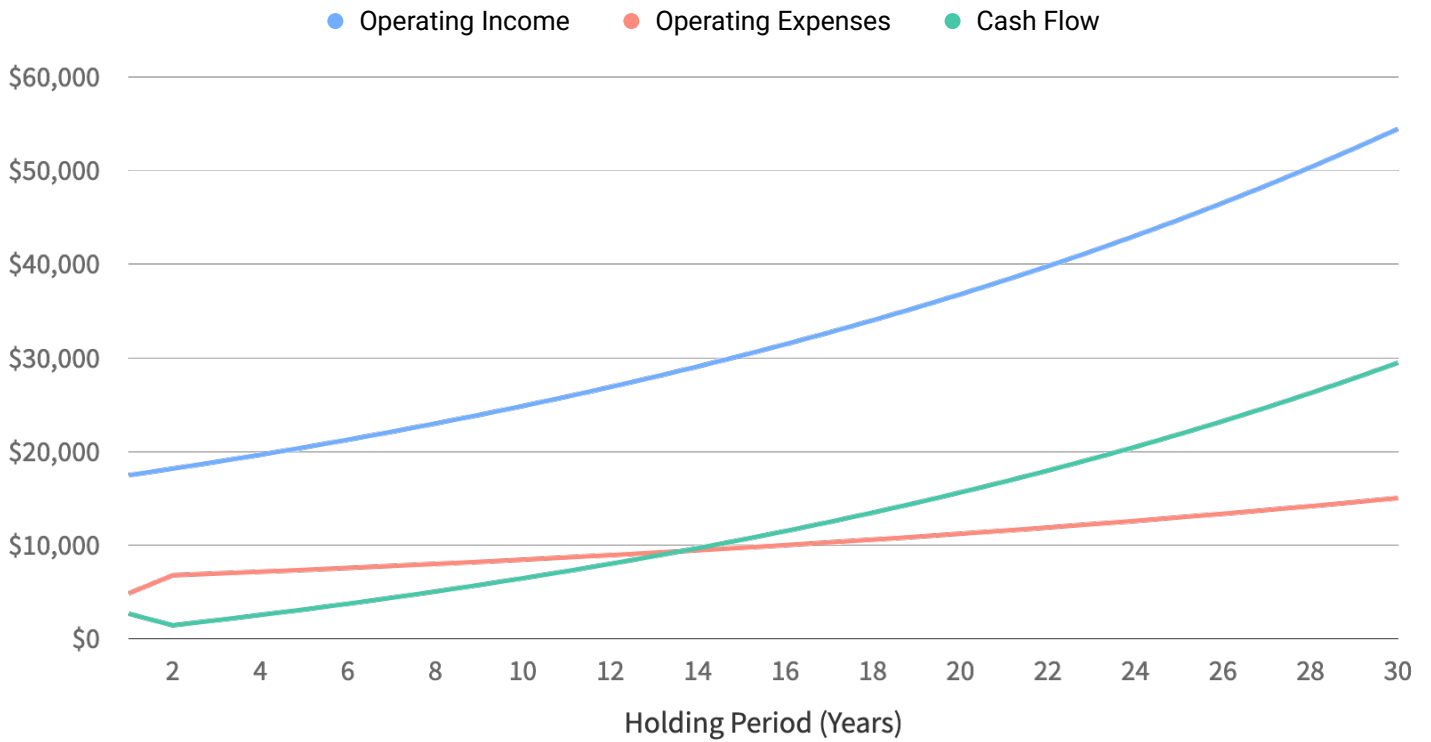
INVESTMENT RETURNS

Cap Rate (Purchase Price):	7.2%	6.5%	6.8%	7.5%	9.4%	14.6%	22.5%
Cap Rate (Market Value):	6.9%	6%	6.1%	6.1%	6.3%	6.7%	6.9%
Cash on Cash Return:	5.7%	3.1%	4.2%	6.7%	13.9%	33.7%	63.6%
Return on Equity:	5.1%	2.3%	2.8%	3.5%	4.4%	5%	5.2%
Return on Investment:	-5.2%	16%	39.2%	91.9%	265%	840.8%	1,862.9%
Internal Rate of Return:	-5.2%	7.9%	12.1%	14.9%	15.6%	14.9%	14.5%

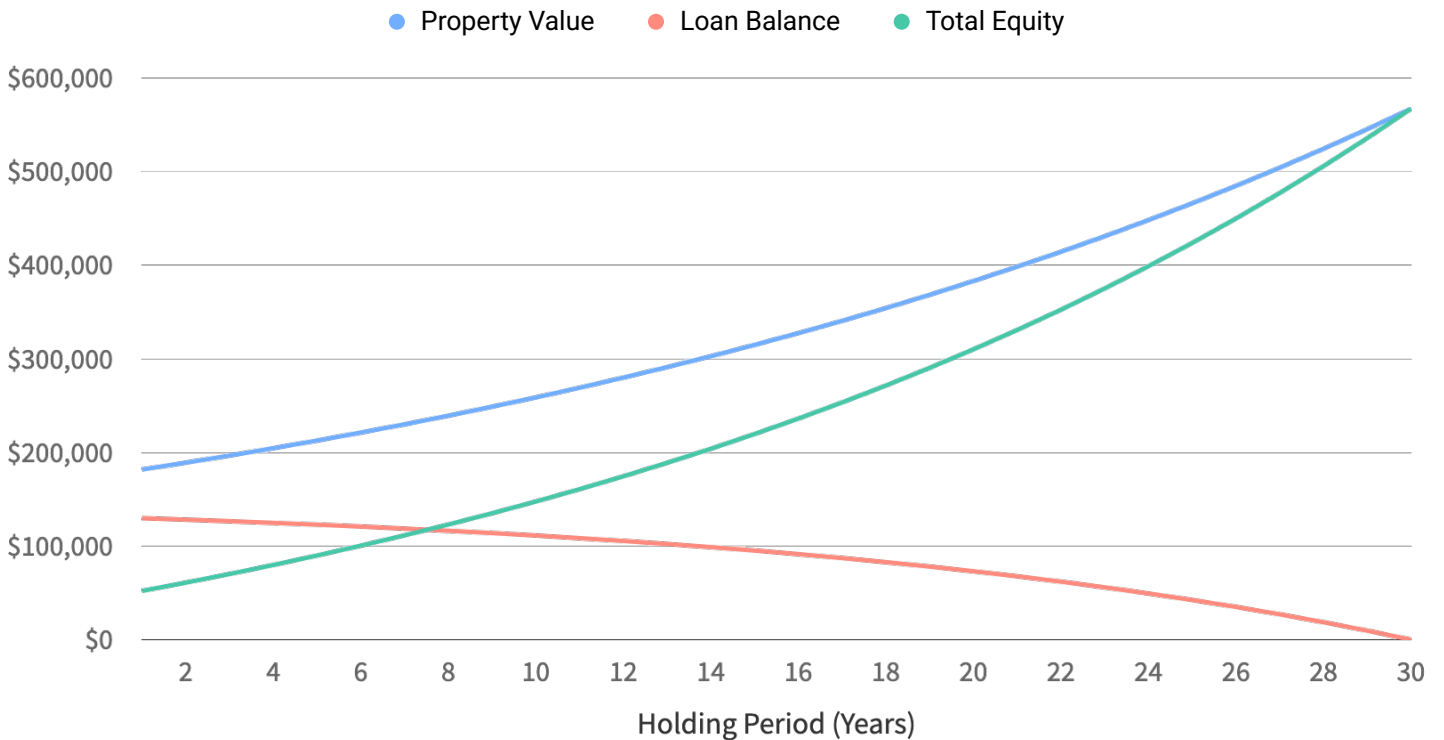
FINANCIAL RATIOS

Rent to Value:	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Gross Rent Multiplier:	10.11	10.11	10.11	10.11	10.11	10.11	10.11
Equity Multiple:	0.95	1.16	1.39	1.92	3.65	9.41	19.63
Break Even Ratio:	82.2%	89.4%	86.9%	82.2%	71.8%	55.8%	44.5%
Debt Coverage Ratio:	1.27	1.14	1.2	1.31	1.65	2.57	3.96
Debt Yield:	9.7%	8.9%	9.4%	10.6%	14.7%	35%	-

Cash Flow Over Time

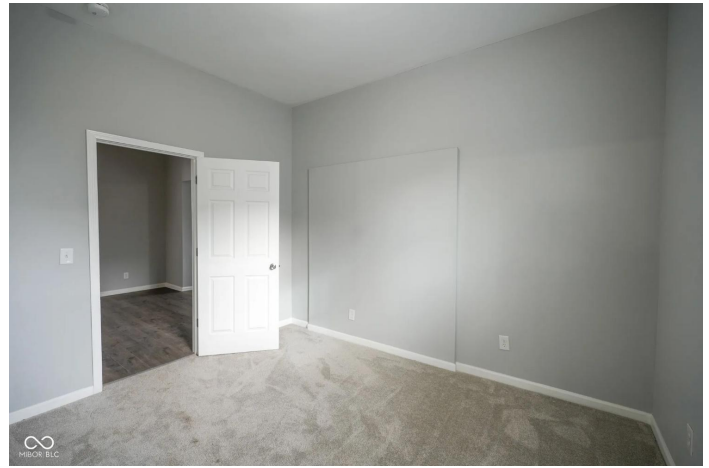


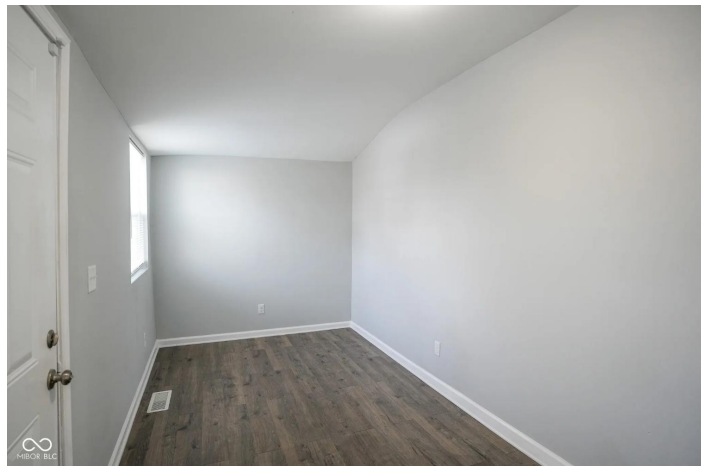
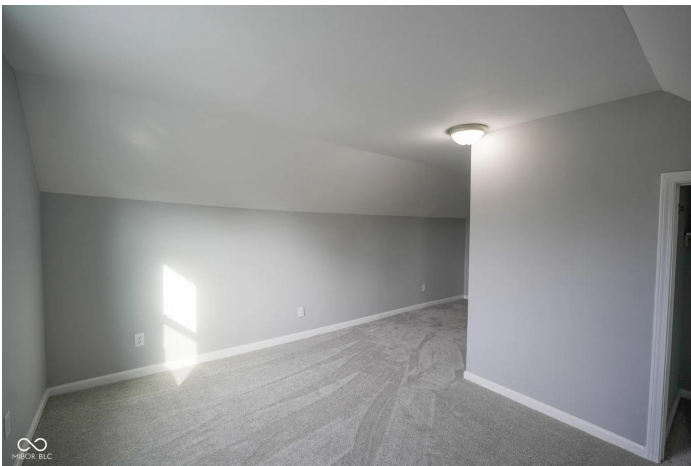
Equity Over Time



Property Photos







Additional Information

Nicely updated 3 bed/2 bath home on Indy's near east side. This property has been the subject of an abundance of updates. Brand new flooring throughout, fresh paint, and contemporary fixtures. Enormous foyer/living room/dining room area greets you as you step inside, offering endless possibilities for laying out the space. Fully updated kitchen with new cabinets, counters and SS appliances. Main level primary suite with full bathroom and walk-in closet. 2 car detached garage adds fantastic parking or storage options. Come see today!

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