

2341-2343 Adams Street

Investment Property - Buy & Hold

2341-2343 Adams St, Indianapolis, IN 46218

Multi-Family · 2 Units · 2,400 Sq.Ft.

Duplex on Indy's east side

\$ 265,000 Purchase Price · \$ 265,000 ARV

\$ 68,900 Cash Needed · \$ 767/mo Cash Flow · 9.2% Cap Rate · 13.4% COC

Prepared by:



The Homeboys



Property Description

ADDRESS

2341-2343 Adams St
Indianapolis, IN 46218

UNITS & RENT ROLL

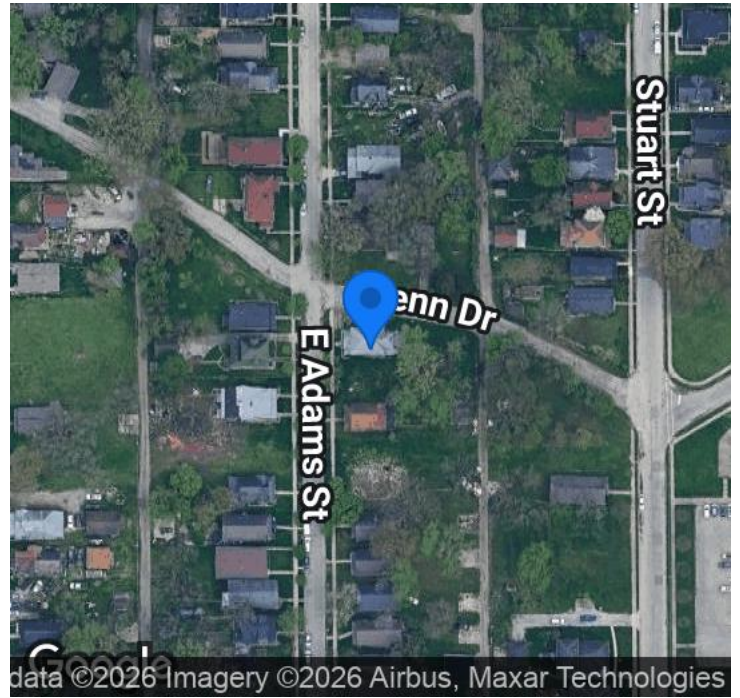
2 Units - Residential
2 Beds / 1 Baths / 1,200 Sq.Ft.
Gross Rent: \$ 1,200 Per Month

DESCRIPTION

Property Type: Multi-Family

UNIT INFORMATION

Total Units/Spaces: 2
Total Square Footage: 2,400



Purchase Analysis & Returns

PURCHASE & REHAB

Purchase Price:		\$ 265,000
Amount Financed:	-	\$ 198,750
Down Payment:	=	\$ 66,250
Purchase Costs:	+	\$ 2,650
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 68,900
After Repair Value:		\$ 265,000
ARV Per Square Foot:		\$ 110.4
Price Per Square Foot:		\$ 110.4
Price Per Unit:		\$ 132,500

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	9.2% / 9.2%
Cash on Cash Return:	13.4%
Return on Equity:	12%
Return on Investment:	0.5%
Internal Rate of Return:	0.5%
Rent to Value:	0.9%
Gross Rent Multiplier:	9.2
Equity Multiple:	1.01
Break Even Ratio:	65.1%
Debt Coverage Ratio:	1.61
Debt Yield:	12.2%

PURCHASE COSTS

Total (1% of Price):	\$ 2,650
-----------------------------	-----------------

FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	6.5%
Financing Of:	Price (75%)
Loan Amount:	\$ 198,750
LTC / LTV:	75% / 75%
Loan Payment:	\$ 1,256 Per Month \$ 15,075 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:	\$ 0

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:	\$ 2,400	\$ 28,800
Vacancy (3%):	- \$ 72	\$ 864
Other Income:	+ \$ 0	\$ 0
<hr/>		
Operating Income:	= \$ 2,328	\$ 27,936
Operating Expenses (13.1%):	- \$ 305	\$ 3,660
<hr/>		
Net Operating Income:	= \$ 2,023	\$ 24,276
Loan Payments:	- \$ 1,256	\$ 15,075
<hr/>		
Cash Flow:	= \$ 767	\$ 9,201
Cash Flow Per Unit:	\$ 384	\$ 4,601

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

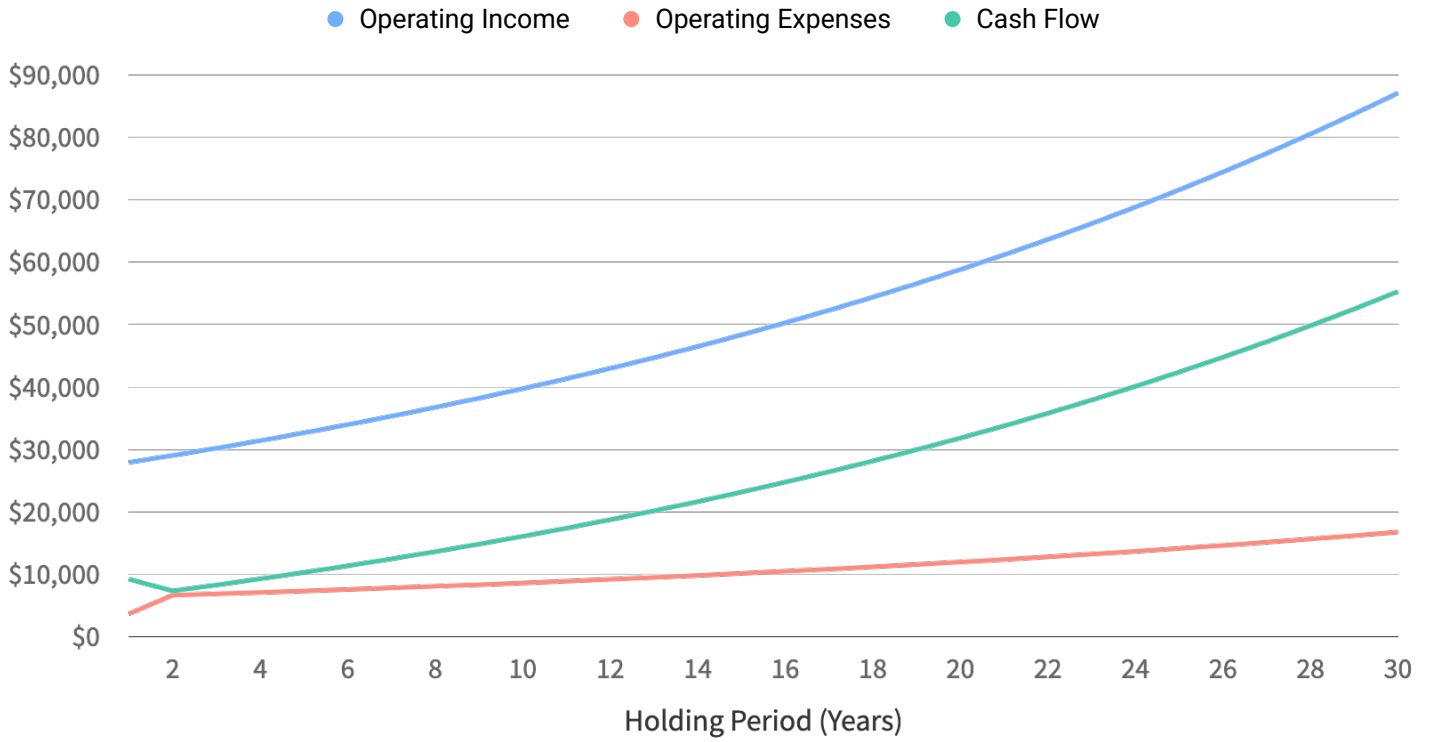
	Monthly	Yearly
OPERATING EXPENSES		
Property Taxes:	\$ 149	\$ 1,788
Insurance:	\$ 60	\$ 720
Maintenance:	\$ 96	\$ 1,152
Capital Expenditures:	\$ 0	\$ 0
HOA Fees:	\$ 0	\$ 0
Utilities:	\$ 0	\$ 0
Landscaping:	\$ 0	\$ 0
Accounting & Legal Fees:	\$ 0	\$ 0
<hr/>		
Total:	\$ 305	\$ 3,660

Buy & Hold Projections

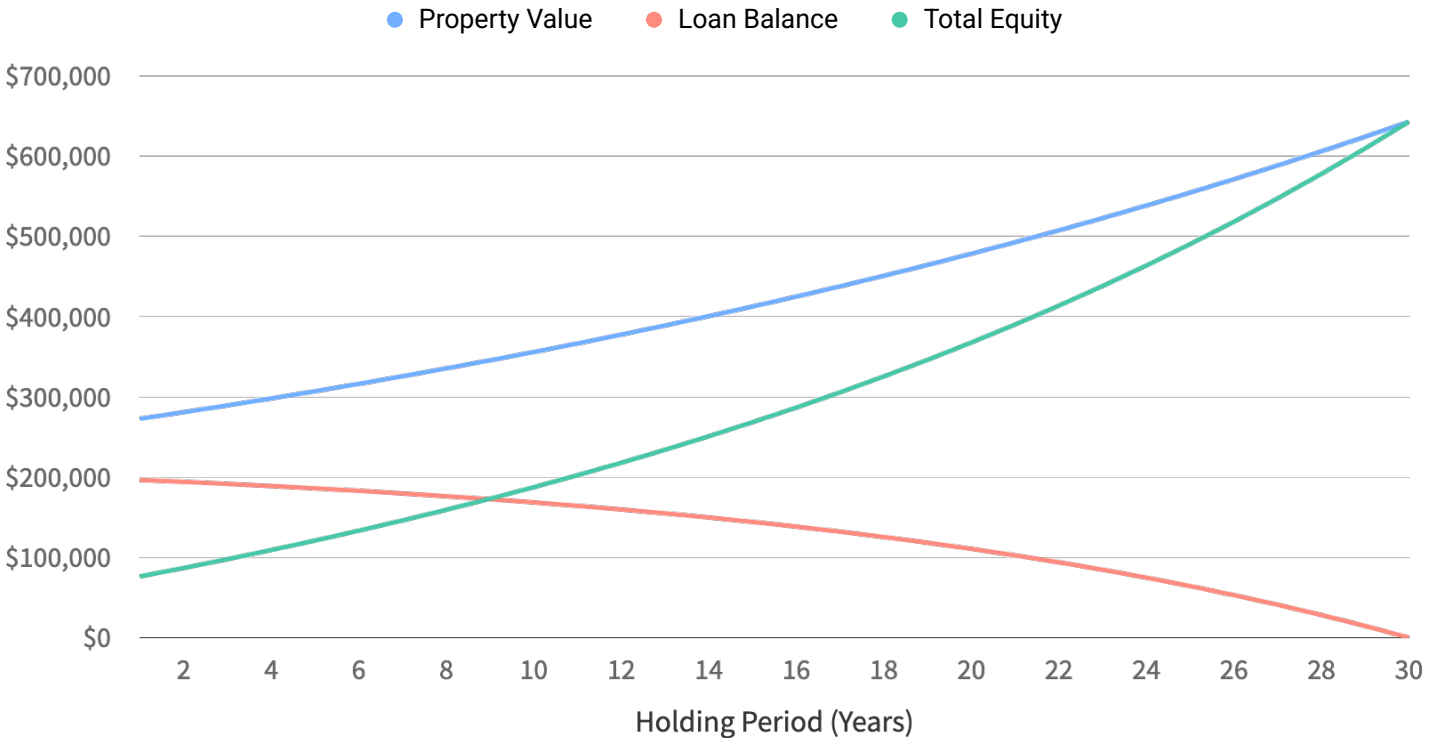
	APPRECIATION 3% Per Year		INCOME INCREASE 4% Per Year		EXPENSE INCREASES 2% Per Year		SELLING COSTS 6% of Price	
	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30	
RENTAL INCOME								
Gross Rent:	\$ 28,800	\$ 29,952	\$ 31,150	\$ 33,692	\$ 40,991	\$ 60,677	\$ 89,817	
Vacancy:	- \$ 864	- \$ 899	- \$ 935	- \$ 1,011	- \$ 1,230	- \$ 1,820	- \$ 2,695	
Vacancy Rate:	3%	3%	3%	3%	3%	3%	3%	
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	
Operating Income:	= \$ 27,936	= \$ 29,053	= \$ 30,215	= \$ 32,681	= \$ 39,761	= \$ 58,857	= \$ 87,122	
Income Increase:	4%	4%	4%	4%	4%	4%	4%	
OPERATING EXPENSES								
Property Taxes:	\$ 1,788	\$ 1,824	\$ 1,860	\$ 1,935	\$ 2,137	\$ 2,605	\$ 3,175	
Insurance:	+ \$ 720	+ \$ 734	+ \$ 749	+ \$ 779	+ \$ 860	+ \$ 1,049	+ \$ 1,279	
Property Management:	N/A	+ \$ 2,905	+ \$ 3,022	+ \$ 3,268	+ \$ 3,976	+ \$ 5,886	+ \$ 8,712	
Maintenance:	+ \$ 1,152	+ \$ 1,198	+ \$ 1,246	+ \$ 1,348	+ \$ 1,640	+ \$ 2,427	+ \$ 3,593	
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:	= \$ 3,660	= \$ 6,661	= \$ 6,877	= \$ 7,330	= \$ 8,613	= \$ 11,967	= \$ 16,759	
Expense Increase:	2%	2%	2%	2%	2%	2%	2%	
CASH FLOW								
Operating Income:	\$ 27,936	\$ 29,053	\$ 30,215	\$ 32,681	\$ 39,761	\$ 58,857	\$ 87,122	
Operating Expenses:	- \$ 3,660	- \$ 6,661	- \$ 6,877	- \$ 7,330	- \$ 8,613	- \$ 11,967	- \$ 16,759	
Expense Ratio:	13.1%	22.9%	22.8%	22.4%	21.7%	20.3%	19.2%	
Net Operating Income:	= \$ 24,276	= \$ 22,392	= \$ 23,338	= \$ 25,351	= \$ 31,148	= \$ 46,890	= \$ 70,363	
Loan Payments:	- \$ 15,075	- \$ 15,075	- \$ 15,075	- \$ 15,075	- \$ 15,075	- \$ 15,075	- \$ 15,075	
Cash Flow:	= \$ 9,201	= \$ 7,317	= \$ 8,263	= \$ 10,276	= \$ 16,073	= \$ 31,815	= \$ 55,288	
Cash Flow Per Unit:	\$ 4,601	\$ 3,659	\$ 4,132	\$ 5,138	\$ 8,037	\$ 15,908	\$ 27,644	
TAX BENEFITS & DEDUCTIONS								
Operating Expenses:	\$ 3,660	\$ 6,661	\$ 6,877	\$ 7,330	\$ 8,613	\$ 11,967	\$ 16,759	
Loan Interest:	+ \$ 12,853	+ \$ 12,705	+ \$ 12,546	+ \$ 12,196	+ \$ 11,094	+ \$ 7,462	+ \$ 518	
Depreciation:	+ \$ 9,733	+ \$ 9,733	+ \$ 9,733	+ \$ 9,733	+ \$ 9,733	+ \$ 9,733	+ \$ 0	
Total Deductions:	= \$ 26,246	= \$ 29,098	= \$ 29,156	= \$ 29,258	= \$ 29,439	= \$ 29,162	= \$ 17,277	

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
EQUITY ACCUMULATION							
Property Value:	\$ 272,950	\$ 281,139	\$ 289,573	\$ 307,208	\$ 356,138	\$ 478,619	\$ 643,225
Appreciation:	3%	3%	3%	3%	3%	3%	3%
Loan Balance:	- \$ 196,529	- \$ 194,158	- \$ 191,629	- \$ 186,052	- \$ 168,493	- \$ 110,635	- \$ 0
LTV Ratio:	72%	69.1%	66.2%	60.6%	47.3%	23.1%	-
Total Equity:	= \$ 76,421	= \$ 86,981	= \$ 97,944	= \$ 121,156	= \$ 187,645	= \$ 367,984	= \$ 643,225
SALE ANALYSIS							
Equity:	\$ 76,421	\$ 86,981	\$ 97,944	\$ 121,156	\$ 187,645	\$ 367,984	\$ 643,225
Selling Costs (6%):	- \$ 16,377	- \$ 16,868	- \$ 17,374	- \$ 18,432	- \$ 21,368	- \$ 28,717	- \$ 38,594
Sale Proceeds:	= \$ 60,044	= \$ 70,112	= \$ 80,569	= \$ 102,724	= \$ 166,277	= \$ 339,267	= \$ 604,632
Cumulative Cash Flow:	+ \$ 9,201	+ \$ 16,518	+ \$ 24,781	+ \$ 44,307	+ \$ 112,612	+ \$ 354,743	+ \$ 794,299
Total Cash Invested:	- \$ 68,900	- \$ 68,900	- \$ 68,900	- \$ 68,900	- \$ 68,900	- \$ 68,900	- \$ 68,900
Total Profit:	= \$ 345	= \$ 17,730	= \$ 36,450	= \$ 78,131	= \$ 209,989	= \$ 625,110	= \$ 1,330,031
INVESTMENT RETURNS							
Cap Rate (Purchase Price):	9.2%	8.4%	8.8%	9.6%	11.8%	17.7%	26.6%
Cap Rate (Market Value):	8.9%	8%	8.1%	8.3%	8.7%	9.8%	10.9%
Cash on Cash Return:	13.4%	10.6%	12%	14.9%	23.3%	46.2%	80.2%
Return on Equity:	12%	8.4%	8.4%	8.5%	8.6%	8.6%	8.6%
Return on Investment:	0.5%	25.7%	52.9%	113.4%	304.8%	907.3%	1,930.4%
Internal Rate of Return:	0.5%	12.9%	16.9%	19.4%	20%	19.4%	19.1%
FINANCIAL RATIOS							
Rent to Value:	0.9%	0.9%	0.9%	0.9%	1%	1.1%	1.2%
Gross Rent Multiplier:	9.48	9.39	9.3	9.12	8.69	7.89	7.16
Equity Multiple:	1.01	1.26	1.53	2.13	4.05	10.07	20.3
Break Even Ratio:	65.1%	72.6%	70.5%	66.5%	57.8%	44.6%	35.4%
Debt Coverage Ratio:	1.61	1.49	1.55	1.68	2.07	3.11	4.67
Debt Yield:	12.4%	11.5%	12.2%	13.6%	18.5%	42.4%	-

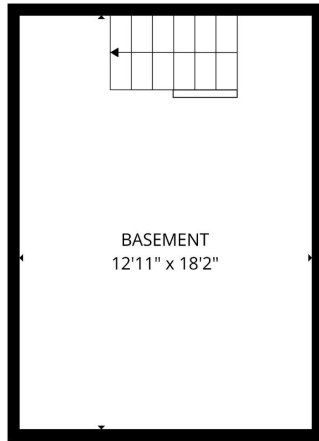
Cash Flow Over Time



Equity Over Time



Property Photos









Disclaimer

This Report is provided solely for general business information purposes. No advisory, fiduciary or other relationship is created by any acceptance or use of this Report.

The inclusion of this Report with any other materials does not constitute an endorsement by the Report Author of any third party or any third party's products or services. The projected valuation, financial and investment return information, conclusions and other information contained in this Report are based upon tested methodologies for accuracy. However, such information and conclusions are not definitive forecasts, appraisals or opinions of valuations. All such information and conclusions are stated in terms of probability of likelihood based on market factors and information submitted to the Report Author, and such information and conclusions are not guaranteed by the Report Author and should not be construed as a certified appraisal or valuation, or investment advice.

The Report Author uses or has used public and/or confidential data and assumptions provided to the Report Author by third parties, and the Report Author has not independently verified the data and assumptions used in these analyses or data sets. Attributes for properties may be inaccurate because county assessor and property data records do not always include recent additions and/or modifications to property structures. Changes in the underlying data or operating assumptions, or any loss of access to any one or more sources will clearly impact the analyses, information and conclusions set forth in this Report.