

# 3441 Prospect

## Investment Property - Buy & Hold

3441 Prospect St, Indianapolis, IN 46203  
Multi-Family · 2 Units · 2,016 Sq.Ft.

**\$ 269,900 Purchase Price · \$ 269,900 ARV**  
**\$ 70,174 Cash Needed · \$ 758/mo Cash Flow · 9.1% Cap Rate · 13% COC**

Prepared by:



The Homeboys



# Property Description

## ADDRESS

3441 Prospect St  
Indianapolis, IN 46203

## DESCRIPTION

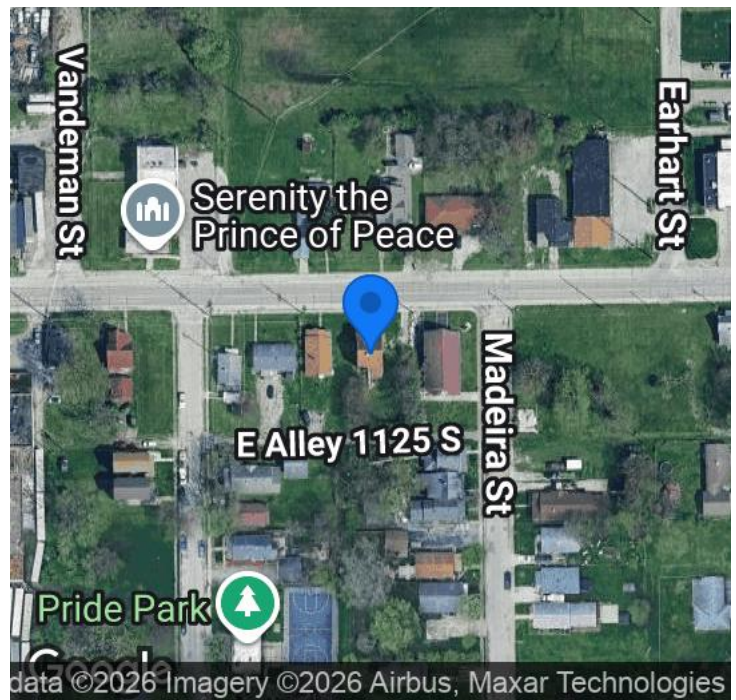
Property Type:	Multi-Family
Year Built:	1920
Parking:	On-Street
Lot Size:	4,312 sq.ft.
Zoning:	Duplex

## UNITS & RENT ROLL

<b>1 Unit - Residential</b>	
2 Beds / 1 Baths / 1,048 Sq.Ft.	
Gross Rent:	\$ 1,600 Per Month
<b>1 Unit - Residential (B)</b>	
2 Beds / 1 Baths / 968 Sq.Ft.	
Gross Rent:	\$ 1,375 Per Month

## UNIT INFORMATION

Total Units/Spaces:	2
Total Square Footage:	2,016



## Purchase Analysis & Returns

### PURCHASE & REHAB

Purchase Price:		\$ 269,900
Amount Financed:	-	\$ 202,425
<b>Down Payment:</b>	=	<b>\$ 67,475</b>
Purchase Costs:	+	\$ 2,699
Rehab Costs:	+	\$ 0
<b>Total Cash Needed:</b>	=	<b>\$ 70,174</b>
After Repair Value:		\$ 269,900
ARV Per Square Foot:		\$ 133.9
Price Per Square Foot:		\$ 133.9
Price Per Unit:		\$ 134,950

### RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	9.1% / 9.1%
Cash on Cash Return:	13%
Return on Equity:	11.3%
Return on Investment:	3.7%
Internal Rate of Return:	3.7%
Rent to Value:	1.1%
Gross Rent Multiplier:	7.56
Equity Multiple:	1.04
Break Even Ratio:	71.5%
Debt Coverage Ratio:	1.59
Debt Yield:	12.1%

### PURCHASE COSTS

<b>Total (1% of Price):</b>	<b>\$ 2,699</b>
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### FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	6.5%
Financing Of:	Price (75%)
Loan Amount:	\$ 202,425
LTC / LTV:	75% / 75%
Loan Payment:	\$ 1,279 Per Month \$ 15,354 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:	\$ 0

### 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:	\$ 2,975	\$ 35,700
Vacancy (3%):	- \$ 89	\$ 1,071
Other Income:	+ \$ 0	\$ 0
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Operating Income:	= \$ 2,886	\$ 34,629
Operating Expenses (29.4%):	- \$ 849	\$ 10,188
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Net Operating Income:	= \$ 2,037	\$ 24,441
Loan Payments:	- \$ 1,279	\$ 15,354
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<b>Cash Flow:</b>	<b>= \$ 758</b>	<b>\$ 9,087</b>
Cash Flow Per Unit:	\$ 379	\$ 4,544

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

	Monthly	Yearly
<b>OPERATING EXPENSES</b>		
Property Taxes:	\$ 365	\$ 4,380
Insurance:	\$ 75	\$ 900
Maintenance:	\$ 119	\$ 1,428
Capital Expenditures:	\$ 0	\$ 0
HOA Fees:	\$ 0	\$ 0
Utilities:	\$ 250	\$ 3,000
Landscaping:	\$ 40	\$ 480
Accounting & Legal Fees:	\$ 0	\$ 0
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<b>Total:</b>	<b>\$ 849</b>	<b>\$ 10,188</b>

## 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	
<b>RENTAL INCOME</b>								
Gross Rent:	\$ 35,700	\$ 37,128	\$ 38,613	\$ 41,764	\$ 50,812	\$ 75,215	\$ 111,336	
Vacancy:	- \$ 1,071	- \$ 1,114	- \$ 1,158	- \$ 1,253	- \$ 1,524	- \$ 2,256	- \$ 3,340	
Vacancy Rate:	3%	3%	3%	3%	3%	3%	3%	
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	
<b>Operating Income:</b>	<b>= \$ 34,629</b>	<b>= \$ 36,014</b>	<b>= \$ 37,455</b>	<b>= \$ 40,511</b>	<b>= \$ 49,288</b>	<b>= \$ 72,959</b>	<b>= \$ 107,996</b>	
Income Increase:	4%	4%	4%	4%	4%	4%	4%	
<b>OPERATING EXPENSES</b>								
Property Taxes:	\$ 4,380	\$ 4,468	\$ 4,557	\$ 4,741	\$ 5,235	\$ 6,381	\$ 7,778	
Insurance:	+ \$ 900	+ \$ 918	+ \$ 936	+ \$ 974	+ \$ 1,076	+ \$ 1,311	+ \$ 1,598	
Property Management:	N/A	+ \$ 3,241	+ \$ 3,371	+ \$ 3,646	+ \$ 4,436	+ \$ 6,566	+ \$ 9,720	
Maintenance:	+ \$ 1,428	+ \$ 1,485	+ \$ 1,545	+ \$ 1,671	+ \$ 2,032	+ \$ 3,009	+ \$ 4,453	
Capital Expenditures:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	
HOA Fees:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	
Utilities:	+ \$ 3,000	+ \$ 3,060	+ \$ 3,121	+ \$ 3,247	+ \$ 3,585	+ \$ 4,370	+ \$ 5,328	
Landscaping:	+ \$ 480	+ \$ 490	+ \$ 499	+ \$ 520	+ \$ 574	+ \$ 699	+ \$ 852	
Accounting & Legal Fees:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	
<b>Operating Expenses:</b>	<b>= \$ 10,188</b>	<b>= \$ 13,662</b>	<b>= \$ 14,029</b>	<b>= \$ 14,799</b>	<b>= \$ 16,938</b>	<b>= \$ 22,336</b>	<b>= \$ 29,729</b>	
Expense Increase:	2%	2%	2%	2%	2%	2%	2%	
<b>CASH FLOW</b>								
Operating Income:	\$ 34,629	\$ 36,014	\$ 37,455	\$ 40,511	\$ 49,288	\$ 72,959	\$ 107,996	
Operating Expenses:	- \$ 10,188	- \$ 13,662	- \$ 14,029	- \$ 14,799	- \$ 16,938	- \$ 22,336	- \$ 29,729	
Expense Ratio:	29.4%	37.9%	37.5%	36.5%	34.4%	30.6%	27.5%	
<b>Net Operating Income:</b>	<b>= \$ 24,441</b>	<b>= \$ 22,352</b>	<b>= \$ 23,426</b>	<b>= \$ 25,712</b>	<b>= \$ 32,350</b>	<b>= \$ 50,623</b>	<b>= \$ 78,267</b>	
Loan Payments:	- \$ 15,354	- \$ 15,354	- \$ 15,354	- \$ 15,354	- \$ 15,354	- \$ 15,354	- \$ 15,354	
<b>Cash Flow:</b>	<b>= \$ 9,087</b>	<b>= \$ 6,998</b>	<b>= \$ 8,072</b>	<b>= \$ 10,358</b>	<b>= \$ 16,996</b>	<b>= \$ 35,269</b>	<b>= \$ 62,913</b>	
Cash Flow Per Unit:	\$ 4,544	\$ 3,499	\$ 4,036	\$ 5,179	\$ 8,498	\$ 17,635	\$ 31,457	
<b>TAX BENEFITS &amp; DEDUCTIONS</b>								
Operating Expenses:	\$ 10,188	\$ 13,662	\$ 14,029	\$ 14,799	\$ 16,938	\$ 22,336	\$ 29,729	
Loan Interest:	+ \$ 13,091	+ \$ 12,939	+ \$ 12,778	+ \$ 12,421	+ \$ 11,299	+ \$ 7,600	+ \$ 527	
Depreciation:	+ \$ 9,913	+ \$ 9,913	+ \$ 9,913	+ \$ 9,913	+ \$ 9,913	+ \$ 9,913	+ \$ 0	
<b>Total Deductions:</b>	<b>= \$ 33,192</b>	<b>= \$ 36,514</b>	<b>= \$ 36,719</b>	<b>= \$ 37,133</b>	<b>= \$ 38,149</b>	<b>= \$ 39,849</b>	<b>= \$ 30,256</b>	

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
<b>EQUITY ACCUMULATION</b>							
Property Value:	\$ 280,696	\$ 291,924	\$ 303,601	\$ 328,375	\$ 399,518	\$ 591,384	\$ 875,393
Appreciation:	4%	4%	4%	4%	4%	4%	4%
Loan Balance:	- \$ 200,162	- \$ 197,748	- \$ 195,173	- \$ 189,492	- \$ 171,608	- \$ 112,680	- \$ 0
LTV Ratio:	71.3%	67.7%	64.3%	57.7%	43%	19.1%	-
<b>Total Equity:</b>	<b>= \$ 80,534</b>	<b>= \$ 94,176</b>	<b>= \$ 108,428</b>	<b>= \$ 138,883</b>	<b>= \$ 227,910</b>	<b>= \$ 478,704</b>	<b>= \$ 875,393</b>

**SALE ANALYSIS**

Equity:	\$ 80,534	\$ 94,176	\$ 108,428	\$ 138,883	\$ 227,910	\$ 478,704	\$ 875,393
Selling Costs (6%):	- \$ 16,842	- \$ 17,515	- \$ 18,216	- \$ 19,703	- \$ 23,971	- \$ 35,483	- \$ 52,524
<b>Sale Proceeds:</b>	<b>= \$ 63,692</b>	<b>= \$ 76,660</b>	<b>= \$ 90,212</b>	<b>= \$ 119,180</b>	<b>= \$ 203,939</b>	<b>= \$ 443,221</b>	<b>= \$ 822,869</b>
Cumulative Cash Flow:	+ \$ 9,087	+ \$ 16,085	+ \$ 24,157	+ \$ 43,706	+ \$ 114,855	+ \$ 379,049	+ \$ 874,403
Total Cash Invested:	- \$ 70,174	- \$ 70,174	- \$ 70,174	- \$ 70,174	- \$ 70,174	- \$ 70,174	- \$ 70,174
<b>Total Profit:</b>	<b>= \$ 2,605</b>	<b>= \$ 22,571</b>	<b>= \$ 44,195</b>	<b>= \$ 92,712</b>	<b>= \$ 248,620</b>	<b>= \$ 752,096</b>	<b>= \$ 1,627,098</b>

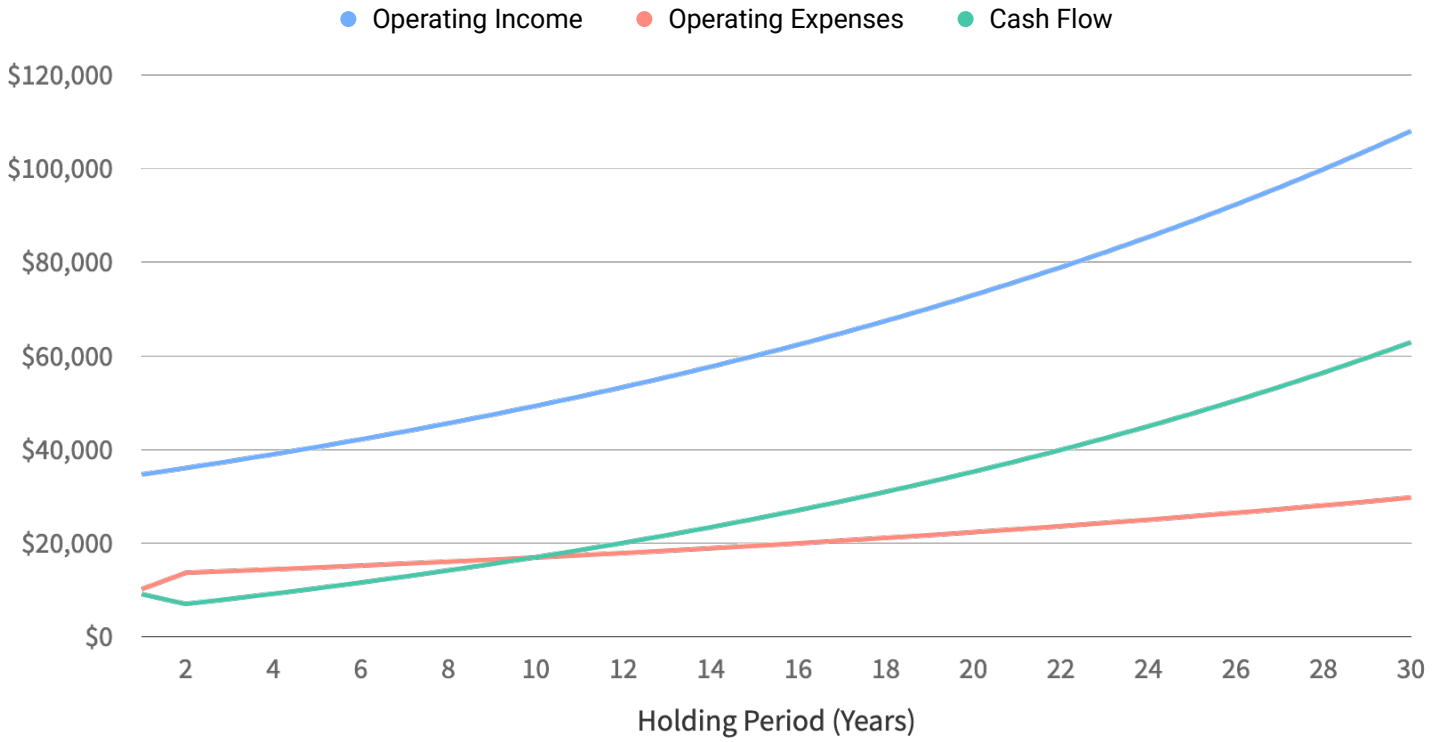
**INVESTMENT RETURNS**

Cap Rate (Purchase Price):	9.1%	8.3%	8.7%	9.5%	12%	18.8%	29%
Cap Rate (Market Value):	8.7%	7.7%	7.7%	7.8%	8.1%	8.6%	8.9%
Cash on Cash Return:	12.9%	10%	11.5%	14.8%	24.2%	50.3%	89.7%
Return on Equity:	11.3%	7.4%	7.4%	7.5%	7.5%	7.4%	7.2%
Return on Investment:	3.7%	32.2%	63%	132.1%	354.3%	1,071.8%	2,318.7%
Internal Rate of Return:	3.7%	15.9%	19.5%	21.4%	21.2%	19.9%	19.4%

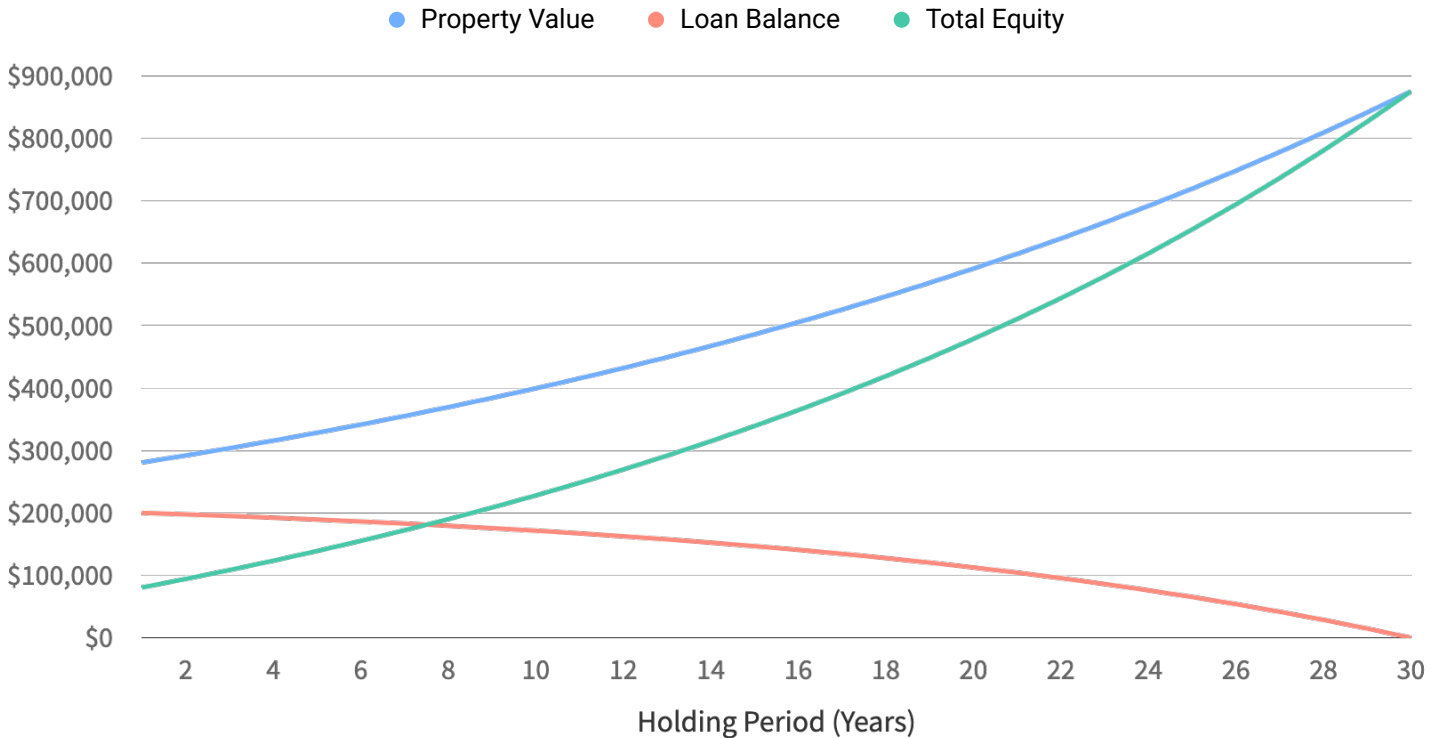
**FINANCIAL RATIOS**

Rent to Value:	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
Gross Rent Multiplier:	7.86	7.86	7.86	7.86	7.86	7.86	7.86
Equity Multiple:	1.04	1.32	1.63	2.32	4.54	11.72	24.19
Break Even Ratio:	71.5%	78.2%	76.1%	72.2%	63.6%	50.1%	40.5%
Debt Coverage Ratio:	1.59	1.46	1.53	1.67	2.11	3.3	5.1
Debt Yield:	12.2%	11.3%	12%	13.6%	18.9%	44.9%	-

### Cash Flow Over Time



### Equity Over Time



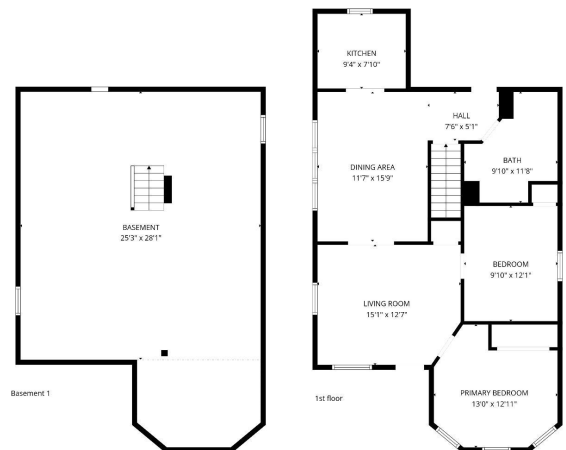
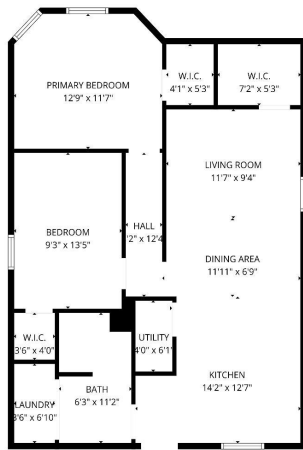
## Property Photos











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