213 N Grafton Ave

Investment Property - Buy & Hold

213 N Grafton Ave, Muncie, IN 47303
House · 3 Beds · 1 Baths · 840 Sq.Ft.

Rent: $1250
3 bedroom, 1 bathroom.

$ 139,900 Purchase Price · **$ 139,900** ARV
$ 37,773 Cash Needed · **$ 471/mo** Cash Flow · **8.5%** Cap Rate · **15%** COC

Prepared by:

The Homeboys

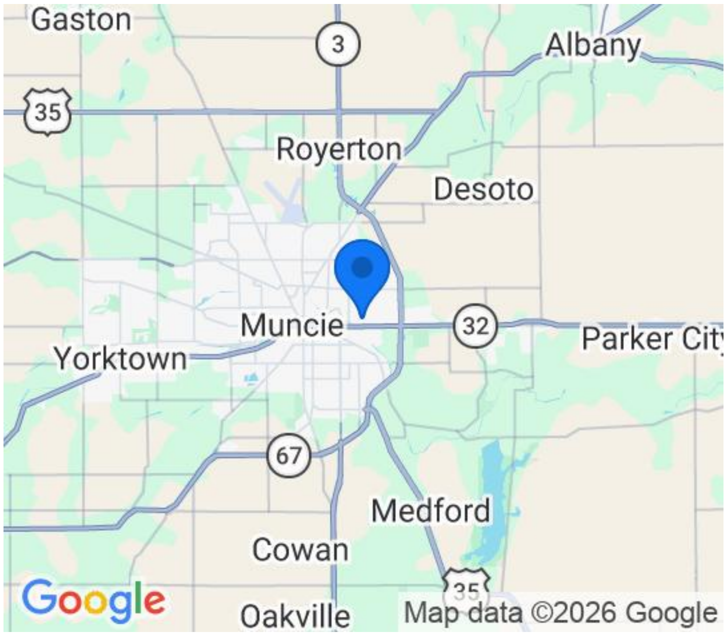
Property Description

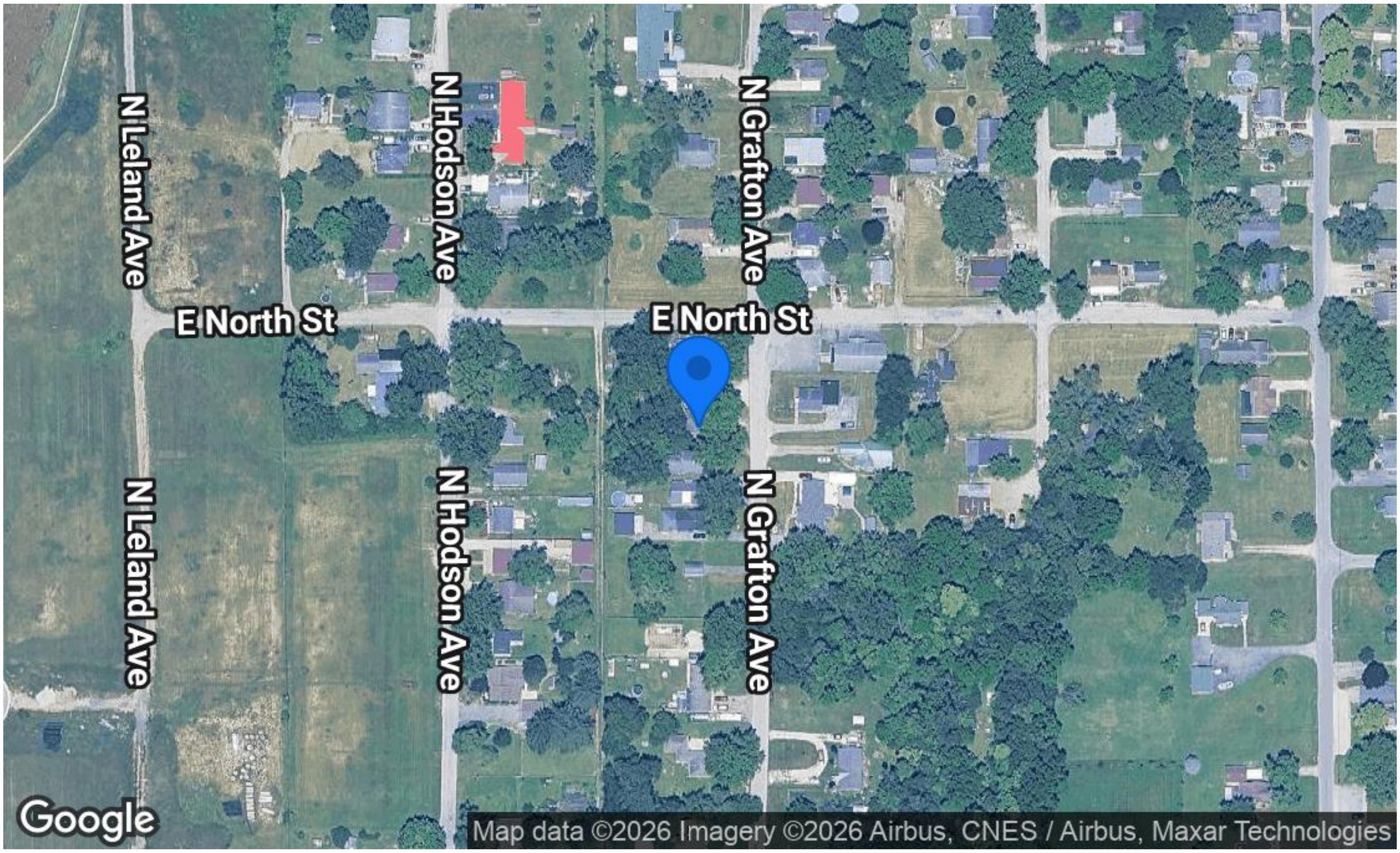
ADDRESS

213 N Grafton Ave
Muncie, IN 47303

DESCRIPTION

Property Type:	House
Beds / Baths:	3 BR / 1 BA
Square Footage:	840
Year Built:	1951
Lot Size:	6,080 sq.ft.
Zoning:	Single Family Residential





Purchase Analysis & Returns

PURCHASE & REHAB

Purchase Price:		$ 139,900
Amount Financed:	-	$ 104,925
Down Payment:	=	$ 34,975
Purchase Costs:	+	$ 2,798
Rehab Costs:	+	$ 0
Total Cash Needed:	=	**$ 37,773**
After Repair Value:		$ 139,900
ARV Per Square Foot:		$ 166.5
Price Per Square Foot:		$ 166.5

FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	4.25%
Financing Of:	Price (75%)
Loan Amount:	$ 104,925
LTC / LTV:	75% / 75%
Loan Payment:	$ 516 Per Month $ 6,194 Per Year

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	8.5% / 8.5%
Cash on Cash Return:	15%
Return on Equity:	13.8%
Return on Investment:	0.5%
Internal Rate of Return:	0.5%
Rent to Value:	0.9%
Gross Rent Multiplier:	9.14
Equity Multiple:	1
Break Even Ratio:	60.1%
Debt Coverage Ratio:	1.91
Debt Yield:	11.3%

ASSUMPTIONS & PROJECTIONS

Rehab Cost Overrun:	10%
Vacancy Rate:	3%
Appreciation:	3% Per Year
Income Increase:	2% Per Year
Expense Increase:	2% Per Year
Selling Costs:	6% of Sales Price
Depreciation Period:	27.5 Years
Land Value:	$ 4,800

PURCHASE COSTS

Total (2% of Price):	**$ 2,798**

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:		$ 1,275	$ 15,300
Vacancy (3%):	-	$ 38	$ 459
Other Income:	+	$ 0	$ 0
Operating Income:	=	$ 1,237	$ 14,841
Operating Expenses (20.2%):	-	$ 250	$ 3,001
Net Operating Income:	=	$ 987	$ 11,840
Loan Payments:	-	$ 516	$ 6,194
Cash Flow:	**=**	**$ 471**	**$ 5,646**

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

	Monthly	Yearly
OPERATING EXPENSES		
Property Taxes:	$ 63	$ 751
Insurance:	$ 60	$ 720
Maintenance:	$ 128	$ 1,530
Capital Expenditures:	$ 0	$ 0
HOA Fees:	$ 0	$ 0
Utilities:	$ 0	$ 0
Landscaping:	$ 0	$ 0
Accounting & Legal Fees:	$ 0	$ 0
Total:	**$ 250**	**$ 3,001**

Buy & Hold Projections

APPRECIATION	INCOME INCREASE	EXPENSE INCREASES	SELLING COSTS
3% Per Year	2% Per Year	2% Per Year	6% of Price

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
RENTAL INCOME							
Gross Rent:	$ 15,300	$ 15,606	$ 15,918	$ 16,561	$ 18,285	$ 22,289	$ 27,170
Vacancy:	- $ 459	- $ 468	- $ 478	- $ 497	- $ 549	- $ 669	- $ 815
Vacancy Rate:	3%	3%	3%	3%	3%	3%	3%
Other Income:	+ $ 0	+ $ 0	+ $ 0	+ $ 0	+ $ 0	+ $ 0	+ $ 0
Operating Income:	**= $ 14,841**	**= $ 15,138**	**= $ 15,440**	**= $ 16,064**	**= $ 17,736**	**= $ 21,620**	**= $ 26,355**
Income Increase:	2%	2%	2%	2%	2%	2%	2%
OPERATING EXPENSES							
Property Taxes:	$ 751	$ 766	$ 781	$ 813	$ 898	$ 1,094	$ 1,334
Insurance:	+ $ 720	+ $ 734	+ $ 749	+ $ 779	+ $ 860	+ $ 1,049	+ $ 1,279
Property Management:	N/A	+ $ 1,514	+ $ 1,544	+ $ 1,606	+ $ 1,774	+ $ 2,162	+ $ 2,636
Maintenance:	+ $ 1,530	+ $ 1,561	+ $ 1,592	+ $ 1,656	+ $ 1,828	+ $ 2,229	+ $ 2,717
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:	**= $ 3,001**	**= $ 4,575**	**= $ 4,666**	**= $ 4,854**	**= $ 5,360**	**= $ 6,534**	**= $ 7,966**
Expense Increase:	2%	2%	2%	2%	2%	2%	2%
CASH FLOW							
Operating Income:	$ 14,841	$ 15,138	$ 15,440	$ 16,064	$ 17,736	$ 21,620	$ 26,355
Operating Expenses:	- $ 3,001	- $ 4,575	- $ 4,666	- $ 4,854	- $ 5,360	- $ 6,534	- $ 7,966
Expense Ratio:	20.2%	30.2%	30.2%	30.2%	30.2%	30.2%	30.2%
Net Operating Income:	= $ 11,840	= $ 10,563	= $ 10,774	= $ 11,210	= $ 12,376	= $ 15,086	= $ 18,389
Loan Payments:	- $ 6,194	- $ 6,194	- $ 6,194	- $ 6,194	- $ 6,194	- $ 6,194	- $ 6,194
Cash Flow:	**= $ 5,646**	**= $ 4,369**	**= $ 4,580**	**= $ 5,016**	**= $ 6,182**	**= $ 8,892**	**= $ 12,195**
TAX BENEFITS & DEDUCTIONS							
Operating Expenses:	$ 3,001	$ 4,575	$ 4,666	$ 4,854	$ 5,360	$ 6,534	$ 7,966
Loan Interest:	+ $ 4,425	+ $ 4,348	+ $ 4,268	+ $ 4,098	+ $ 3,603	+ $ 2,233	+ $ 140
Depreciation:	+ $ 5,014	+ $ 5,014	+ $ 5,014	+ $ 5,014	+ $ 5,014	+ $ 5,014	+ $ 0
Total Deductions:	**= $ 12,441**	**= $ 13,938**	**= $ 13,949**	**= $ 13,966**	**= $ 13,977**	**= $ 13,782**	**= $ 8,106**

EQUITY ACCUMULATION

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Property Value:	$ 144,097	$ 148,420	$ 152,873	$ 162,182	$ 188,014	$ 252,675	$ 339,574
Appreciation:	3%	3%	3%	3%	3%	3%	3%
Loan Balance:	- $ 103,156	- $ 101,311	- $ 99,385	- $ 95,280	- $ 83,356	- $ 50,389	- $ 0
LTV Ratio:	71.6%	68.3%	65%	58.7%	44.3%	19.9%	-
Total Equity:	**= $ 40,941**	**= $ 47,109**	**= $ 53,488**	**= $ 66,902**	**= $ 104,658**	**= $ 202,286**	**= $ 339,574**

SALE ANALYSIS

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Equity:	$ 40,941	$ 47,109	$ 53,488	$ 66,902	$ 104,658	$ 202,286	$ 339,574
Selling Costs (6%):	- $ 8,646	- $ 8,905	- $ 9,172	- $ 9,731	- $ 11,281	- $ 15,161	- $ 20,374
Sale Proceeds:	= $ 32,295	= $ 38,204	= $ 44,316	= $ 57,171	= $ 93,377	= $ 187,126	= $ 319,200
Cumulative Cash Flow:	+ $ 5,646	+ $ 10,015	+ $ 14,595	+ $ 24,406	+ $ 52,935	+ $ 129,225	+ $ 235,782
Total Cash Invested:	- $ 37,773	- $ 37,773	- $ 37,773	- $ 37,773	- $ 37,773	- $ 37,773	- $ 37,773
Total Profit:	**= $ 168**	**= $ 10,446**	**= $ 21,138**	**= $ 43,804**	**= $ 108,539**	**= $ 278,578**	**= $ 517,209**

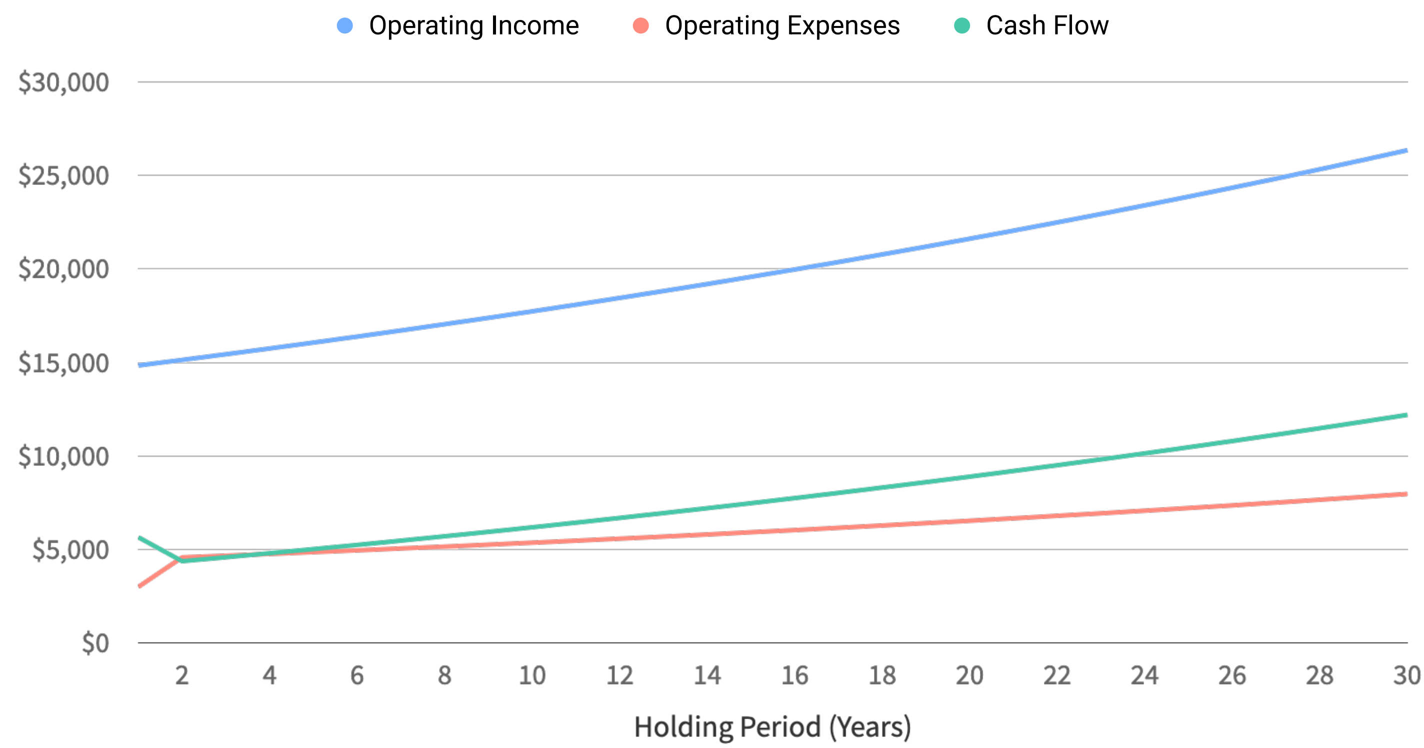
INVESTMENT RETURNS

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Cap Rate (Purchase Price):	8.5%	7.6%	7.7%	8%	8.8%	10.8%	13.1%
Cap Rate (Market Value):	8.2%	7.1%	7%	6.9%	6.6%	6%	5.4%
Cash on Cash Return:	14.9%	11.6%	12.1%	13.3%	16.4%	23.5%	32.3%
Return on Equity:	13.8%	9.3%	8.6%	7.5%	5.9%	4.4%	3.6%
Return on Investment:	0.4%	27.7%	56%	116%	287.3%	737.5%	1,369.3%
Internal Rate of Return:	0.4%	13.9%	17.9%	19.9%	19.4%	17.4%	16.4%

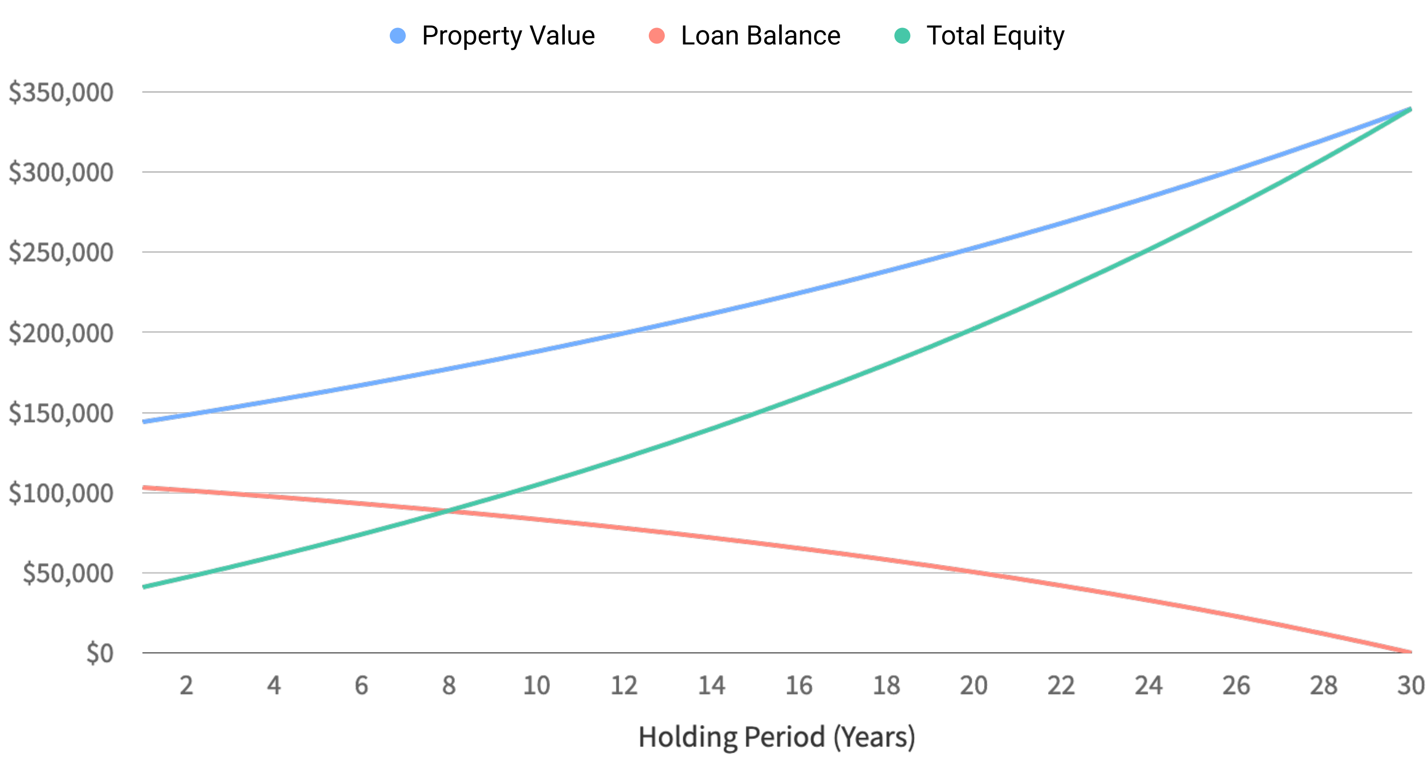
FINANCIAL RATIOS

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Rent to Value:	0.9%	0.9%	0.9%	0.9%	0.8%	0.7%	0.7%
Gross Rent Multiplier:	9.42	9.51	9.6	9.79	10.28	11.34	12.5
Equity Multiple:	1	1.28	1.56	2.16	3.87	8.38	14.69
Break Even Ratio:	60.1%	69%	68.2%	66.7%	63.2%	57.1%	52.1%
Debt Coverage Ratio:	1.91	1.71	1.74	1.81	2	2.44	2.97
Debt Yield:	11.5%	10.4%	10.8%	11.8%	14.8%	29.9%	-

Cash Flow Over Time



Equity Over Time



Property Photos


EXAMPLE FINISHES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