

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

\$ 250,000 Purchase Price · \$ 250,000 ARV

\$ 65,000 Cash Needed · \$ 621/mo Cash Flow · 8.4% Cap Rate · 11.5% COC

Prepared by:



The Homeboys



Property Description

ADDRESS

2341-2343 Adams St
Indianapolis, IN 46218

DESCRIPTION

Property Type: Multi-Family

UNIT INFORMATION

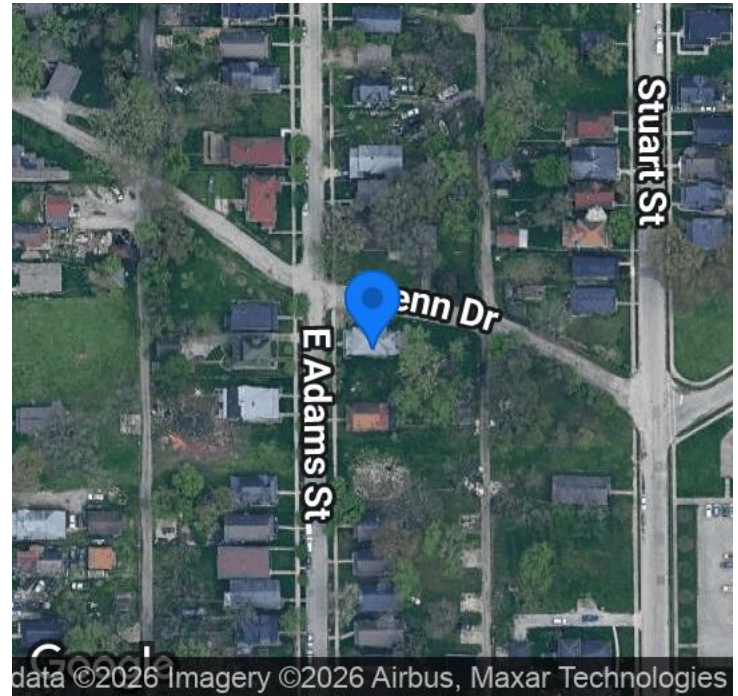
Total Units/Spaces: 2
Total Square Footage: 2,400

UNITS & RENT ROLL

2 Units - Residential

2 Beds / 1 Baths / 1,200 Sq.Ft.

Gross Rent: \$ 1,050 Per Month



Purchase Analysis & Returns

PURCHASE & REHAB

Purchase Price:		\$ 250,000
Amount Financed:	-	\$ 187,500
Down Payment:	=	\$ 62,500
Purchase Costs:	+	\$ 2,500
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 65,000
After Repair Value:		\$ 250,000
ARV Per Square Foot:		\$ 104.2
Price Per Square Foot:		\$ 104.2
Price Per Unit:		\$ 125,000

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	8.4% / 8.4%
Cash on Cash Return:	11.5%
Return on Equity:	10.3%
Return on Investment:	-1.1%
Internal Rate of Return:	-1.1%
Rent to Value:	0.8%
Gross Rent Multiplier:	9.92
Equity Multiple:	0.99
Break Even Ratio:	67.4%
Debt Coverage Ratio:	1.55
Debt Yield:	11.2%

PURCHASE COSTS

Total (1% of Price):	\$ 2,500
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FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	5.99%
Financing Of:	Price (75%)
Loan Amount:	\$ 187,500
LTC / LTV:	75% / 75%
Loan Payment:	\$ 1,123 Per Month \$ 13,475 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:		\$ 2,100	\$ 25,200
Vacancy (3%):	-	\$ 63	\$ 756
Other Income:	+	\$ 0	\$ 0
Operating Income:	=	\$ 2,037	\$ 24,444
Operating Expenses (14.4%):	-	\$ 293	\$ 3,516
Net Operating Income:	=	\$ 1,744	\$ 20,928
Loan Payments:	-	\$ 1,123	\$ 13,475
Cash Flow:	=	\$ 621	\$ 7,453
Cash Flow Per Unit:		\$ 311	\$ 3,727

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

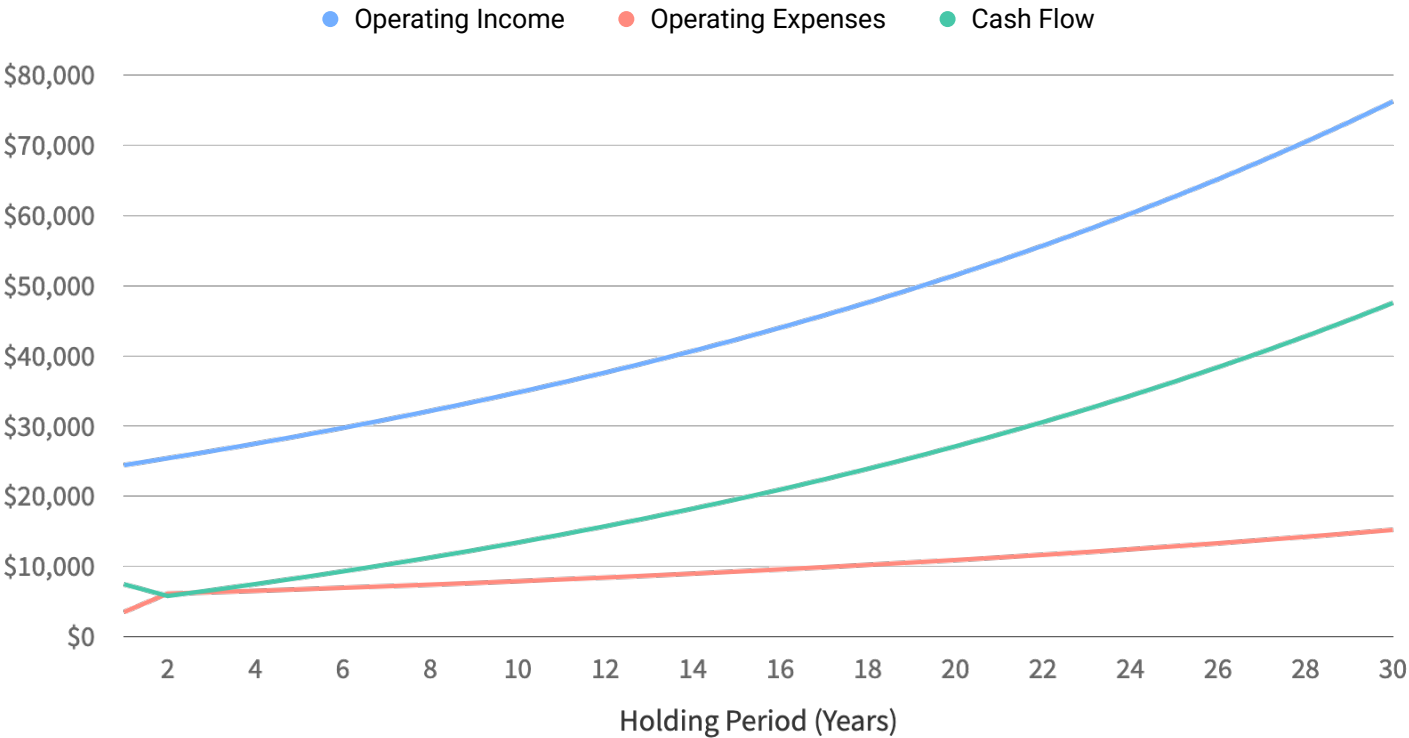
		Monthly	Yearly
OPERATING EXPENSES			
Property Taxes:		\$ 149	\$ 1,788
Insurance:		\$ 60	\$ 720
Maintenance:		\$ 84	\$ 1,008
Capital Expenditures:		\$ 0	\$ 0
HOA Fees:		\$ 0	\$ 0
Utilities:		\$ 0	\$ 0
Landscaping:		\$ 0	\$ 0
Accounting & Legal Fees:		\$ 0	\$ 0
Total:		\$ 293	\$ 3,516

Buy & Hold Projections

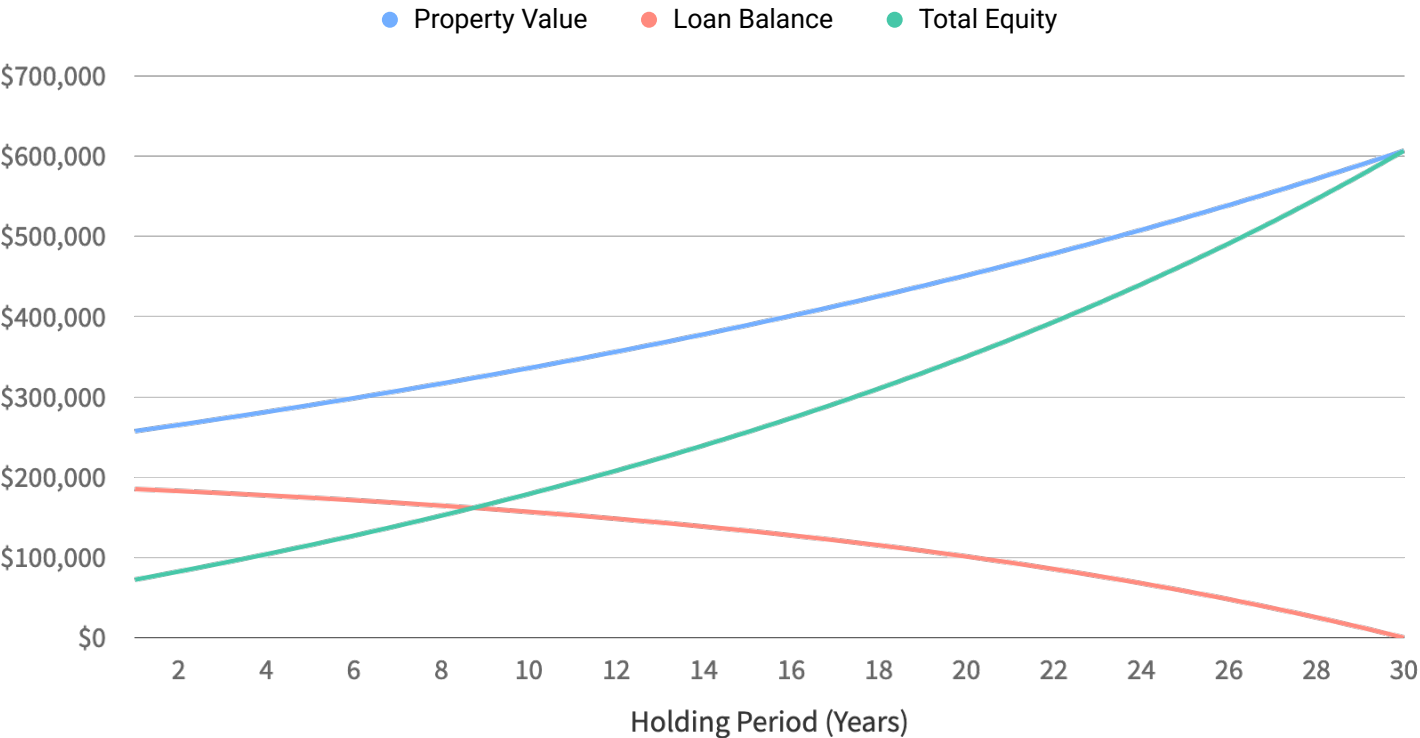
APPRECIATION	INCOME INCREASE			EXPENSE INCREASES		SELLING COSTS	
3% Per Year	4% Per Year			2% Per Year		6% of Price	
	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
RENTAL INCOME							
Gross Rent:	\$ 25,200	\$ 26,208	\$ 27,256	\$ 29,480	\$ 35,867	\$ 53,093	\$ 78,590
Vacancy:	- \$ 756	- \$ 786	- \$ 818	- \$ 884	- \$ 1,076	- \$ 1,593	- \$ 2,358
Vacancy Rate:	3%	3%	3%	3%	3%	3%	3%
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Operating Income:	= \$ 24,444	= \$ 25,422	= \$ 26,438	= \$ 28,596	= \$ 34,791	= \$ 51,500	= \$ 76,232
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	+ \$ 2,542	+ \$ 2,644	+ \$ 2,860	+ \$ 3,479	+ \$ 5,150	+ \$ 7,623
Maintenance:	+ \$ 1,008	+ \$ 1,048	+ \$ 1,090	+ \$ 1,179	+ \$ 1,435	+ \$ 2,124	+ \$ 3,144
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:	= \$ 3,516	= \$ 6,148	= \$ 6,343	= \$ 6,753	= \$ 7,911	= \$ 10,928	= \$ 15,221
Expense Increase:	2%	2%	2%	2%	2%	2%	2%
CASH FLOW							
Operating Income:	\$ 24,444	\$ 25,422	\$ 26,438	\$ 28,596	\$ 34,791	\$ 51,500	\$ 76,232
Operating Expenses:	- \$ 3,516	- \$ 6,148	- \$ 6,343	- \$ 6,753	- \$ 7,911	- \$ 10,928	- \$ 15,221
Expense Ratio:	14.4%	24.2%	24%	23.6%	22.7%	21.2%	20%
Net Operating Income:	= \$ 20,928	= \$ 19,274	= \$ 20,095	= \$ 21,843	= \$ 26,880	= \$ 40,572	= \$ 61,011
Loan Payments:	- \$ 13,475	- \$ 13,475	- \$ 13,475	- \$ 13,475	- \$ 13,475	- \$ 13,475	- \$ 13,475
Cash Flow:	= \$ 7,453	= \$ 5,799	= \$ 6,620	= \$ 8,368	= \$ 13,405	= \$ 27,097	= \$ 47,536
Cash Flow Per Unit:	\$ 3,727	\$ 2,900	\$ 3,310	\$ 4,184	\$ 6,703	\$ 13,549	\$ 23,768
TAX BENEFITS & DEDUCTIONS							
Operating Expenses:	\$ 3,516	\$ 6,148	\$ 6,343	\$ 6,753	\$ 7,911	\$ 10,928	\$ 15,221
Loan Interest:	+ \$ 11,169	+ \$ 11,027	+ \$ 10,876	+ \$ 10,546	+ \$ 9,526	+ \$ 6,297	+ \$ 427
Depreciation:	+ \$ 9,182	+ \$ 9,182	+ \$ 9,182	+ \$ 9,182	+ \$ 9,182	+ \$ 9,182	+ \$ 0
Total Deductions:	= \$ 23,866	= \$ 26,356	= \$ 26,401	= \$ 26,481	= \$ 26,619	= \$ 26,406	= \$ 15,648

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
EQUITY ACCUMULATION							
Property Value:	\$ 257,500	\$ 265,225	\$ 273,182	\$ 289,819	\$ 335,979	\$ 451,528	\$ 606,816
Appreciation:	3%	3%	3%	3%	3%	3%	3%
Loan Balance:	- \$ 185,193	- \$ 182,744	- \$ 180,145	- \$ 174,455	- \$ 156,869	- \$ 101,194	- \$ 0
LTV Ratio:	71.9%	68.9%	65.9%	60.2%	46.7%	22.4%	-
Total Equity:	= \$ 72,307	= \$ 82,481	= \$ 93,037	= \$ 115,364	= \$ 179,110	= \$ 350,334	= \$ 606,816
SALE ANALYSIS							
Equity:	\$ 72,307	\$ 82,481	\$ 93,037	\$ 115,364	\$ 179,110	\$ 350,334	\$ 606,816
Selling Costs (6%):	- \$ 15,450	- \$ 15,914	- \$ 16,391	- \$ 17,389	- \$ 20,159	- \$ 27,092	- \$ 36,409
Sale Proceeds:	= \$ 56,857	= \$ 66,567	= \$ 76,646	= \$ 97,975	= \$ 158,951	= \$ 323,242	= \$ 570,407
Cumulative Cash Flow:	+ \$ 7,453	+ \$ 13,252	+ \$ 19,872	+ \$ 35,717	+ \$ 92,260	+ \$ 297,096	+ \$ 673,762
Total Cash Invested:	- \$ 65,000	- \$ 65,000	- \$ 65,000	- \$ 65,000	- \$ 65,000	- \$ 65,000	- \$ 65,000
Total Profit:	= -\$ 690	= \$ 14,819	= \$ 31,518	= \$ 68,692	= \$ 186,211	= \$ 555,338	= \$ 1,179,169
INVESTMENT RETURNS							
Cap Rate (Purchase Price):	8.4%	7.7%	8%	8.7%	10.8%	16.2%	24.4%
Cap Rate (Market Value):	8.1%	7.3%	7.4%	7.5%	8%	9%	10.1%
Cash on Cash Return:	11.5%	8.9%	10.2%	12.9%	20.6%	41.7%	73.1%
Return on Equity:	10.3%	7%	7.1%	7.3%	7.5%	7.7%	7.8%
Return on Investment:	-1.1%	22.8%	48.5%	105.7%	286.5%	854.4%	1,814.1%
Internal Rate of Return:	-1.1%	11.4%	15.4%	17.9%	18.6%	18%	17.6%
FINANCIAL RATIOS							
Rent to Value:	0.8%	0.8%	0.8%	0.8%	0.9%	1%	1.1%
Gross Rent Multiplier:	10.22	10.12	10.02	9.83	9.37	8.5	7.72
Equity Multiple:	0.99	1.23	1.48	2.06	3.86	9.54	19.14
Break Even Ratio:	67.4%	74.9%	72.7%	68.6%	59.6%	46%	36.5%
Debt Coverage Ratio:	1.55	1.43	1.49	1.62	1.99	3.01	4.53
Debt Yield:	11.3%	10.5%	11.2%	12.5%	17.1%	40.1%	-

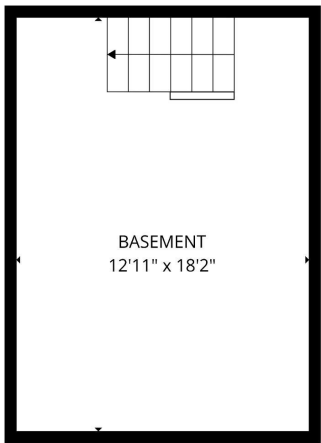
Cash Flow Over Time



Equity Over Time



Property Photos









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