

3515 E 10th St

Investment Property - Buy & Hold

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

\$ 150,000 Purchase Price · \$ 169,900 ARV
\$ 39,000 Cash Needed · \$ 340/mo Cash Flow · 8.4% Cap Rate · 10.4% COC

Prepared by:



The Homeboys



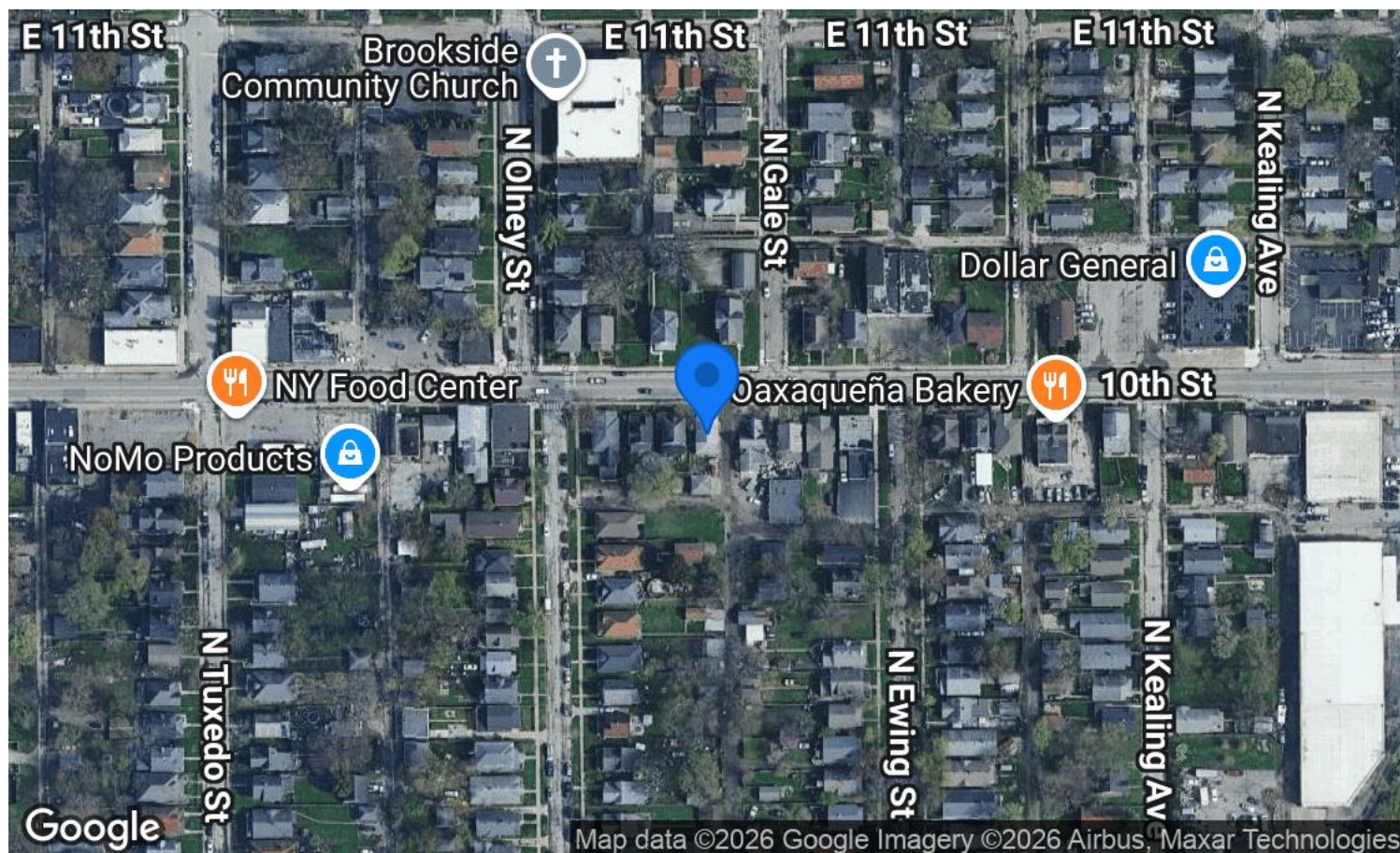
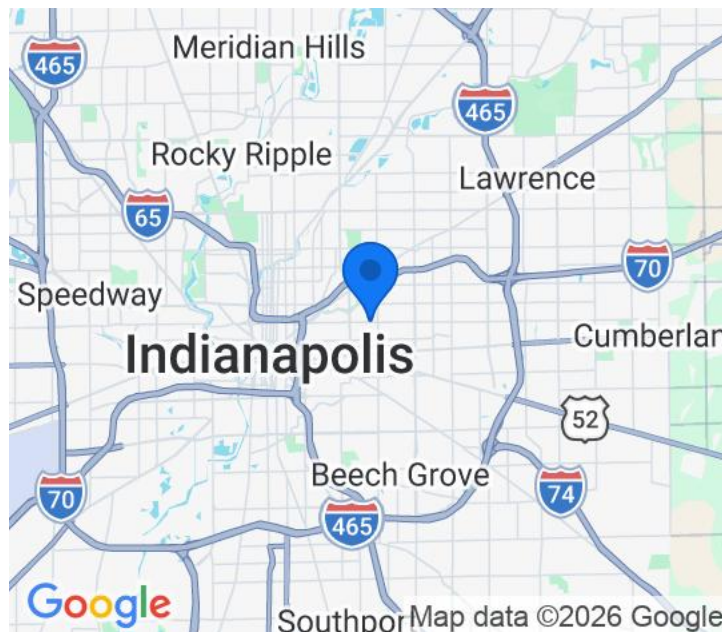
Property Description

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:		\$ 150,000
Amount Financed:	-	\$ 112,500
Down Payment:	=	\$ 37,500
Purchase Costs:	+	\$ 1,500
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 39,000
After Repair Value:		\$ 169,900
ARV Per Square Foot:		\$ 114.5
Price Per Square Foot:		\$ 101.1

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	8.4% / 7.4%
Cash on Cash Return:	10.4%
Return on Equity:	6.2%
Return on Investment:	51.1%
Internal Rate of Return:	51.1%
Rent to Value:	1%
Gross Rent Multiplier:	8.33
Equity Multiple:	1.51
Break Even Ratio:	74.4%
Debt Coverage Ratio:	1.48
Debt Yield:	11.2%

PURCHASE COSTS

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

Loan Type:	Amortizing, 30 Year
Interest Rate:	6.5%
Financing Of:	Price (75%)
Loan Amount:	\$ 112,500
LTC / LTV:	75% / 66.2%
Loan Payment:	\$ 711 Per Month
	\$ 8,533 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
Operating Income:	=	\$ 1,455	\$ 17,460
Operating Expenses (27.8%):	-	\$ 404	\$ 4,853
Net Operating Income:	=	\$ 1,051	\$ 12,607
Loan Payments:	-	\$ 711	\$ 8,533
Cash Flow:	=	\$ 340	\$ 4,074

		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
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:	- \$ 8,533	- \$ 8,533	- \$ 8,533	- \$ 8,533	- \$ 8,533	- \$ 8,533	- \$ 8,533
Cash Flow:	= \$ 4,074	= \$ 2,844	= \$ 3,385	= \$ 4,533	= \$ 7,869	= \$ 17,035	= \$ 30,889
TAX BENEFITS & DEDUCTIONS							
Operating Expenses:	\$ 4,853	\$ 6,781	\$ 6,967	\$ 7,359	\$ 8,449	\$ 11,217	\$ 15,030
Loan Interest:	+ \$ 7,275	+ \$ 7,191	+ \$ 7,101	+ \$ 6,903	+ \$ 6,279	+ \$ 4,224	+ \$ 293
Depreciation:	+ \$ 5,356	+ \$ 5,356	+ \$ 5,356	+ \$ 5,356	+ \$ 5,356	+ \$ 5,356	+ \$ 0
Total Deductions:	= \$ 17,485	= \$ 19,329	= \$ 19,425	= \$ 19,619	= \$ 20,085	= \$ 20,797	= \$ 15,323
EQUITY ACCUMULATION							

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Property Value:	\$ 176,696	\$ 183,764	\$ 191,114	\$ 206,709	\$ 251,494	\$ 372,272	\$ 551,053
Appreciation:	4%	4%	4%	4%	4%	4%	4%
Loan Balance:	- \$ 111,243	- \$ 109,901	- \$ 108,469	- \$ 105,312	- \$ 95,373	- \$ 62,623	- \$ 0
LTV Ratio:	63%	59.8%	56.8%	50.9%	37.9%	16.8%	-
Total Equity:	= \$ 65,453	= \$ 73,863	= \$ 82,645	= \$ 101,397	= \$ 156,121	= \$ 309,649	= \$ 551,053

SALE ANALYSIS

Equity:	\$ 65,453	\$ 73,863	\$ 82,645	\$ 101,397	\$ 156,121	\$ 309,649	\$ 551,053
Selling Costs (6%):	- \$ 10,602	- \$ 11,026	- \$ 11,467	- \$ 12,403	- \$ 15,090	- \$ 22,336	- \$ 33,063
Sale Proceeds:	= \$ 54,852	= \$ 62,837	= \$ 71,178	= \$ 88,994	= \$ 141,031	= \$ 287,312	= \$ 517,990
Cumulative Cash Flow:	+ \$ 4,074	+ \$ 6,918	+ \$ 10,303	+ \$ 18,784	+ \$ 51,180	+ \$ 177,154	+ \$ 419,019
Total Cash Invested:	- \$ 39,000	- \$ 39,000	- \$ 39,000	- \$ 39,000	- \$ 39,000	- \$ 39,000	- \$ 39,000
Total Profit:	= \$ 19,926	= \$ 30,755	= \$ 42,481	= \$ 68,778	= \$ 153,211	= \$ 425,466	= \$ 898,009

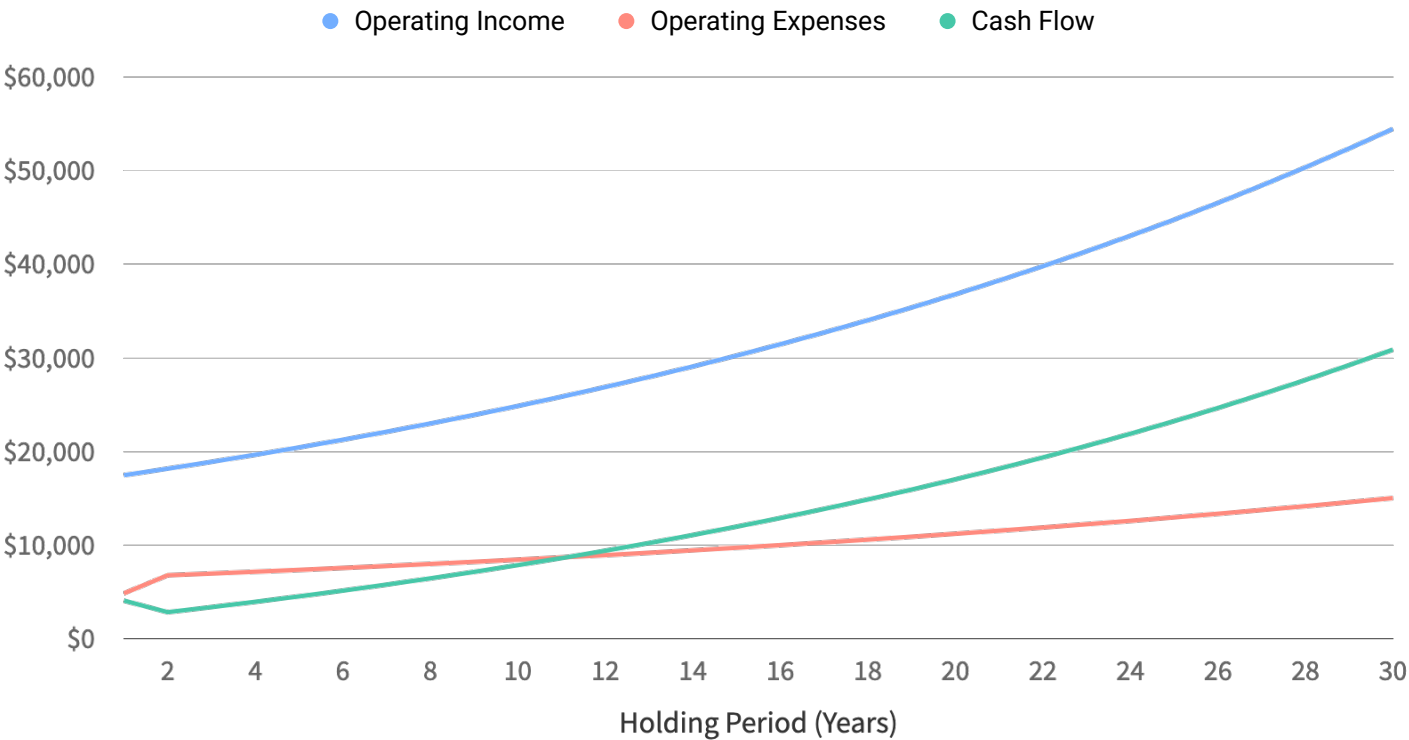
INVESTMENT RETURNS

Cap Rate (Purchase Price):	8.4%	7.6%	7.9%	8.7%	10.9%	17%	26.3%
Cap Rate (Market Value):	7.1%	6.2%	6.2%	6.3%	6.5%	6.9%	7.2%
Cash on Cash Return:	10.4%	7.3%	8.7%	11.6%	20.2%	43.7%	79.2%
Return on Equity:	6.2%	3.9%	4.1%	4.5%	5%	5.5%	5.6%
Return on Investment:	51.1%	78.9%	108.9%	176.4%	392.8%	1,090.9%	2,302.6%
Internal Rate of Return:	51.1%	35.1%	29.7%	25.1%	20.9%	18.4%	17.5%

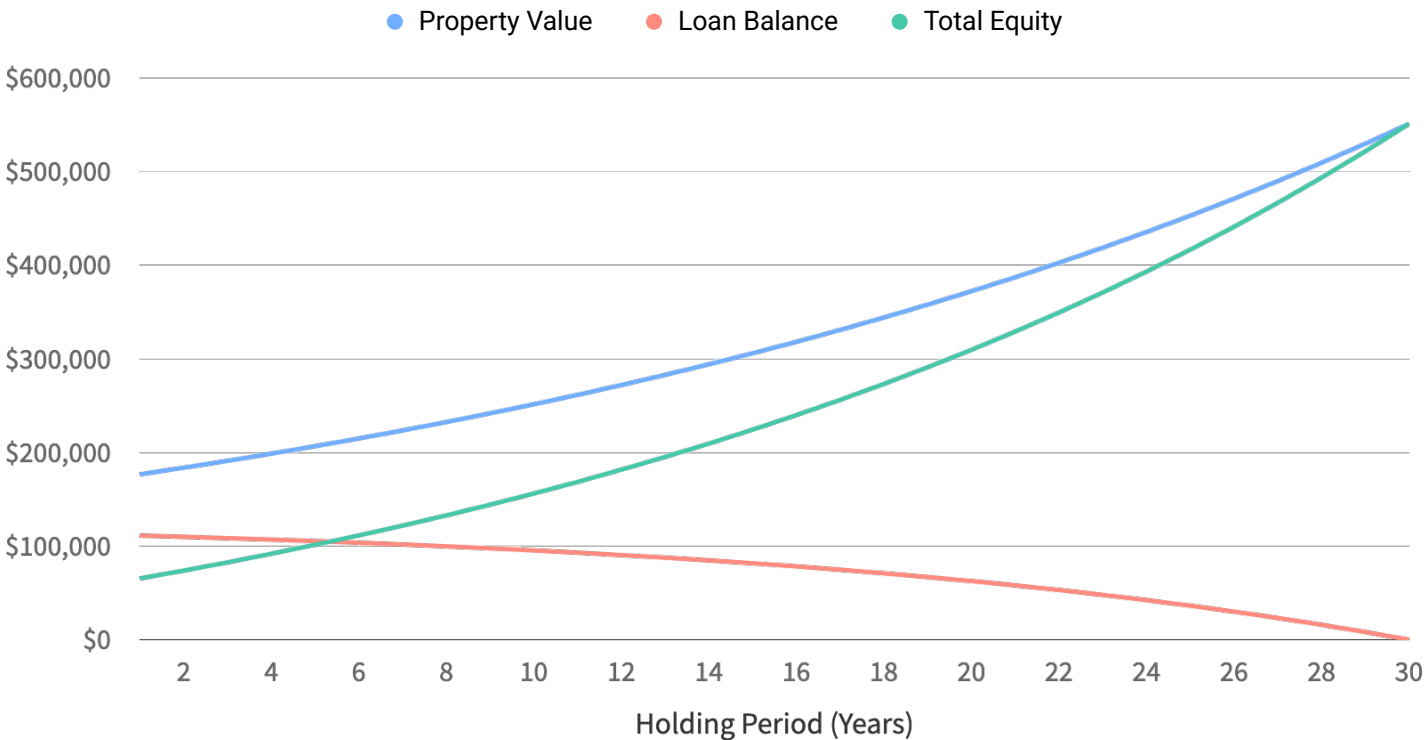
FINANCIAL RATIOS

Rent to Value:	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Gross Rent Multiplier:	9.82	9.82	9.82	9.82	9.82	9.82	9.82
Equity Multiple:	1.51	1.79	2.09	2.76	4.93	11.91	24.03
Break Even Ratio:	74.4%	81.8%	79.6%	75.5%	66.3%	52.1%	42%
Debt Coverage Ratio:	1.48	1.33	1.4	1.53	1.92	3	4.62
Debt Yield:	11.3%	10.4%	11%	12.4%	17.2%	40.8%	-

Cash Flow Over Time

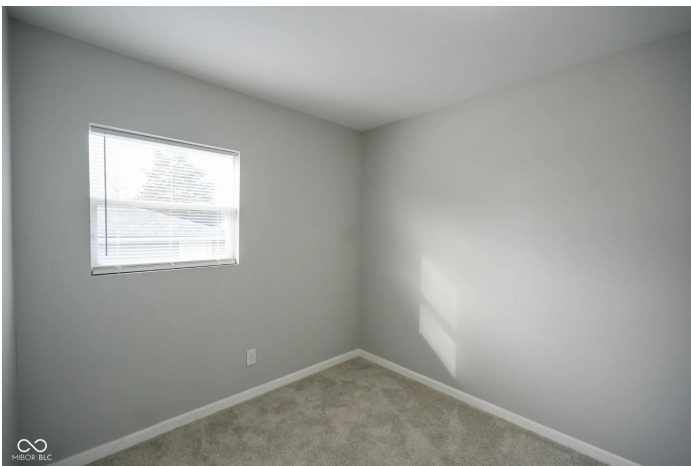


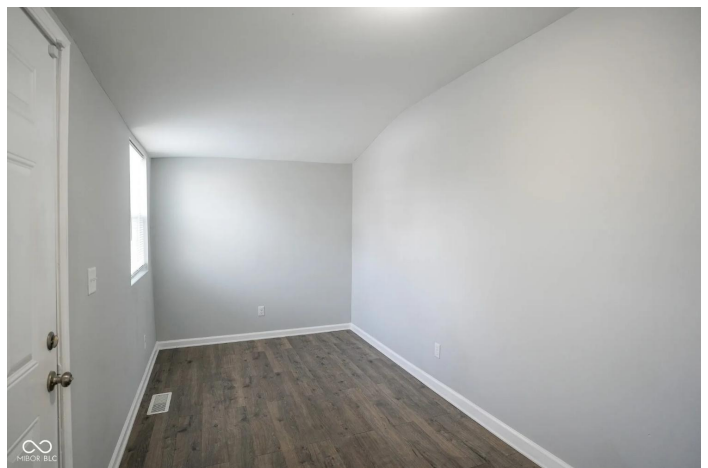
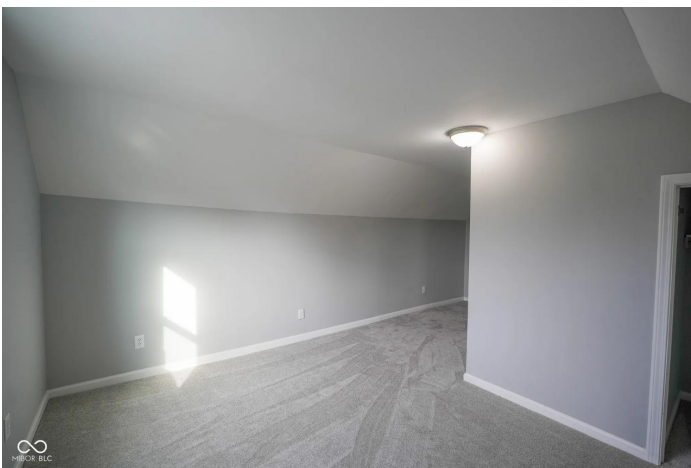
Equity Over Time



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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