

421 N Euclid Ave

Investment Property - Buy & Hold

421 N Euclid Ave, Indianapolis, IN 46201

House · 4 Beds · - Baths · 796 Sq.Ft.

\$ 184,900 Purchase Price · \$ 189,900 ARV
\$ 48,999 Cash Needed · \$ 465/mo Cash Flow · 8.4% Cap Rate · 11.4% COC

Prepared by:



The Homeboys



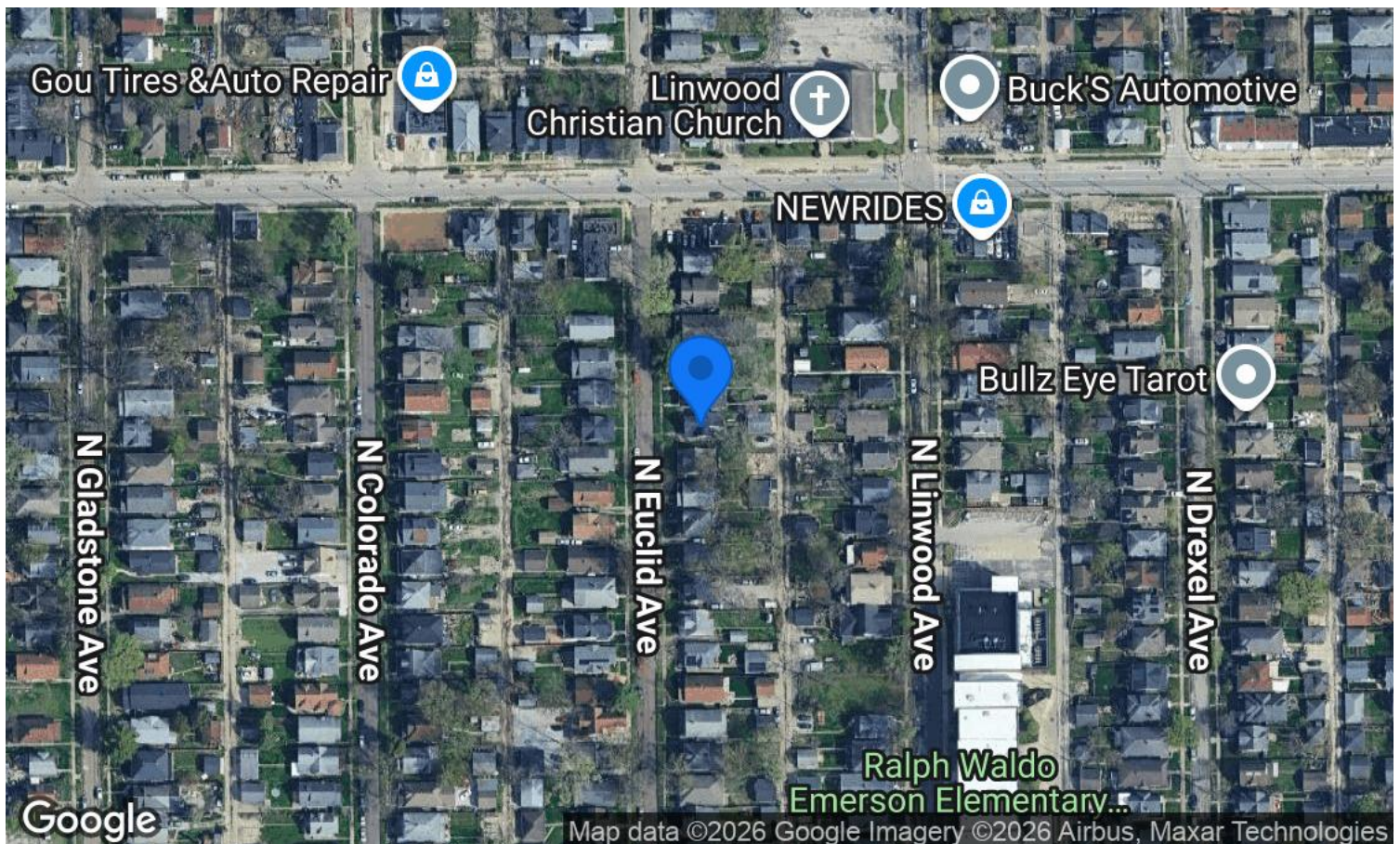
Property Description

ADDRESS

421 N Euclid Ave
Indianapolis, IN 46201

DESCRIPTION

Property Type:	House
Beds / Baths:	4 BR /
Square Footage:	796
Year Built:	1890
Lot Size:	5,445 sq.ft.
Zoning:	Z001



Purchase Analysis & Returns

PURCHASE & REHAB

Purchase Price:		\$ 184,900
Amount Financed:	-	\$ 138,675
Down Payment:	=	\$ 46,225
Purchase Costs:	+	\$ 2,774
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 48,999
After Repair Value:		\$ 189,900
ARV Per Square Foot:		\$ 238.6
Price Per Square Foot:		\$ 232.3

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	8.4% / 8.2%
Cash on Cash Return:	11.4%
Return on Equity:	9.2%
Return on Investment:	10.7%
Internal Rate of Return:	10.7%
Rent to Value:	0.9%
Gross Rent Multiplier:	9.06
Equity Multiple:	1.11
Break Even Ratio:	69.6%
Debt Coverage Ratio:	1.56
Debt Yield:	11.2%

PURCHASE COSTS

Total (1.5% of Price):	\$ 2,774
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FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	5.99%
Financing Of:	Price (75%)
Loan Amount:	\$ 138,675
LTC / LTV:	75% / 73%
Loan Payment:	\$ 831 Per Month
	\$ 9,966 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
Total:	\$ 0
Total Per Square Foot:	\$ 0

Cash Flow (Year 1)

		Monthly	Yearly
CASH FLOW			
Gross Rent:		\$ 1,700	\$ 20,400
Vacancy (3%):	-	\$ 51	\$ 612
Other Income:	+	\$ 0	\$ 0
Operating Income:	=	\$ 1,649	\$ 19,788
Operating Expenses (21.4%):	-	\$ 353	\$ 4,241
Net Operating Income:	=	\$ 1,296	\$ 15,547
Loan Payments:	-	\$ 831	\$ 9,966
Cash Flow:	=	\$ 465	\$ 5,581

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

		Monthly	Yearly
OPERATING EXPENSES			
Property Taxes:		\$ 208	\$ 2,500
Insurance:		\$ 77	\$ 925
Maintenance:		\$ 68	\$ 816
Capital Expenditures:		\$ 0	\$ 0
HOA Fees:		\$ 0	\$ 0
Utilities:		\$ 0	\$ 0
Landscaping:		\$ 0	\$ 0
Accounting & Legal Fees:		\$ 0	\$ 0
Total:		\$ 353	\$ 4,241

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:	\$ 20,400	\$ 21,216	\$ 22,065	\$ 23,865	\$ 29,036	\$ 42,980	\$ 63,620	
Vacancy:	- \$ 612	- \$ 636	- \$ 662	- \$ 716	- \$ 871	- \$ 1,289	- \$ 1,909	
Vacancy Rate:	3%	3%	3%	3%	3%	3%	3%	
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	
Operating Income:	= \$ 19,788	= \$ 20,580	= \$ 21,403	= \$ 23,149	= \$ 28,165	= \$ 41,691	= \$ 61,711	
Income Increase:	4%	4%	4%	4%	4%	4%	4%	
OPERATING EXPENSES								
Property Taxes:	\$ 2,500	\$ 2,550	\$ 2,601	\$ 2,706	\$ 2,988	\$ 3,642	\$ 4,440	
Insurance:	+ \$ 925	+ \$ 944	+ \$ 962	+ \$ 1,001	+ \$ 1,105	+ \$ 1,348	+ \$ 1,643	
Property Management:	N/A	+ \$ 2,058	+ \$ 2,140	+ \$ 2,315	+ \$ 2,816	+ \$ 4,169	+ \$ 6,171	
Maintenance:	+ \$ 816	+ \$ 849	+ \$ 883	+ \$ 955	+ \$ 1,161	+ \$ 1,719	+ \$ 2,545	
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:	= \$ 4,241	= \$ 6,401	= \$ 6,586	= \$ 6,977	= \$ 8,070	= \$ 10,878	= \$ 14,799	
Expense Increase:	2%	2%	2%	2%	2%	2%	2%	
CASH FLOW								
Operating Income:	\$ 19,788	\$ 20,580	\$ 21,403	\$ 23,149	\$ 28,165	\$ 41,691	\$ 61,711	
Operating Expenses:	- \$ 4,241	- \$ 6,401	- \$ 6,586	- \$ 6,977	- \$ 8,070	- \$ 10,878	- \$ 14,799	
Expense Ratio:	21.4%	31.1%	30.8%	30.1%	28.7%	26.1%	24%	
Net Operating Income:	= \$ 15,547	= \$ 14,179	= \$ 14,817	= \$ 16,172	= \$ 20,095	= \$ 30,813	= \$ 46,912	
Loan Payments:	- \$ 9,966	- \$ 9,966	- \$ 9,966	- \$ 9,966	- \$ 9,966	- \$ 9,966	- \$ 9,966	
Cash Flow:	= \$ 5,581	= \$ 4,213	= \$ 4,851	= \$ 6,206	= \$ 10,129	= \$ 20,847	= \$ 36,946	
TAX BENEFITS & DEDUCTIONS								
Operating Expenses:	\$ 4,241	\$ 6,401	\$ 6,586	\$ 6,977	\$ 8,070	\$ 10,878	\$ 14,799	
Loan Interest:	+ \$ 8,260	+ \$ 8,155	+ \$ 8,044	+ \$ 7,800	+ \$ 7,045	+ \$ 4,657	+ \$ 316	
Depreciation:	+ \$ 6,825	+ \$ 6,825	+ \$ 6,825	+ \$ 6,825	+ \$ 6,825	+ \$ 6,825	+ \$ 0	
Total Deductions:	= \$ 19,326	= \$ 21,381	= \$ 21,454	= \$ 21,601	= \$ 21,940	= \$ 22,359	= \$ 15,115	
EQUITY ACCUMULATION								

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Property Value:	\$ 197,496	\$ 205,396	\$ 213,612	\$ 231,042	\$ 281,098	\$ 416,094	\$ 615,921
Appreciation:	4%	4%	4%	4%	4%	4%	4%
Loan Balance:	- \$ 136,969	- \$ 135,158	- \$ 133,235	- \$ 129,027	- \$ 116,020	- \$ 74,843	- \$ 0
LTV Ratio:	69.4%	65.8%	62.4%	55.8%	41.3%	18%	-
Total Equity:	= \$ 60,527	= \$ 70,238	= \$ 80,377	= \$ 102,015	= \$ 165,078	= \$ 341,251	= \$ 615,921

SALE ANALYSIS

Equity:	\$ 60,527	\$ 70,238	\$ 80,377	\$ 102,015	\$ 165,078	\$ 341,251	\$ 615,921
Selling Costs (6%):	- \$ 11,850	- \$ 12,324	- \$ 12,817	- \$ 13,863	- \$ 16,866	- \$ 24,966	- \$ 36,955
Sale Proceeds:	= \$ 48,677	= \$ 57,915	= \$ 67,560	= \$ 88,152	= \$ 148,212	= \$ 316,285	= \$ 578,966
Cumulative Cash Flow:	+ \$ 5,581	+ \$ 9,794	+ \$ 14,645	+ \$ 26,365	+ \$ 68,838	+ \$ 225,463	+ \$ 517,110
Total Cash Invested:	- \$ 48,999	- \$ 48,999	- \$ 48,999	- \$ 48,999	- \$ 48,999	- \$ 48,999	- \$ 48,999
Total Profit:	= \$ 5,259	= \$ 18,710	= \$ 33,206	= \$ 65,518	= \$ 168,051	= \$ 492,749	= \$ 1,047,077

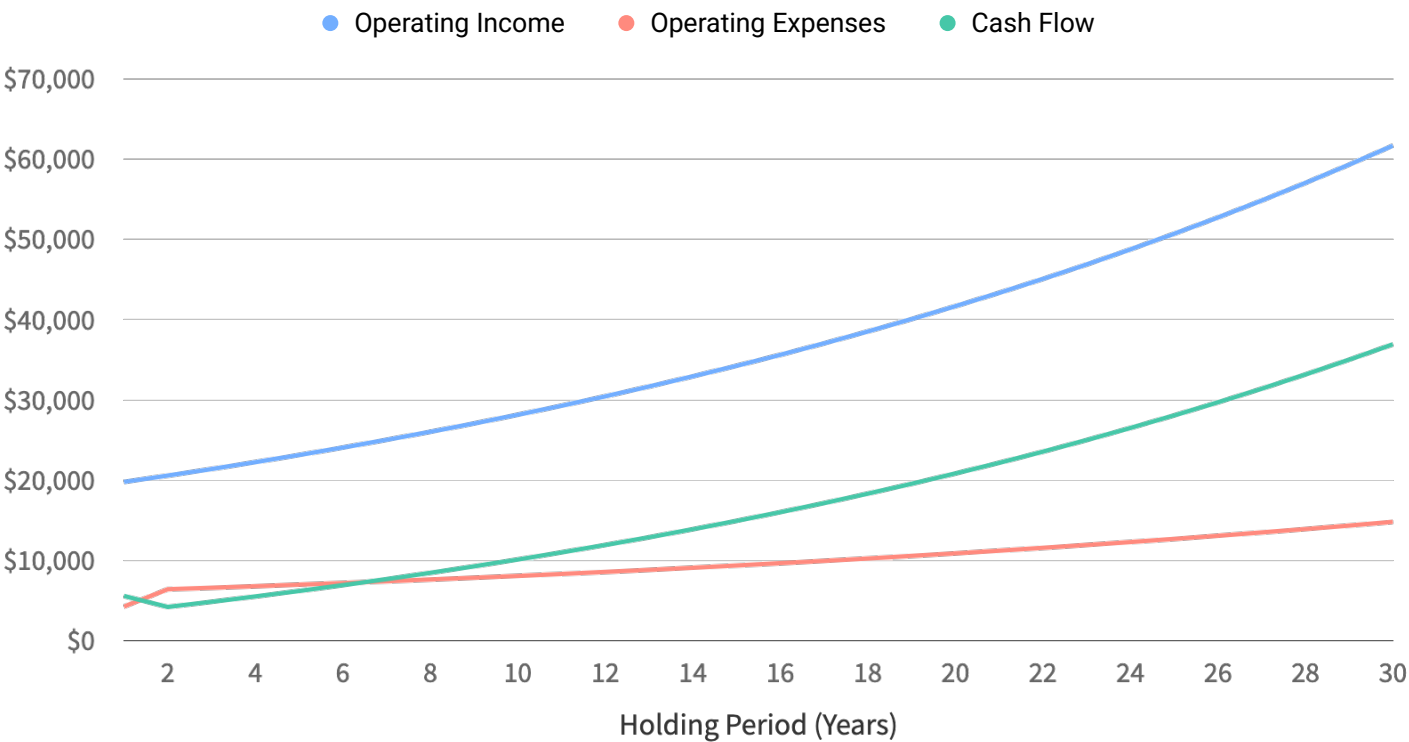
INVESTMENT RETURNS

Cap Rate (Purchase Price):	8.4%	7.7%	8%	8.7%	10.9%	16.7%	25.4%
Cap Rate (Market Value):	7.9%	6.9%	6.9%	7%	7.1%	7.4%	7.6%
Cash on Cash Return:	11.4%	8.6%	9.9%	12.7%	20.7%	42.5%	75.4%
Return on Equity:	9.2%	6%	6%	6.1%	6.1%	6.1%	6%
Return on Investment:	10.7%	38.2%	67.8%	133.7%	343%	1,005.6%	2,136.9%
Internal Rate of Return:	10.7%	18.4%	20.4%	21.1%	20.1%	18.5%	17.8%

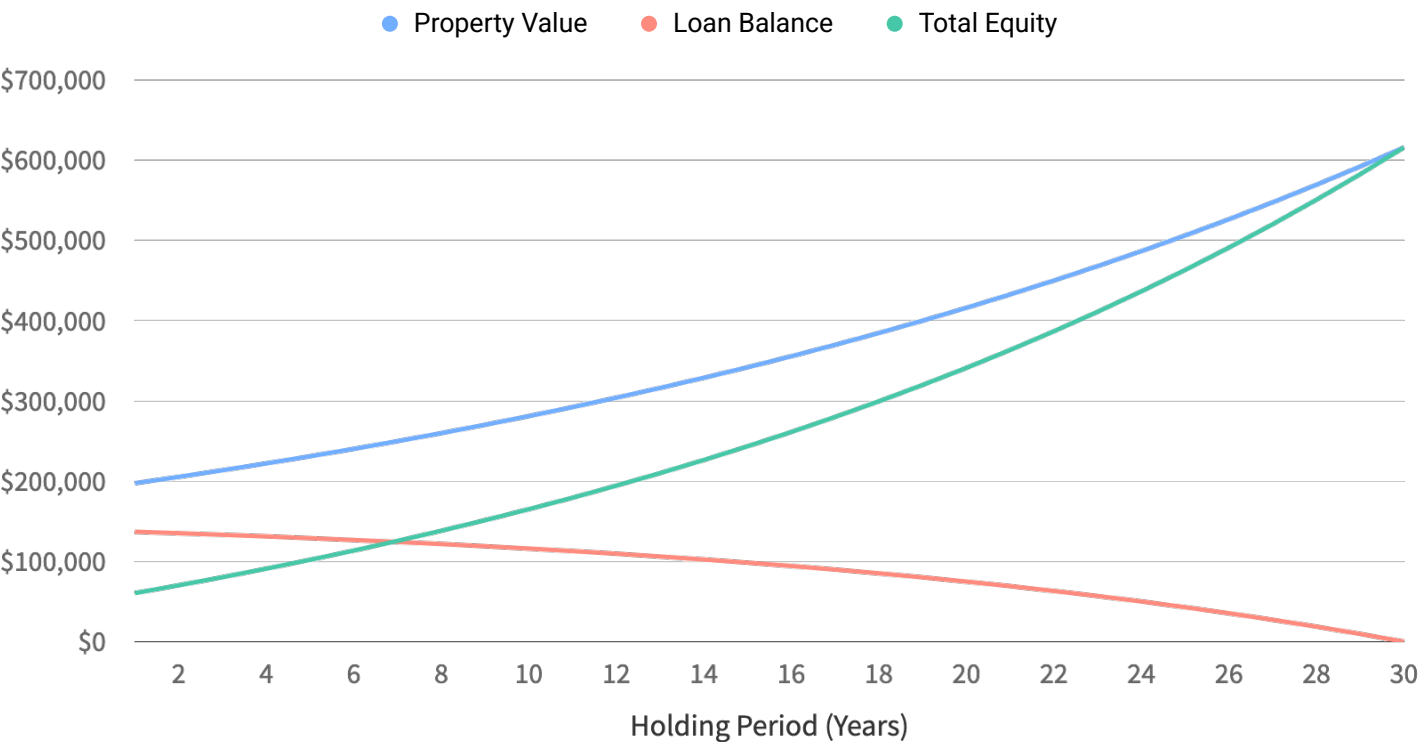
FINANCIAL RATIOS

Rent to Value:	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
Gross Rent Multiplier:	9.68	9.68	9.68	9.68	9.68	9.68	9.68
Equity Multiple:	1.11	1.38	1.68	2.34	4.43	11.06	22.37
Break Even Ratio:	69.6%	77.1%	75%	71%	62.1%	48.5%	38.9%
Debt Coverage Ratio:	1.56	1.42	1.49	1.62	2.02	3.09	4.71
Debt Yield:	11.4%	10.5%	11.1%	12.5%	17.3%	41.2%	-

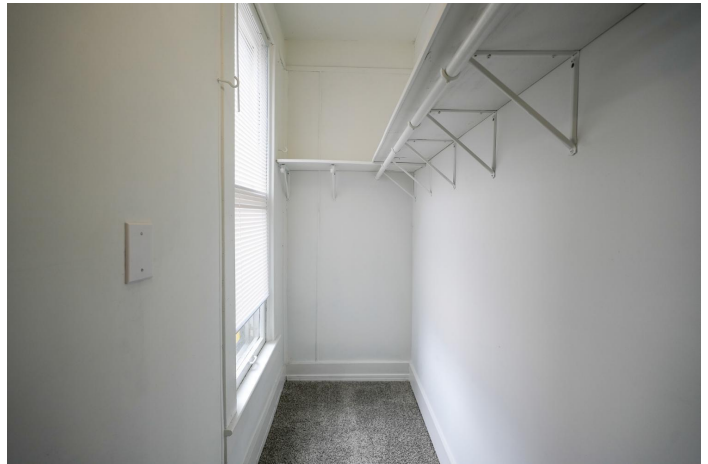
Cash Flow Over Time



Equity Over Time



Property Photos









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