

2314 Forkner St

Investment Property - Buy & Hold

2314 Forkner St, Anderson, IN 46016
House · 2 Beds · 1 Baths · 816 Sq.Ft.

\$ 119,900 Purchase Price · \$ 119,900 ARV
\$ 31,774 Cash Needed · \$ 363/mo Cash Flow · 9.3% Cap Rate · 13.7% COC

Prepared by:



The Homeboys



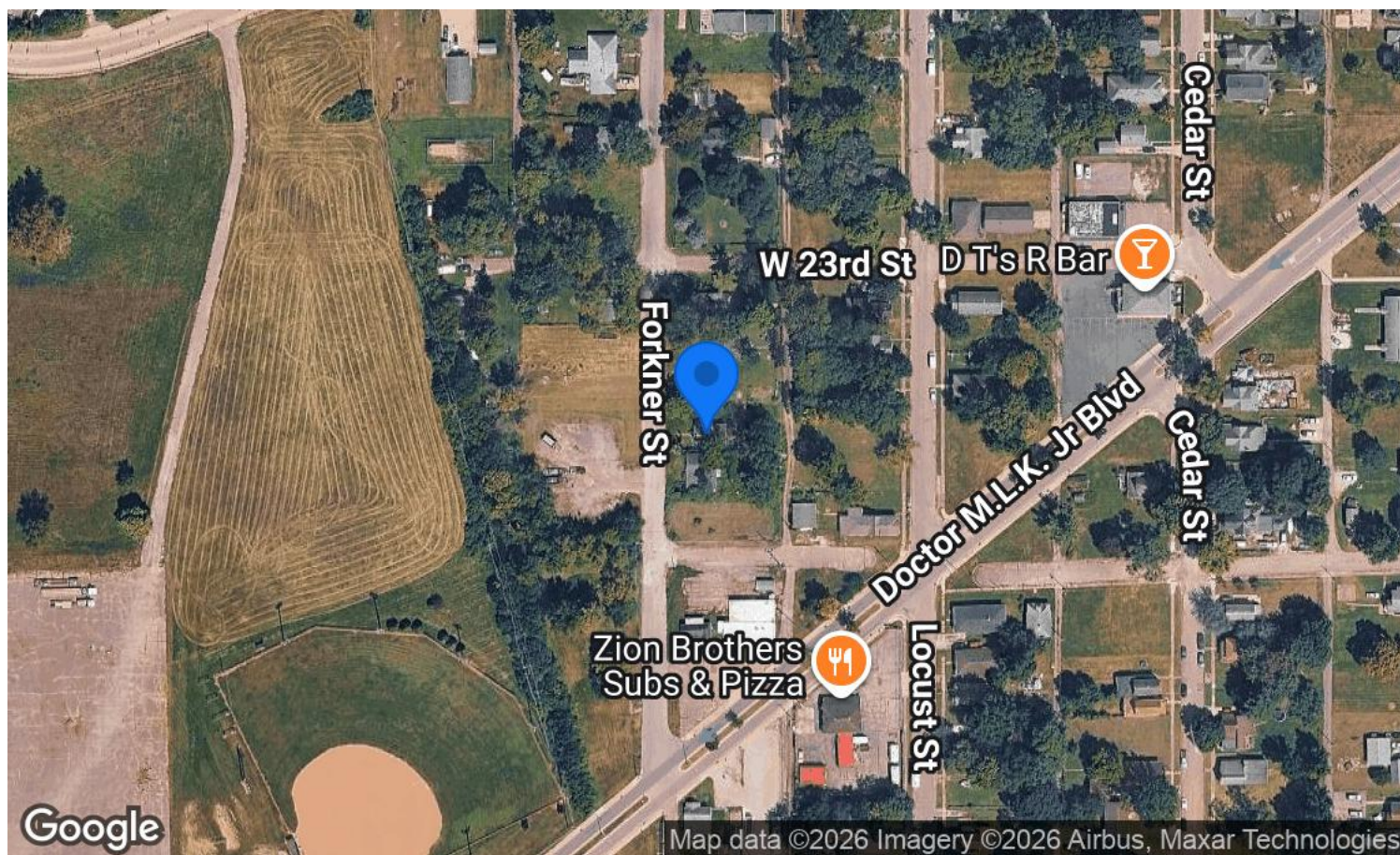
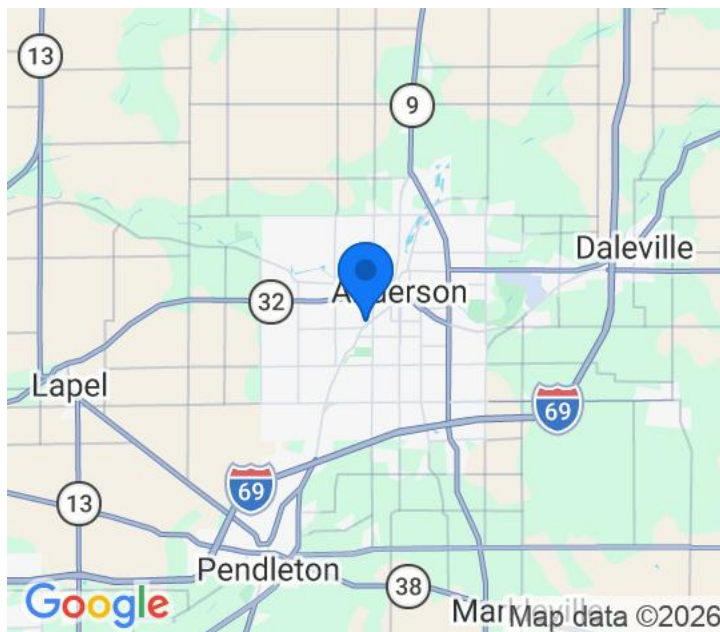
Property Description

ADDRESS

2314 Forkner St
Anderson, IN 46016

DESCRIPTION

Property Type:	House
Beds / Baths:	2 BR / 1 BA
Square Footage:	816
Year Built:	1948
Lot Size:	6,534 sq.ft.
Zoning:	Single Family Residential
MLS Number:	22118280



Purchase Analysis & Returns

PURCHASE & REHAB

Purchase Price:		\$ 119,900
Amount Financed:	-	\$ 89,925
Down Payment:	=	\$ 29,975
Purchase Costs:	+	\$ 1,799
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 31,774
After Repair Value:		\$ 119,900
ARV Per Square Foot:		\$ 146.9
Price Per Square Foot:		\$ 146.9

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	9.3% / 9.3%
Cash on Cash Return:	13.7%
Return on Equity:	12.2%
Return on Investment:	2.8%
Internal Rate of Return:	2.8%
Rent to Value:	0.9%
Gross Rent Multiplier:	9.08
Equity Multiple:	1.03
Break Even Ratio:	64%
Debt Coverage Ratio:	1.64
Debt Yield:	12.4%

PURCHASE COSTS

Total (1.5% of Price):	\$ 1,799
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FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	6.5%
Financing Of:	Price (75%)
Loan Amount:	\$ 89,925
LTC / LTV:	75% / 75%
Loan Payment:	\$ 568 Per Month
	\$ 6,821 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:	\$ 2,100

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:		\$ 1,100	\$ 13,200
Vacancy (3%):	-	\$ 33	\$ 396
Other Income:	+	\$ 0	\$ 0
Operating Income:	=	\$ 1,067	\$ 12,804
Operating Expenses (12.7%):	-	\$ 135	\$ 1,624
Net Operating Income:	=	\$ 932	\$ 11,180
Loan Payments:	-	\$ 568	\$ 6,821
Cash Flow:	=	\$ 364	\$ 4,359

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

		Monthly	Yearly
OPERATING EXPENSES			
Property Taxes:		\$ 46	\$ 546
Insurance:		\$ 46	\$ 550
Maintenance:		\$ 44	\$ 528
Capital Expenditures:		\$ 0	\$ 0
HOA Fees:		\$ 0	\$ 0
Utilities:		\$ 0	\$ 0
Landscaping:		\$ 0	\$ 0
Accounting & Legal Fees:		\$ 0	\$ 0
Total:		\$ 135	\$ 1,624

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:	\$ 13,200	\$ 13,728	\$ 14,277	\$ 15,442	\$ 18,788	\$ 27,810	\$ 41,166
Vacancy:	- \$ 396	- \$ 412	- \$ 428	- \$ 463	- \$ 564	- \$ 834	- \$ 1,235
Vacancy Rate:	3%	3%	3%	3%	3%	3%	3%
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Operating Income:	= \$ 12,804	= \$ 13,316	= \$ 13,849	= \$ 14,979	= \$ 18,224	= \$ 26,976	= \$ 39,931
Income Increase:	4%	4%	4%	4%	4%	4%	4%
OPERATING EXPENSES							
Property Taxes:	\$ 546	\$ 557	\$ 568	\$ 591	\$ 653	\$ 795	\$ 970
Insurance:	+ \$ 550	+ \$ 561	+ \$ 572	+ \$ 595	+ \$ 657	+ \$ 801	+ \$ 977
Property Management:	N/A	+ \$ 1,332	+ \$ 1,385	+ \$ 1,498	+ \$ 1,822	+ \$ 2,698	+ \$ 3,993
Maintenance:	+ \$ 528	+ \$ 549	+ \$ 571	+ \$ 618	+ \$ 752	+ \$ 1,112	+ \$ 1,647
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:	= \$ 1,624	= \$ 2,999	= \$ 3,096	= \$ 3,302	= \$ 3,884	= \$ 5,406	= \$ 7,587
Expense Increase:	2%	2%	2%	2%	2%	2%	2%
CASH FLOW							
Operating Income:	\$ 12,804	\$ 13,316	\$ 13,849	\$ 14,979	\$ 18,224	\$ 26,976	\$ 39,931
Operating Expenses:	- \$ 1,624	- \$ 2,999	- \$ 3,096	- \$ 3,302	- \$ 3,884	- \$ 5,406	- \$ 7,587
Expense Ratio:	12.7%	22.5%	22.4%	22%	21.3%	20%	19%
Net Operating Income:	= \$ 11,180	= \$ 10,317	= \$ 10,753	= \$ 11,677	= \$ 14,340	= \$ 21,570	= \$ 32,344
Loan Payments:	- \$ 6,821	- \$ 6,821	- \$ 6,821	- \$ 6,821	- \$ 6,821	- \$ 6,821	- \$ 6,821
Cash Flow:	= \$ 4,359	= \$ 3,496	= \$ 3,932	= \$ 4,856	= \$ 7,519	= \$ 14,749	= \$ 25,523
TAX BENEFITS & DEDUCTIONS							
Operating Expenses:	\$ 1,624	\$ 2,999	\$ 3,096	\$ 3,302	\$ 3,884	\$ 5,406	\$ 7,587
Loan Interest:	+ \$ 5,816	+ \$ 5,748	+ \$ 5,676	+ \$ 5,518	+ \$ 5,019	+ \$ 3,376	+ \$ 234
Depreciation:	+ \$ 4,349	+ \$ 4,349	+ \$ 4,349	+ \$ 4,349	+ \$ 4,349	+ \$ 4,349	+ \$ 0
Total Deductions:	= \$ 11,789	= \$ 13,096	= \$ 13,121	= \$ 13,169	= \$ 13,252	= \$ 13,131	= \$ 7,821
EQUITY ACCUMULATION							

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Property Value:	\$ 124,696	\$ 129,684	\$ 134,871	\$ 145,877	\$ 177,481	\$ 262,716	\$ 388,883
Appreciation:	4%	4%	4%	4%	4%	4%	4%
Loan Balance:	- \$ 88,920	- \$ 87,847	- \$ 86,703	- \$ 84,180	- \$ 76,235	- \$ 50,057	- \$ 0
LTV Ratio:	71.3%	67.7%	64.3%	57.7%	43%	19.1%	-
Total Equity:	= \$ 35,776	= \$ 41,837	= \$ 48,168	= \$ 61,697	= \$ 101,246	= \$ 212,659	= \$ 388,883

SALE ANALYSIS

Equity:	\$ 35,776	\$ 41,837	\$ 48,168	\$ 61,697	\$ 101,246	\$ 212,659	\$ 388,883
Selling Costs (6%):	- \$ 7,482	- \$ 7,781	- \$ 8,092	- \$ 8,753	- \$ 10,649	- \$ 15,763	- \$ 23,333
Sale Proceeds:	= \$ 28,294	= \$ 34,056	= \$ 40,076	= \$ 52,945	= \$ 90,597	= \$ 196,896	= \$ 365,550
Cumulative Cash Flow:	+ \$ 4,359	+ \$ 7,855	+ \$ 11,787	+ \$ 21,028	+ \$ 53,084	+ \$ 165,659	+ \$ 368,876
Total Cash Invested:	- \$ 31,774	- \$ 31,774	- \$ 31,774	- \$ 31,774	- \$ 31,774	- \$ 31,774	- \$ 31,774
Total Profit:	= \$ 879	= \$ 10,137	= \$ 20,089	= \$ 42,199	= \$ 111,907	= \$ 330,781	= \$ 702,652

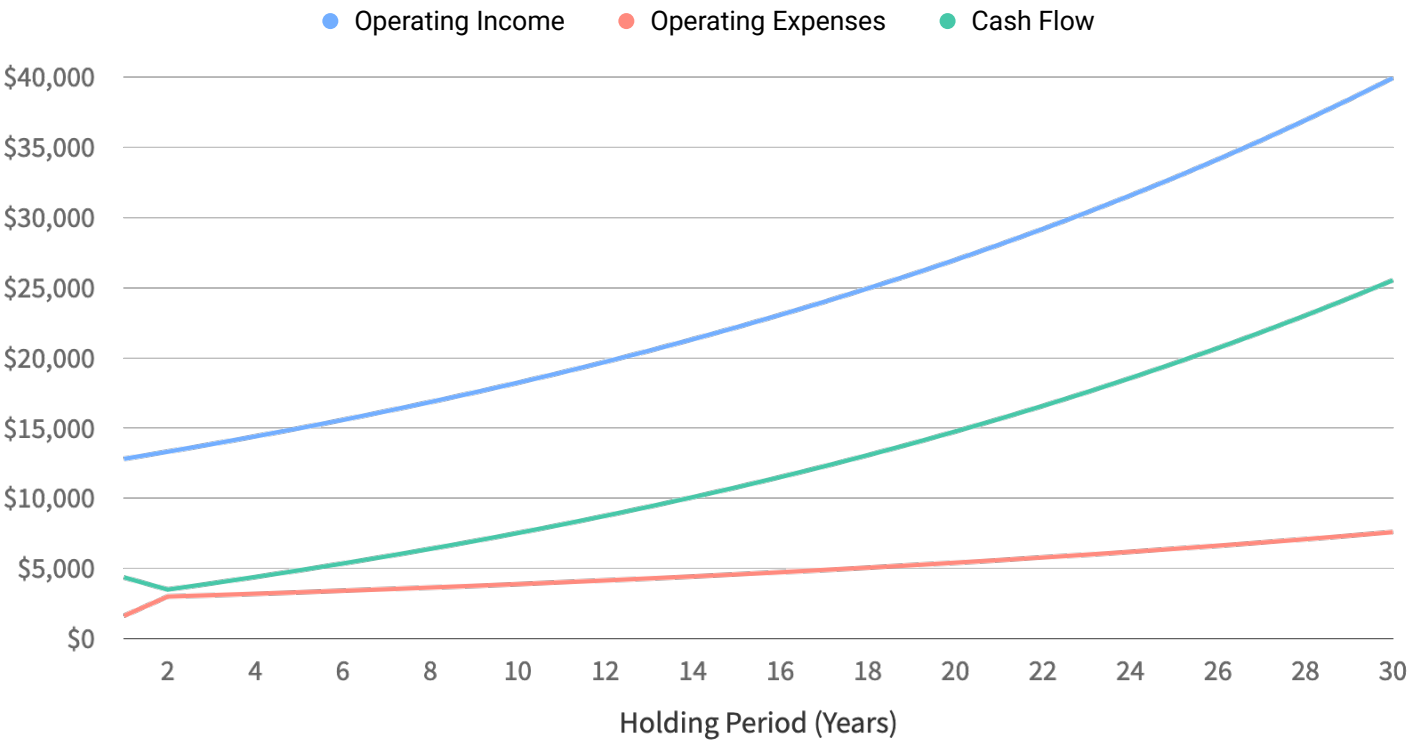
INVESTMENT RETURNS

Cap Rate (Purchase Price):	9.3%	8.6%	9%	9.7%	12%	18%	27%
Cap Rate (Market Value):	9%	8%	8%	8%	8.1%	8.2%	8.3%
Cash on Cash Return:	13.7%	11%	12.4%	15.3%	23.7%	46.4%	80.3%
Return on Equity:	12.2%	8.4%	8.2%	7.9%	7.4%	6.9%	6.6%
Return on Investment:	2.8%	31.9%	63.2%	132.8%	352.2%	1,041%	2,211.4%
Internal Rate of Return:	2.8%	15.8%	19.7%	21.7%	21.5%	20.1%	19.4%

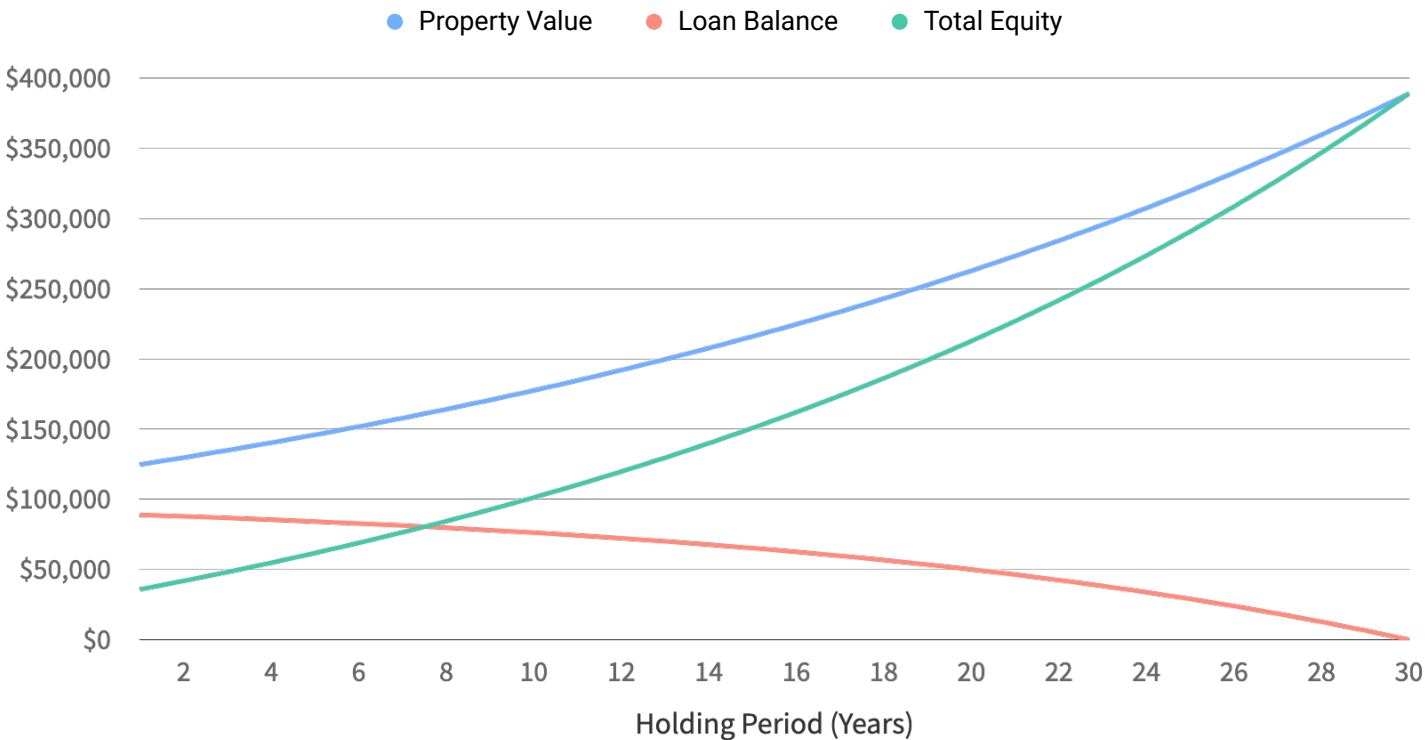
FINANCIAL RATIOS

Rent to Value:	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
Gross Rent Multiplier:	9.45	9.45	9.45	9.45	9.45	9.45	9.45
Equity Multiple:	1.03	1.32	1.63	2.33	4.52	11.41	23.11
Break Even Ratio:	64%	71.5%	69.5%	65.6%	57%	44%	35%
Debt Coverage Ratio:	1.64	1.51	1.58	1.71	2.1	3.16	4.74
Debt Yield:	12.6%	11.7%	12.4%	13.9%	18.8%	43.1%	-

Cash Flow Over Time

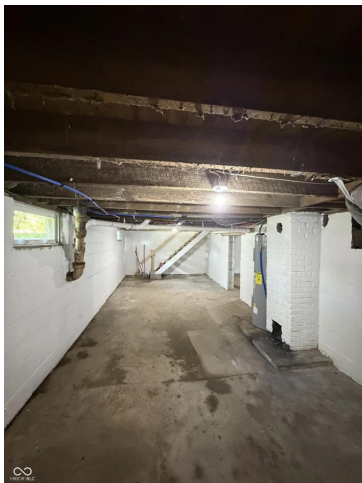


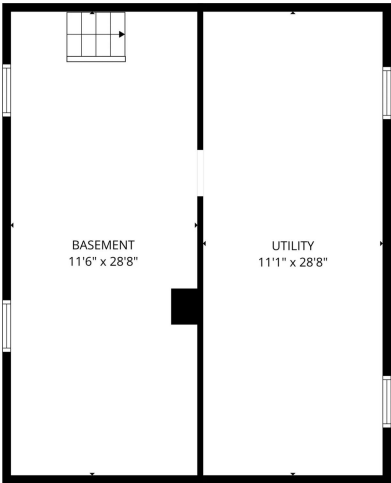
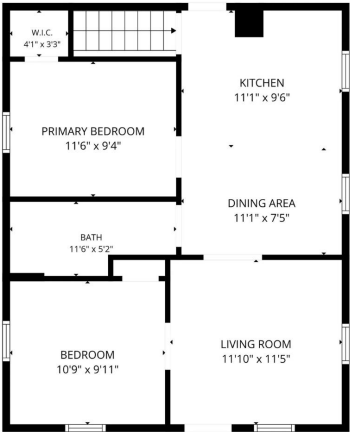
Equity Over Time



Property Photos







Additional Information

Fully remodeled 2 bed with full basement. Fresh paint, all new flooring and brand new kitchen/bath. This home is truly move-in ready! New kitchen offers white shaker cabinets, counters, new SS appliances and LVP flooring. Fully updated bathroom has all new everything! New HVAC and laundry in the refreshed basement space. Adds plenty of storage options! Come see today!

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