

822 W 11th St

Investment Property - Buy & Hold

822 W 11th St, Anderson, IN 46016
House · 4 Beds · 2 Baths · 1,584 Sq.Ft.

\$ 154,900 Purchase Price · \$ 159,900 ARV
\$ 41,049 Cash Needed · \$ 397/mo Cash Flow · 8.8% Cap Rate · 11.6% COC

Prepared by:



The Homeboys



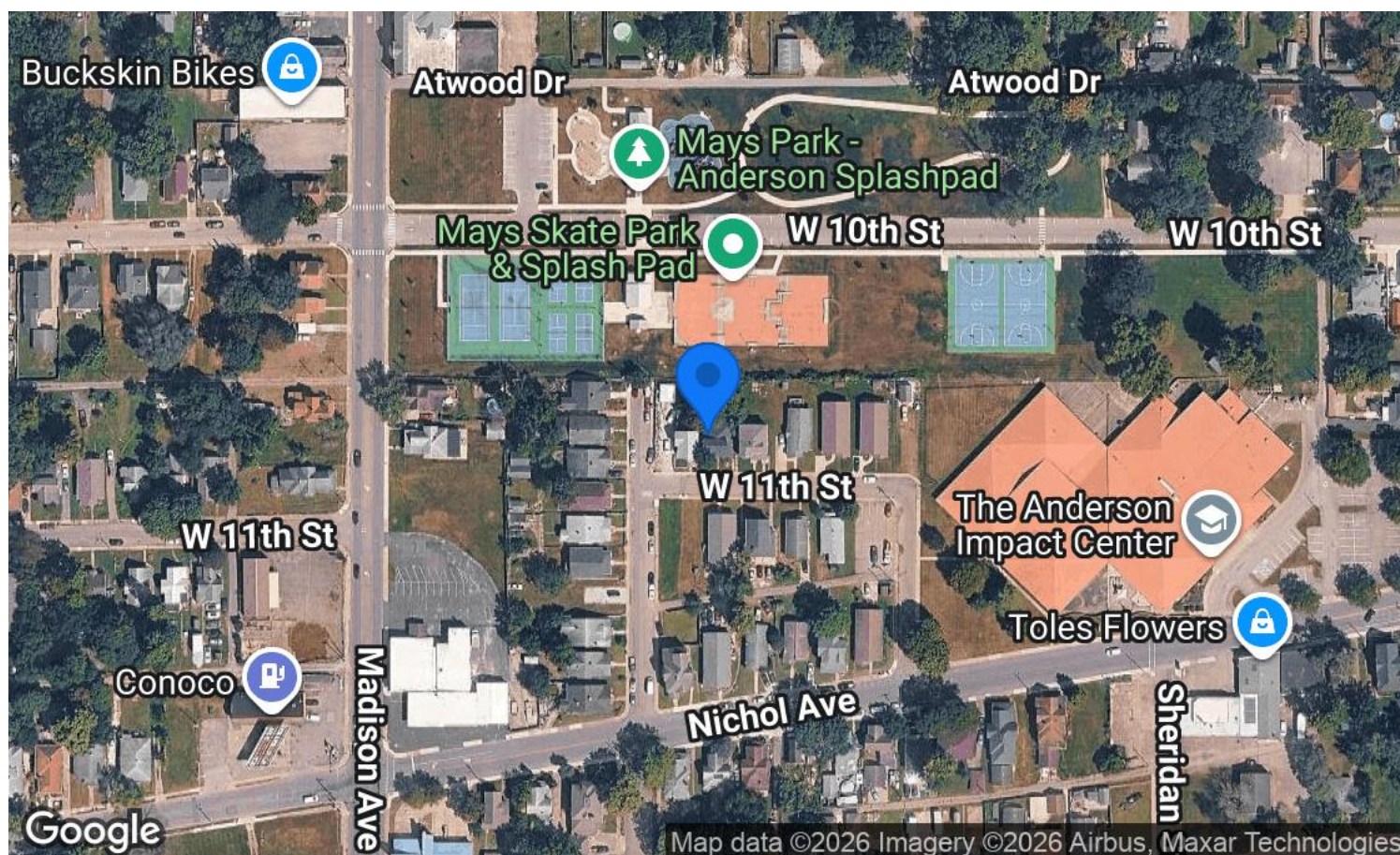
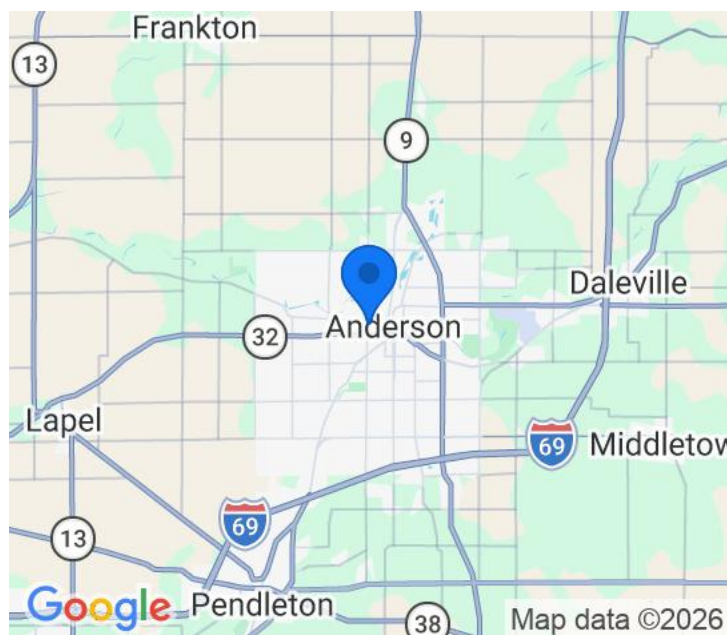
Property Description

ADDRESS

822 W 11th St
Anderson, IN 46016

DESCRIPTION

Property Type:	House
Beds / Baths:	4 BR / 2 BA
Square Footage:	1,584
Year Built:	1890
Lot Size:	4,792 sq.ft.
Zoning:	Single Family Residential
MLS Number:	22118741



Purchase Analysis & Returns

PURCHASE & REHAB

Purchase Price:		\$ 154,900
Amount Financed:	-	\$ 116,175
Down Payment:	=	\$ 38,725
Purchase Costs:	+	\$ 2,324
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 41,049
After Repair Value:		\$ 159,900
ARV Per Square Foot:		\$ 100.9
Price Per Square Foot:		\$ 97.8

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	8.8% / 8.5%
Cash on Cash Return:	11.6%
Return on Equity:	9.3%
Return on Investment:	12.6%
Internal Rate of Return:	12.6%
Rent to Value:	0.9%
Gross Rent Multiplier:	9.39
Equity Multiple:	1.13
Break Even Ratio:	68.2%
Debt Coverage Ratio:	1.54
Debt Yield:	11.7%

PURCHASE COSTS

Total (1.5% of Price):	\$ 2,324
-------------------------------	-----------------

FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	6.5%
Financing Of:	Price (75%)
Loan Amount:	\$ 116,175
LTC / LTV:	75% / 72.7%
Loan Payment:	\$ 734 Per Month
	\$ 8,812 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:	\$ 7,500

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:		\$ 1,375	\$ 16,500
Vacancy (3%):	-	\$ 41	\$ 495
Other Income:	+	\$ 0	\$ 0
Operating Income:	=	\$ 1,334	\$ 16,005
Operating Expenses (15.2%):	-	\$ 203	\$ 2,437
Net Operating Income:	=	\$ 1,131	\$ 13,568
Loan Payments:	-	\$ 734	\$ 8,812
Cash Flow:	=	\$ 397	\$ 4,756

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

		Monthly	Yearly
OPERATING EXPENSES			
Property Taxes:		\$ 102	\$ 1,227
Insurance:		\$ 46	\$ 550
Maintenance:		\$ 55	\$ 660
Capital Expenditures:		\$ 0	\$ 0
HOA Fees:		\$ 0	\$ 0
Utilities:		\$ 0	\$ 0
Landscaping:		\$ 0	\$ 0
Accounting & Legal Fees:		\$ 0	\$ 0
Total:		\$ 203	\$ 2,437

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:	\$ 16,500	\$ 17,160	\$ 17,846	\$ 19,303	\$ 23,485	\$ 34,763	\$ 51,458
Vacancy:	- \$ 495	- \$ 515	- \$ 535	- \$ 579	- \$ 705	- \$ 1,043	- \$ 1,544
Vacancy Rate:	3%	3%	3%	3%	3%	3%	3%
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Operating Income:	= \$ 16,005	= \$ 16,645	= \$ 17,311	= \$ 18,724	= \$ 22,780	= \$ 33,720	= \$ 49,914
Income Increase:	4%	4%	4%	4%	4%	4%	4%
OPERATING EXPENSES							
Property Taxes:	\$ 1,227	\$ 1,252	\$ 1,277	\$ 1,328	\$ 1,466	\$ 1,788	\$ 2,179
Insurance:	+ \$ 550	+ \$ 561	+ \$ 572	+ \$ 595	+ \$ 657	+ \$ 801	+ \$ 977
Property Management:	N/A	+ \$ 1,665	+ \$ 1,731	+ \$ 1,872	+ \$ 2,278	+ \$ 3,372	+ \$ 4,991
Maintenance:	+ \$ 660	+ \$ 686	+ \$ 714	+ \$ 772	+ \$ 939	+ \$ 1,391	+ \$ 2,058
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:	= \$ 2,437	= \$ 4,164	= \$ 4,294	= \$ 4,567	= \$ 5,340	= \$ 7,352	= \$ 10,205
Expense Increase:	2%	2%	2%	2%	2%	2%	2%
CASH FLOW							
Operating Income:	\$ 16,005	\$ 16,645	\$ 17,311	\$ 18,724	\$ 22,780	\$ 33,720	\$ 49,914
Operating Expenses:	- \$ 2,437	- \$ 4,164	- \$ 4,294	- \$ 4,567	- \$ 5,340	- \$ 7,352	- \$ 10,205
Expense Ratio:	15.2%	25%	24.8%	24.4%	23.4%	21.8%	20.4%
Net Operating Income:	= \$ 13,568	= \$ 12,481	= \$ 13,017	= \$ 14,157	= \$ 17,440	= \$ 26,368	= \$ 39,709
Loan Payments:	- \$ 8,812	- \$ 8,812	- \$ 8,812	- \$ 8,812	- \$ 8,812	- \$ 8,812	- \$ 8,812
Cash Flow:	= \$ 4,756	= \$ 3,669	= \$ 4,205	= \$ 5,345	= \$ 8,628	= \$ 17,556	= \$ 30,897
TAX BENEFITS & DEDUCTIONS							
Operating Expenses:	\$ 2,437	\$ 4,164	\$ 4,294	\$ 4,567	\$ 5,340	\$ 7,352	\$ 10,205
Loan Interest:	+ \$ 7,513	+ \$ 7,426	+ \$ 7,333	+ \$ 7,129	+ \$ 6,485	+ \$ 4,362	+ \$ 303
Depreciation:	+ \$ 5,445	+ \$ 5,445	+ \$ 5,445	+ \$ 5,445	+ \$ 5,445	+ \$ 5,445	+ \$ 0
Total Deductions:	= \$ 15,395	= \$ 17,035	= \$ 17,072	= \$ 17,140	= \$ 17,269	= \$ 17,158	= \$ 10,508
EQUITY ACCUMULATION							

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Property Value:	\$ 166,296	\$ 172,948	\$ 179,866	\$ 194,543	\$ 236,691	\$ 350,361	\$ 518,619
Appreciation:	4%	4%	4%	4%	4%	4%	4%
Loan Balance:	- \$ 114,876	- \$ 113,491	- \$ 112,013	- \$ 108,753	- \$ 98,489	- \$ 64,669	- \$ 0
LTV Ratio:	69.1%	65.6%	62.3%	55.9%	41.6%	18.5%	-
Total Equity:	= \$ 51,420	= \$ 59,457	= \$ 67,853	= \$ 85,790	= \$ 138,202	= \$ 285,692	= \$ 518,619

SALE ANALYSIS

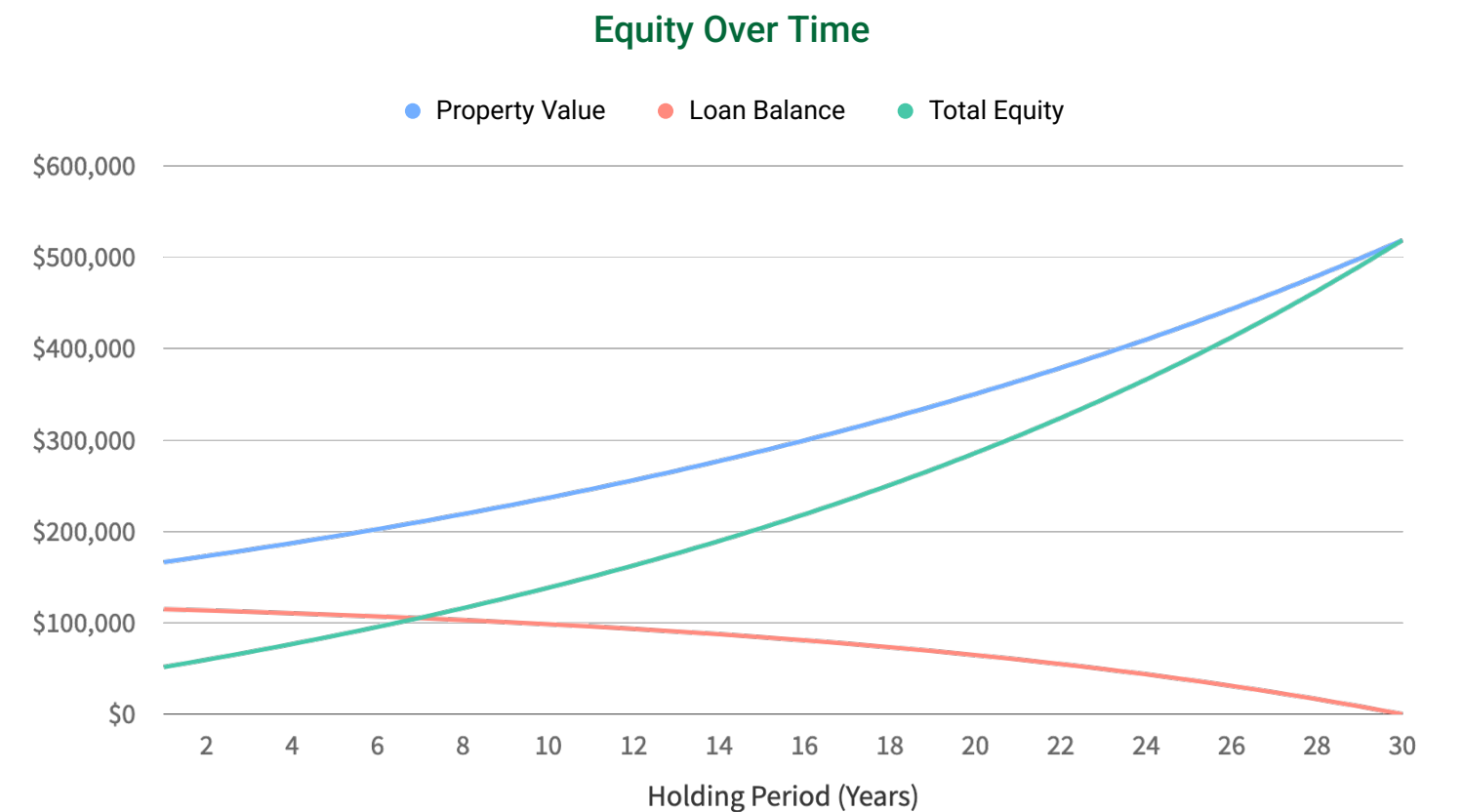
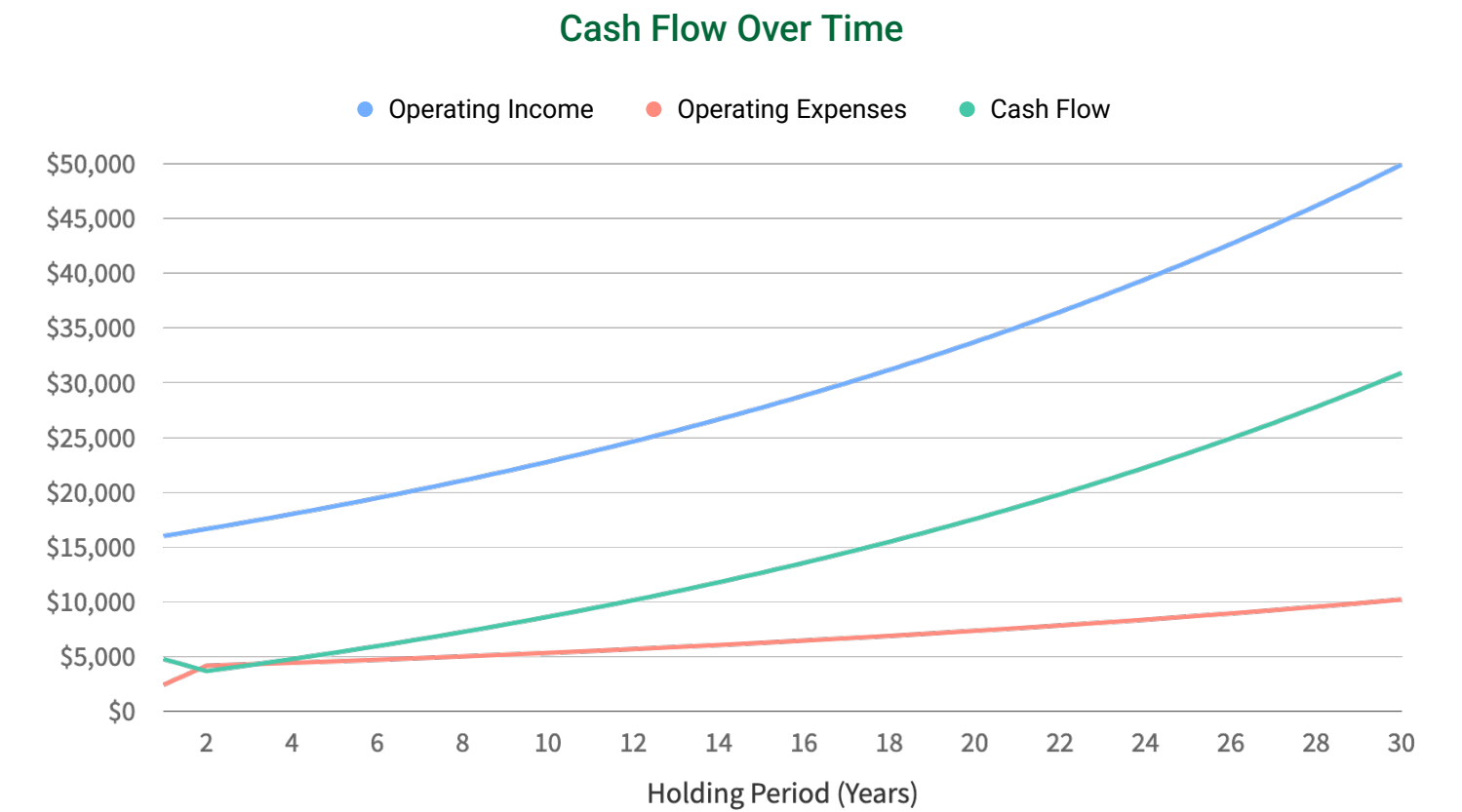
Equity:	\$ 51,420	\$ 59,457	\$ 67,853	\$ 85,790	\$ 138,202	\$ 285,692	\$ 518,619
Selling Costs (6%):	- \$ 9,978	- \$ 10,377	- \$ 10,792	- \$ 11,673	- \$ 14,201	- \$ 21,022	- \$ 31,117
Sale Proceeds:	= \$ 41,442	= \$ 49,080	= \$ 57,061	= \$ 74,118	= \$ 124,001	= \$ 264,670	= \$ 487,502
Cumulative Cash Flow:	+ \$ 4,756	+ \$ 8,425	+ \$ 12,630	+ \$ 22,738	+ \$ 59,045	+ \$ 191,473	+ \$ 436,018
Total Cash Invested:	- \$ 41,049	- \$ 41,049	- \$ 41,049	- \$ 41,049	- \$ 41,049	- \$ 41,049	- \$ 41,049
Total Profit:	= \$ 5,149	= \$ 16,456	= \$ 28,642	= \$ 55,807	= \$ 141,997	= \$ 415,094	= \$ 882,471

INVESTMENT RETURNS

Cap Rate (Purchase Price):	8.8%	8.1%	8.4%	9.1%	11.3%	17%	25.6%
Cap Rate (Market Value):	8.2%	7.2%	7.2%	7.3%	7.4%	7.5%	7.7%
Cash on Cash Return:	11.6%	8.9%	10.2%	13%	21%	42.8%	75.3%
Return on Equity:	9.2%	6.2%	6.2%	6.2%	6.2%	6.1%	6%
Return on Investment:	12.5%	40.1%	69.8%	136%	345.9%	1,011.2%	2,149.8%
Internal Rate of Return:	12.5%	19.3%	21%	21.4%	20.3%	18.7%	18%

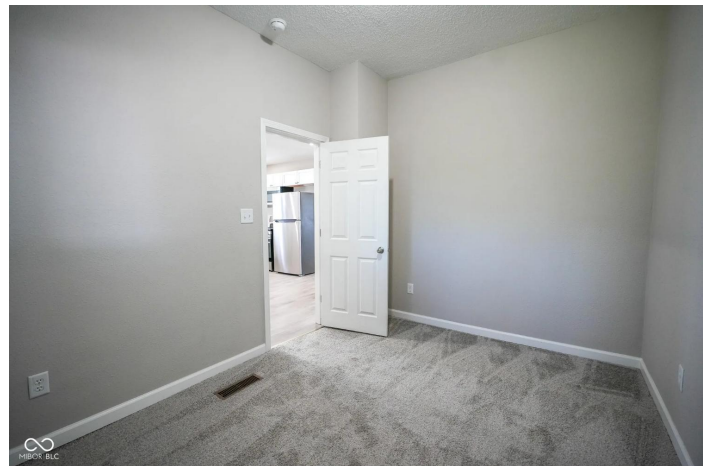
FINANCIAL RATIOS

Rent to Value:	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Gross Rent Multiplier:	10.08	10.08	10.08	10.08	10.08	10.08	10.08
Equity Multiple:	1.13	1.4	1.7	2.36	4.46	11.11	22.5
Break Even Ratio:	68.2%	75.6%	73.4%	69.3%	60.3%	46.5%	37%
Debt Coverage Ratio:	1.54	1.42	1.48	1.61	1.98	2.99	4.51
Debt Yield:	11.8%	11%	11.6%	13%	17.7%	40.8%	-

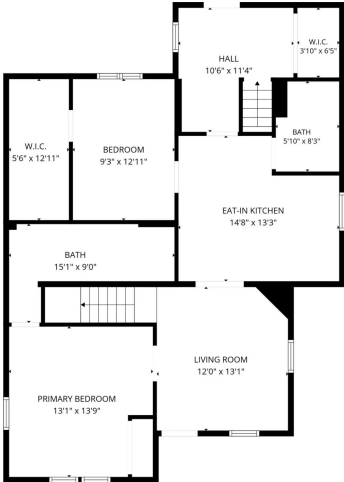
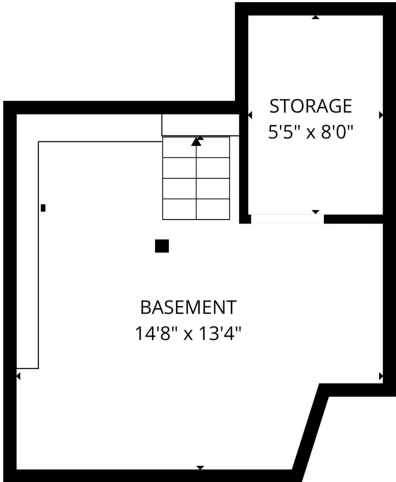


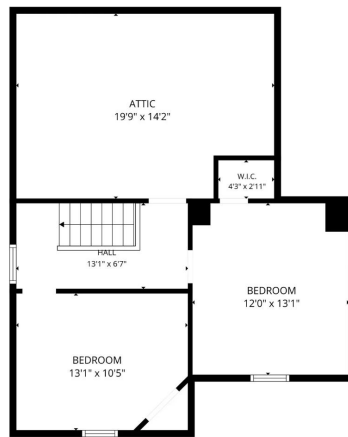
Property Photos











Additional Information

Spacious 4 bedroom, 2 bath home located in the heart of Anderson, IN! This two story home has a great layout with 2 main level bedrooms & bathrooms, and 2 upper bedrooms. Eat-in kitchen is fully updated and includes all new appliances. Both bathrooms have been completely remodeled with all new fixtures. Fresh paint and new flooring throughout make this home truly move-in ready!

Disclaimer

This Report is provided solely for general business information purposes. No advisory, fiduciary or other relationship is created by any acceptance or use of this Report.

The inclusion of this Report with any other materials does not constitute an endorsement by the Report Author of any third party or any third party's products or services. The projected valuation, financial and investment return information, conclusions and other information contained in this Report are based upon tested methodologies for accuracy. However, such information and conclusions are not definitive forecasts, appraisals or opinions of valuations. All such information and conclusions are stated in terms of probability of likelihood based on market factors and information submitted to the Report Author, and such information and conclusions are not guaranteed by the Report Author and should not be construed as a certified appraisal or valuation, or investment advice.

The Report Author uses or has used public and/or confidential data and assumptions provided to the Report Author by third parties, and the Report Author has not independently verified the data and assumptions used in these analyses or data sets. Attributes for properties may be inaccurate because county assessor and property data records do not always include recent additions and/or modifications to property structures. Changes in the underlying data or operating assumptions, or any loss of access to any one or more sources will clearly impact the analyses, information and conclusions set forth in this Report.