

1026 S Sheffield Ave

Investment Property - Buy & Hold

1026 S Sheffield Ave, Indianapolis, IN 46221
Multi-Family · 2 Units · 1,072 Sq.Ft.

\$ 254,900 Purchase Price · \$ 254,900 ARV
\$ 67,549 Cash Needed · \$ 689/mo Cash Flow · 8.9% Cap Rate · 12.2% COC

Prepared by:



The Homeboys



Property Description

ADDRESS

1026 S Sheffield Ave
Indianapolis, IN 46221

DESCRIPTION

Property Type: Multi-Family
Year Built: 1900
Lot Size: 5,663 sq.ft.
Zoning: Duplex (2 Units)
MLS Number: 21996445

UNIT INFORMATION

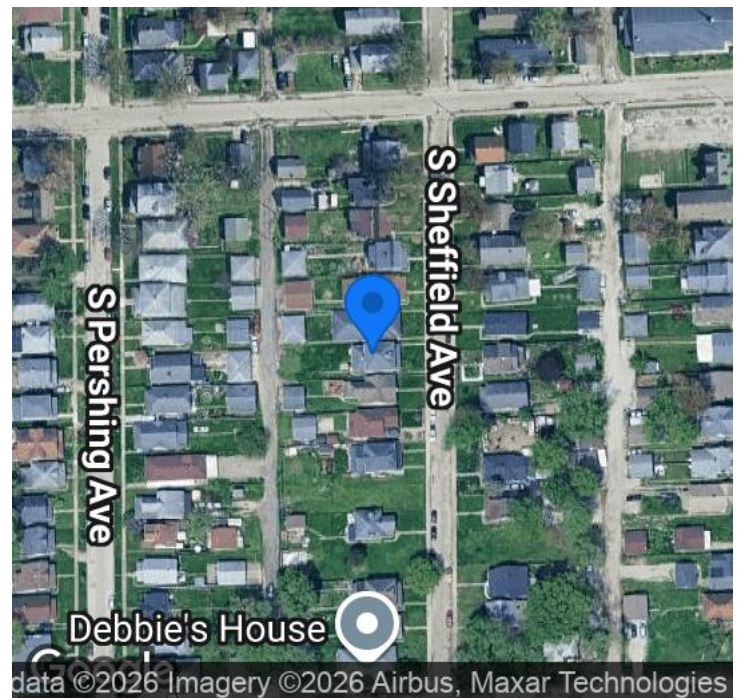
Total Units/Spaces: 2
Total Square Footage: 1,072

UNITS & RENT ROLL

2 Units - Residential

1 Beds / 1 Baths / 536 Sq.Ft.

Gross Rent: \$ 1,200 Per Month



Purchase Analysis & Returns

PURCHASE & REHAB

Purchase Price:		\$ 254,900
Amount Financed:	-	\$ 191,175
Down Payment:	=	\$ 63,725
Purchase Costs:	+	\$ 3,824
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 67,549
After Repair Value:		\$ 254,900
ARV Per Square Foot:		\$ 237.8
Price Per Square Foot:		\$ 237.8
Price Per Unit:		\$ 127,450

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	8.9% / 8.9%
Cash on Cash Return:	12.2%
Return on Equity:	10.9%
Return on Investment:	1.3%
Internal Rate of Return:	1.3%
Rent to Value:	0.9%
Gross Rent Multiplier:	8.85
Equity Multiple:	1.01
Break Even Ratio:	68.3%
Debt Coverage Ratio:	1.57
Debt Yield:	11.9%

PURCHASE COSTS

Total (1.5% of Price):	\$ 3,824
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FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	6.5%
Financing Of:	Price (75%)
Loan Amount:	\$ 191,175
LTC / LTV:	75% / 75%
Loan Payment:	\$ 1,208 Per Month \$ 14,500 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:	\$ 3,300

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:		\$ 2,400	\$ 28,800
Vacancy (3%):	-	\$ 72	\$ 864
Other Income:	+	\$ 0	\$ 0
Operating Income:	=	\$ 2,328	\$ 27,936
Operating Expenses (18.5%):	-	\$ 430	\$ 5,163
Net Operating Income:	=	\$ 1,898	\$ 22,773
Loan Payments:	-	\$ 1,208	\$ 14,500
Cash Flow:	=	\$ 690	\$ 8,273
Cash Flow Per Unit:		\$ 345	\$ 4,137

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

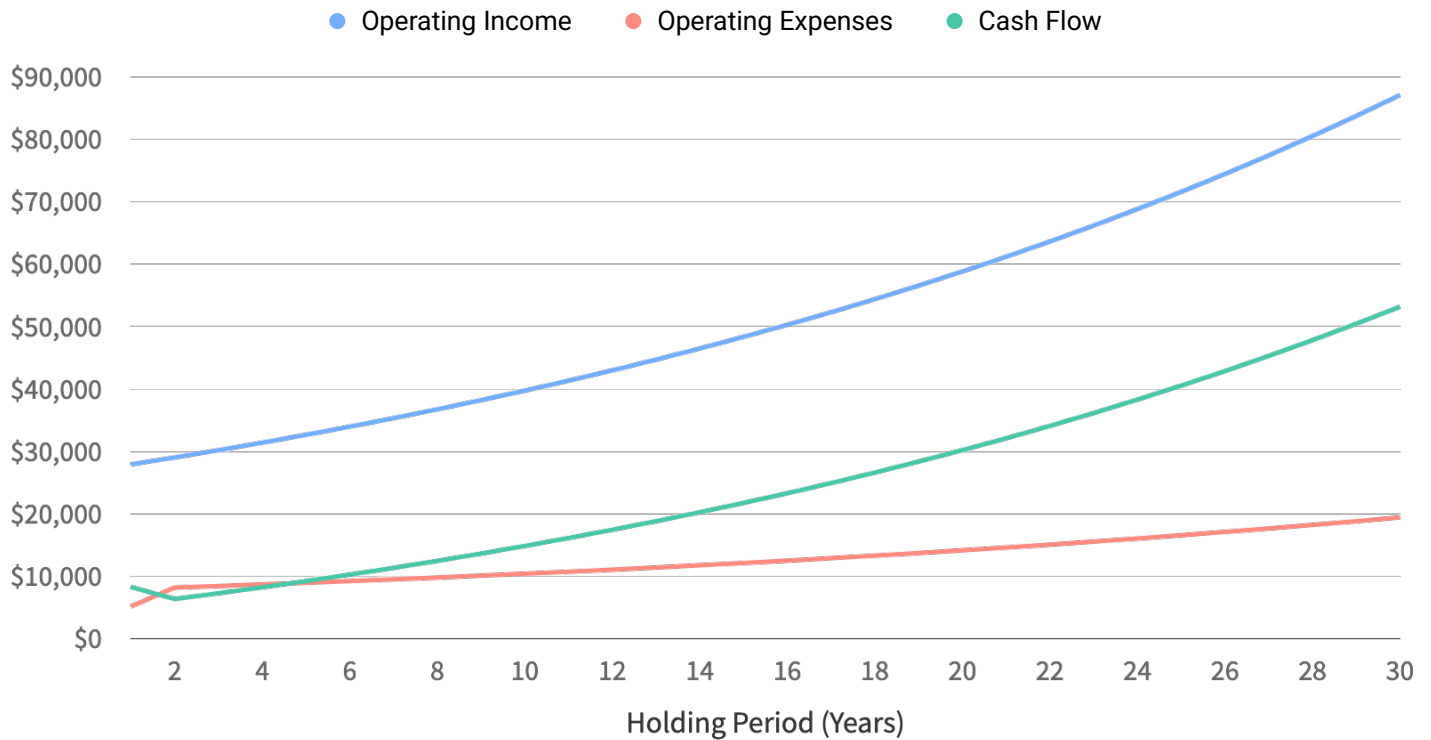
		Monthly	Yearly
OPERATING EXPENSES			
Property Taxes:		\$ 134	\$ 1,611
Insurance:		\$ 100	\$ 1,200
Maintenance:		\$ 96	\$ 1,152
Capital Expenditures:		\$ 0	\$ 0
HOA Fees:		\$ 0	\$ 0
Utilities:		\$ 0	\$ 0
Landscaping:		\$ 100	\$ 1,200
Accounting & Legal Fees:		\$ 0	\$ 0
Total:		\$ 430	\$ 5,163

Buy & Hold Projections

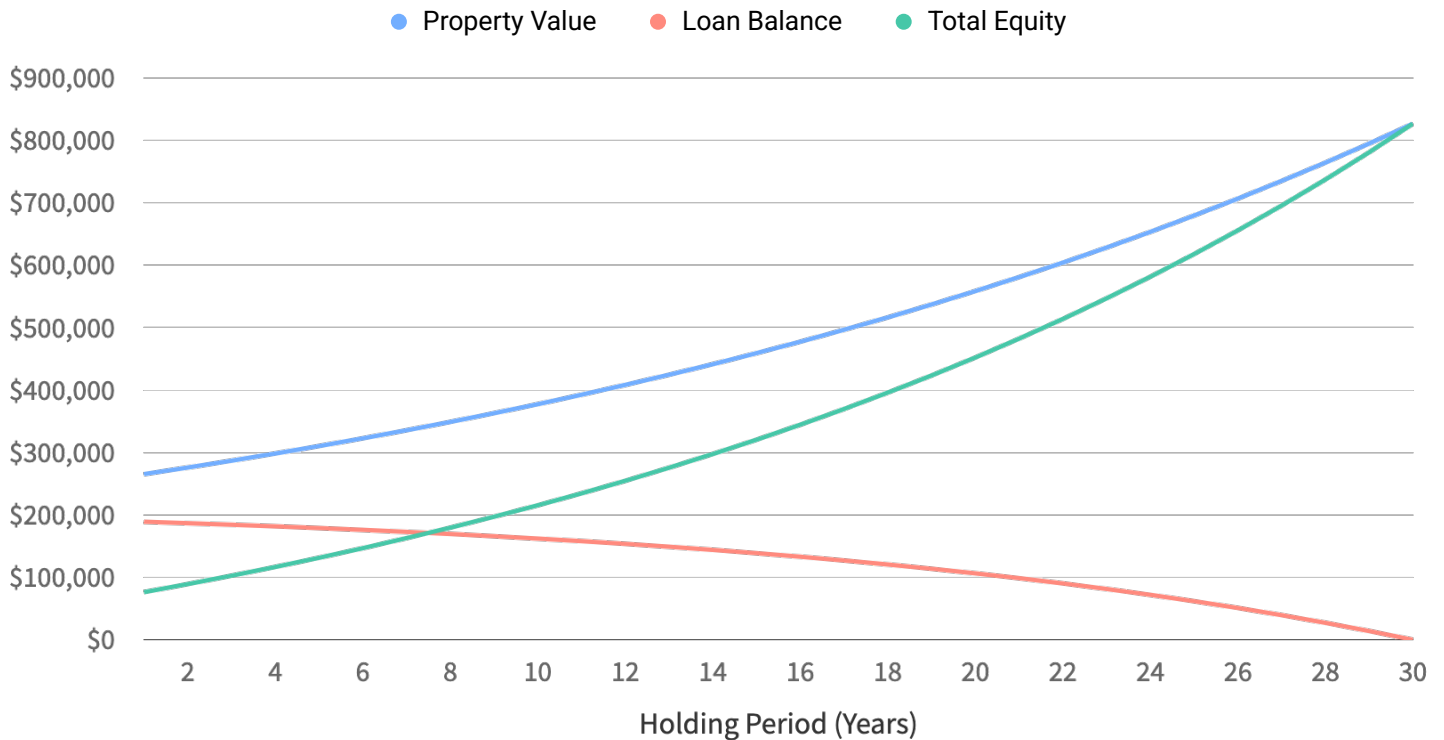
APPRECIATION	INCOME INCREASE			EXPENSE INCREASES		SELLING COSTS	
4% Per Year	4% Per Year			2% Per Year		6% of Price	
	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
RENTAL INCOME							
Gross Rent:	\$ 28,800	\$ 29,952	\$ 31,150	\$ 33,692	\$ 40,991	\$ 60,677	\$ 89,817
Vacancy:	- \$ 864	- \$ 899	- \$ 935	- \$ 1,011	- \$ 1,230	- \$ 1,820	- \$ 2,695
Vacancy Rate:	3%	3%	3%	3%	3%	3%	3%
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Operating Income:	= \$ 27,936	= \$ 29,053	= \$ 30,215	= \$ 32,681	= \$ 39,761	= \$ 58,857	= \$ 87,122
Income Increase:	4%	4%	4%	4%	4%	4%	4%
OPERATING EXPENSES							
Property Taxes:	\$ 1,611	\$ 1,643	\$ 1,676	\$ 1,744	\$ 1,925	\$ 2,347	\$ 2,861
Insurance:	+ \$ 1,200	+ \$ 1,224	+ \$ 1,248	+ \$ 1,299	+ \$ 1,434	+ \$ 1,748	+ \$ 2,131
Property Management:	N/A	+ \$ 2,905	+ \$ 3,022	+ \$ 3,268	+ \$ 3,976	+ \$ 5,886	+ \$ 8,712
Maintenance:	+ \$ 1,152	+ \$ 1,198	+ \$ 1,246	+ \$ 1,348	+ \$ 1,640	+ \$ 2,427	+ \$ 3,593
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:	+ \$ 1,200	+ \$ 1,224	+ \$ 1,248	+ \$ 1,299	+ \$ 1,434	+ \$ 1,748	+ \$ 2,131
Accounting & Legal Fees:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Operating Expenses:	= \$ 5,163	= \$ 8,194	= \$ 8,440	= \$ 8,958	= \$ 10,409	= \$ 14,156	= \$ 19,428
Expense Increase:	2%	2%	2%	2%	2%	2%	2%
CASH FLOW							
Operating Income:	\$ 27,936	\$ 29,053	\$ 30,215	\$ 32,681	\$ 39,761	\$ 58,857	\$ 87,122
Operating Expenses:	- \$ 5,163	- \$ 8,194	- \$ 8,440	- \$ 8,958	- \$ 10,409	- \$ 14,156	- \$ 19,428
Expense Ratio:	18.5%	28.2%	27.9%	27.4%	26.2%	24.1%	22.3%
Net Operating Income:	= \$ 22,773	= \$ 20,859	= \$ 21,775	= \$ 23,723	= \$ 29,352	= \$ 44,701	= \$ 67,694
Loan Payments:	- \$ 14,500	- \$ 14,500	- \$ 14,500	- \$ 14,500	- \$ 14,500	- \$ 14,500	- \$ 14,500
Cash Flow:	= \$ 8,273	= \$ 6,359	= \$ 7,275	= \$ 9,223	= \$ 14,852	= \$ 30,201	= \$ 53,194
Cash Flow Per Unit:	\$ 4,137	\$ 3,180	\$ 3,638	\$ 4,612	\$ 7,426	\$ 15,101	\$ 26,597
TAX BENEFITS & DEDUCTIONS							
Operating Expenses:	\$ 5,163	\$ 8,194	\$ 8,440	\$ 8,958	\$ 10,409	\$ 14,156	\$ 19,428
Loan Interest:	+ \$ 12,363	+ \$ 12,220	+ \$ 12,068	+ \$ 11,731	+ \$ 10,671	+ \$ 7,178	+ \$ 498
Depreciation:	+ \$ 9,288	+ \$ 9,288	+ \$ 9,288	+ \$ 9,288	+ \$ 9,288	+ \$ 9,288	+ \$ 0
Total Deductions:	= \$ 26,815	= \$ 29,703	= \$ 29,796	= \$ 29,977	= \$ 30,368	= \$ 30,622	= \$ 19,926

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
EQUITY ACCUMULATION							
Property Value:	\$ 265,096	\$ 275,700	\$ 286,728	\$ 310,125	\$ 377,314	\$ 558,517	\$ 826,742
Appreciation:	4%	4%	4%	4%	4%	4%	4%
Loan Balance:	- \$ 189,038	- \$ 186,758	- \$ 184,326	- \$ 178,961	- \$ 162,071	- \$ 106,418	- \$ 0
LTV Ratio:	71.3%	67.7%	64.3%	57.7%	43%	19.1%	-
Total Equity:	= \$ 76,058	= \$ 88,942	= \$ 102,402	= \$ 131,164	= \$ 215,243	= \$ 452,099	= \$ 826,742
SALE ANALYSIS							
Equity:	\$ 76,058	\$ 88,942	\$ 102,402	\$ 131,164	\$ 215,243	\$ 452,099	\$ 826,742
Selling Costs (6%):	- \$ 15,906	- \$ 16,542	- \$ 17,204	- \$ 18,608	- \$ 22,639	- \$ 33,511	- \$ 49,605
Sale Proceeds:	= \$ 60,152	= \$ 72,400	= \$ 85,199	= \$ 112,557	= \$ 192,604	= \$ 418,588	= \$ 777,137
Cumulative Cash Flow:	+ \$ 8,273	+ \$ 14,632	+ \$ 21,907	+ \$ 39,360	+ \$ 101,906	+ \$ 329,727	+ \$ 750,578
Total Cash Invested:	- \$ 67,549	- \$ 67,549	- \$ 67,549	- \$ 67,549	- \$ 67,549	- \$ 67,549	- \$ 67,549
Total Profit:	= \$ 876	= \$ 19,483	= \$ 39,557	= \$ 84,368	= \$ 226,961	= \$ 680,766	= \$ 1,460,166
INVESTMENT RETURNS							
Cap Rate (Purchase Price):	8.9%	8.2%	8.5%	9.3%	11.5%	17.5%	26.6%
Cap Rate (Market Value):	8.6%	7.6%	7.6%	7.6%	7.8%	8%	8.2%
Cash on Cash Return:	12.2%	9.4%	10.8%	13.7%	22%	44.7%	78.7%
Return on Equity:	10.9%	7.1%	7.1%	7%	6.9%	6.7%	6.4%
Return on Investment:	1.3%	28.8%	58.6%	124.9%	336%	1,007.8%	2,161.6%
Internal Rate of Return:	1.3%	14.3%	18.2%	20.4%	20.3%	19.1%	18.5%
FINANCIAL RATIOS							
Rent to Value:	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
Gross Rent Multiplier:	9.2	9.2	9.2	9.2	9.2	9.2	9.2
Equity Multiple:	1.01	1.29	1.59	2.25	4.36	11.08	22.62
Break Even Ratio:	68.3%	75.8%	73.6%	69.6%	60.8%	47.2%	37.8%
Debt Coverage Ratio:	1.57	1.44	1.5	1.64	2.02	3.08	4.67
Debt Yield:	12%	11.2%	11.8%	13.3%	18.1%	42%	-

Cash Flow Over Time

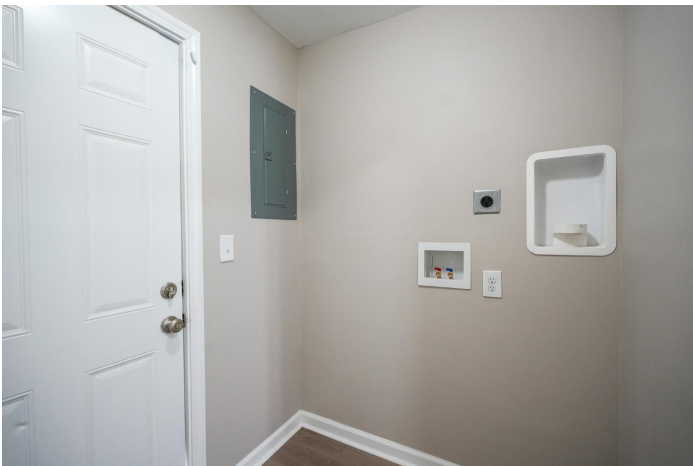


Equity Over Time



Property Photos







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