

1157 N Concord St

Investment Property - Buy & Hold

1157 N Concord St, Indianapolis, IN 46222
Multi-Family · 2 Units · 1,008 Sq.Ft.

\$ 174,900 Purchase Price · \$ 179,900 ARV
\$ 46,349 Cash Needed · \$ 391/mo Cash Flow · 8.4% Cap Rate · 10.1% COC

Prepared by:



The Homeboys



Property Description

ADDRESS

1157 N Concord St
Indianapolis, IN 46222

DESCRIPTION

Property Type: Multi-Family
Year Built: 1940
Lot Size: 5,140 sq.ft.
Zoning: Duplex (2 Units)

UNITS & RENT ROLL

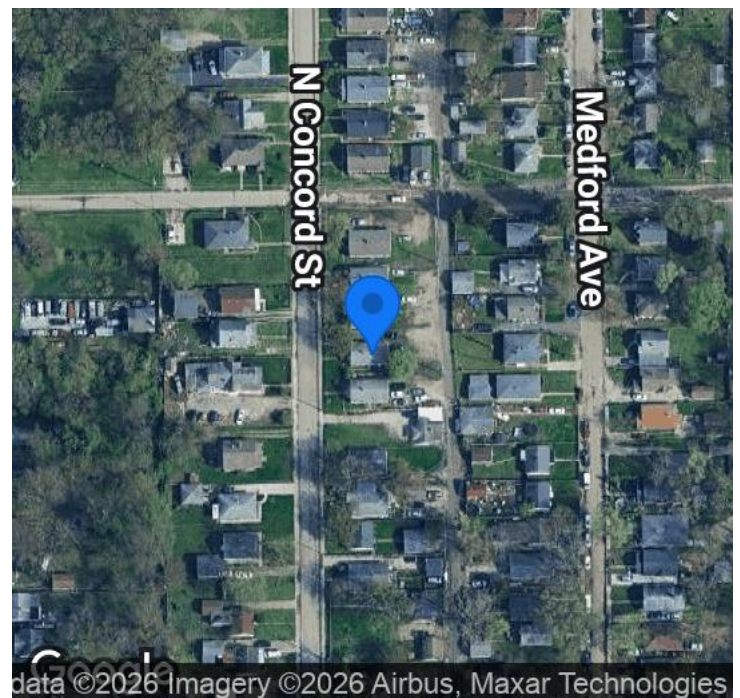
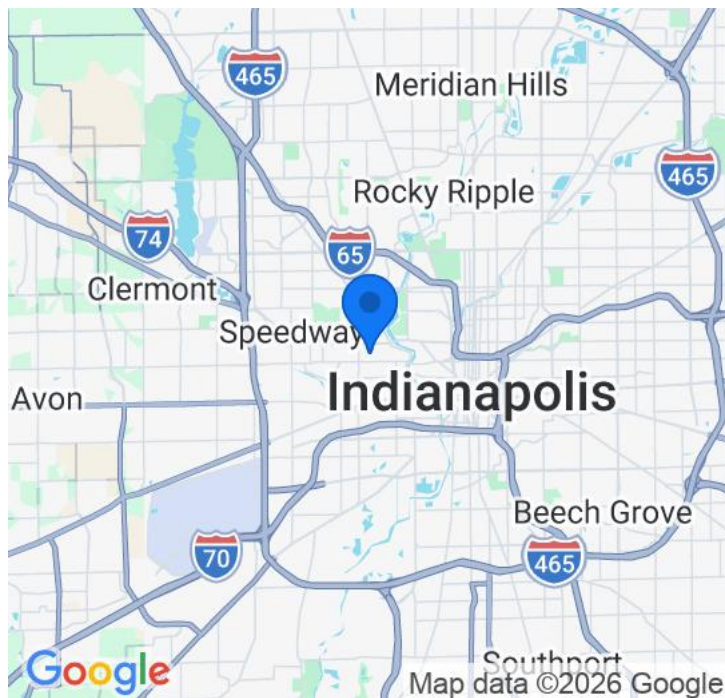
2 Units - Residential

1 Beds / 1 Baths / 504 Sq.Ft.

Gross Rent: \$ 925 Per Month

UNIT INFORMATION

Total Units/Spaces: 2
Total Square Footage: 1,008



Purchase Analysis & Returns

PURCHASE & REHAB

Purchase Price:		\$ 174,900
Amount Financed:	-	\$ 131,175
Down Payment:	=	\$ 43,725
Purchase Costs:	+	\$ 2,624
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 46,349
After Repair Value:		\$ 179,900
ARV Per Square Foot:		\$ 178.5
Price Per Square Foot:		\$ 173.5
Price Per Unit:		\$ 87,450

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	8.4% / 8.1%
Cash on Cash Return:	10.1%
Return on Equity:	8.2%
Return on Investment:	9.7%
Internal Rate of Return:	9.7%
Rent to Value:	1.1%
Gross Rent Multiplier:	7.88
Equity Multiple:	1.1
Break Even Ratio:	75.9%
Debt Coverage Ratio:	1.47
Debt Yield:	11.2%

PURCHASE COSTS

Total (1.5% of Price):	\$ 2,624
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FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	6.5%
Financing Of:	Price (75%)
Loan Amount:	\$ 131,175
LTC / LTV:	75% / 72.9%
Loan Payment:	\$ 829 Per Month
	\$ 9,949 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:	\$ 3,400

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:		\$ 1,850	\$ 22,200
Vacancy (3%):	-	\$ 56	\$ 666
Other Income:	+	\$ 0	\$ 0
Operating Income:	=	\$ 1,794	\$ 21,534
Operating Expenses (32%):	-	\$ 574	\$ 6,891
Net Operating Income:	=	\$ 1,220	\$ 14,643
Loan Payments:	-	\$ 829	\$ 9,949
Cash Flow:	=	\$ 391	\$ 4,694
Cash Flow Per Unit:		\$ 196	\$ 2,347

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

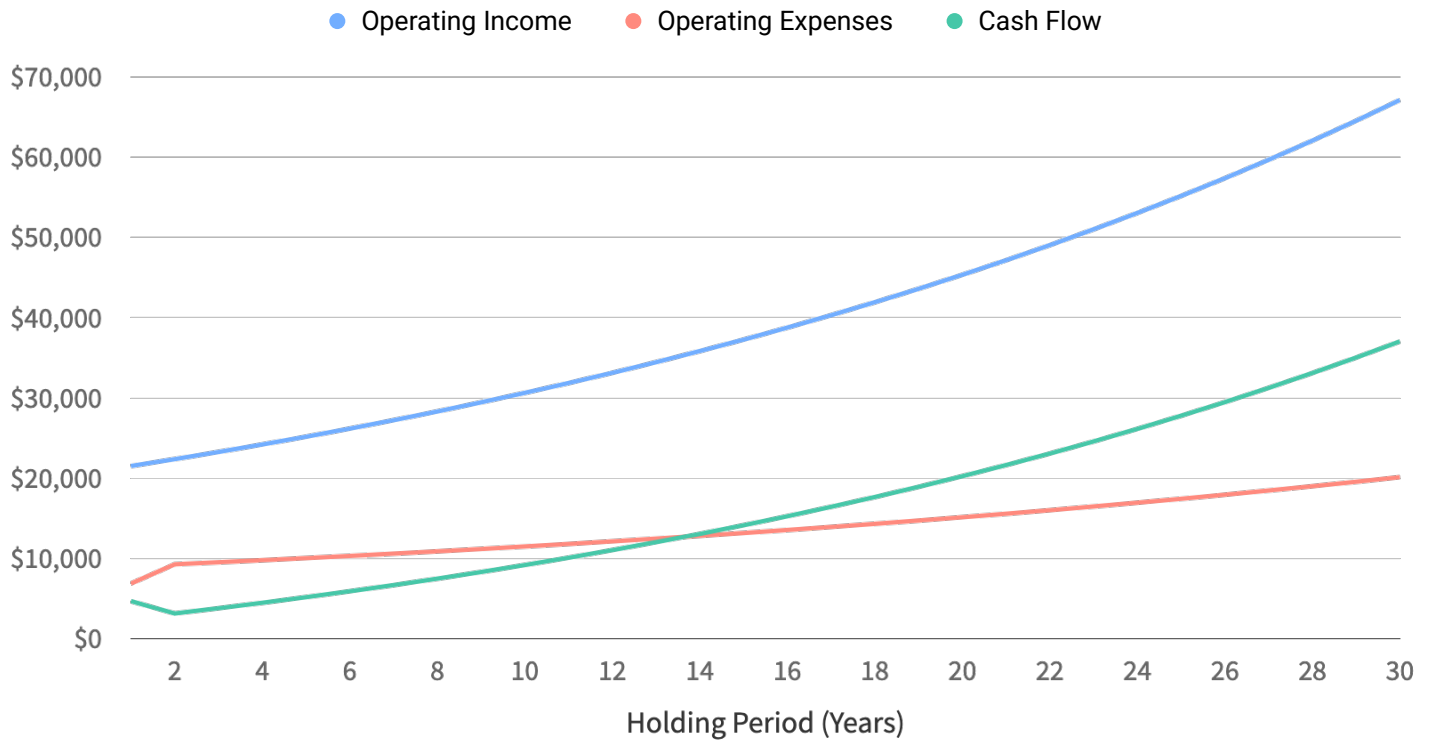
		Monthly	Yearly
OPERATING EXPENSES			
Property Taxes:		\$ 178	\$ 2,135
Insurance:		\$ 72	\$ 868
Maintenance:		\$ 74	\$ 888
Capital Expenditures:		\$ 0	\$ 0
HOA Fees:		\$ 0	\$ 0
Utilities:		\$ 250	\$ 3,000
Landscaping:		\$ 0	\$ 0
Accounting & Legal Fees:		\$ 0	\$ 0
Total:		\$ 574	\$ 6,891

Buy & Hold Projections

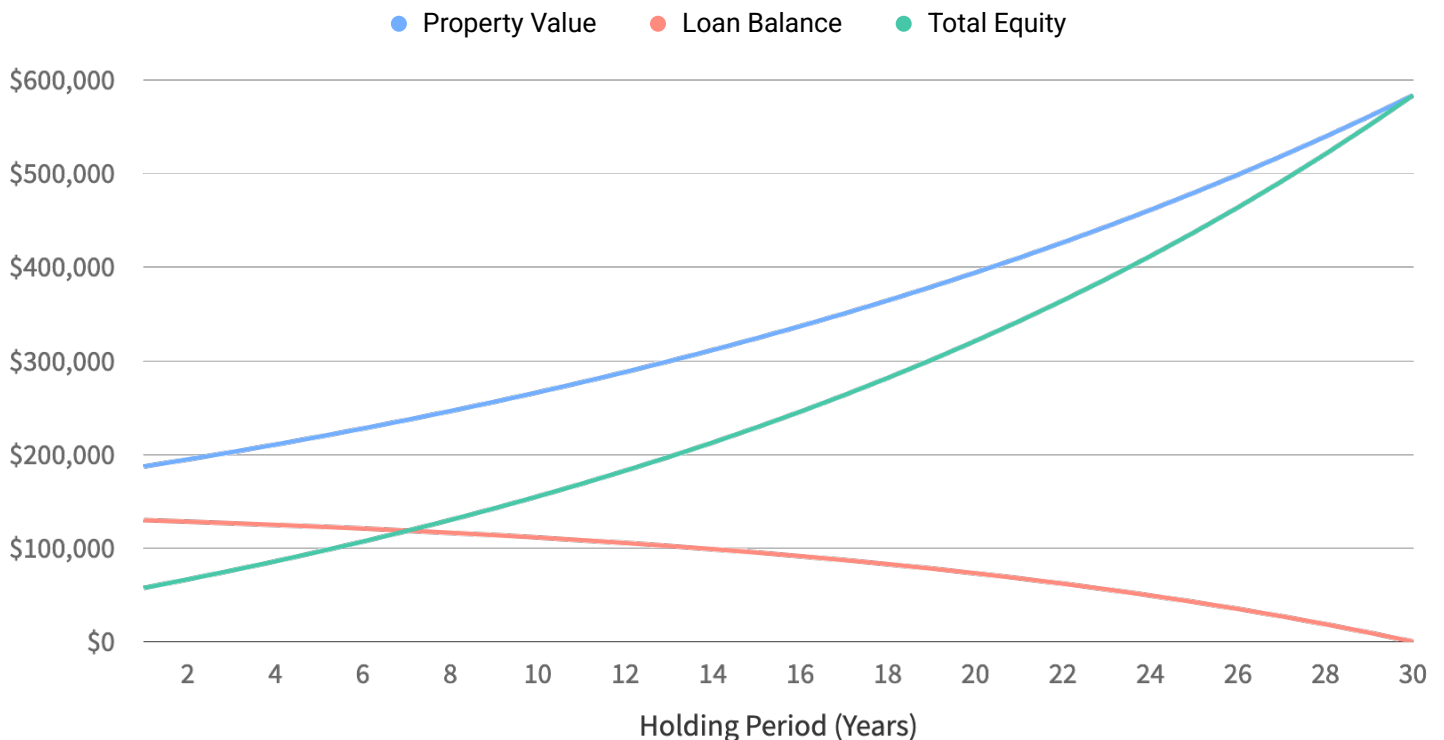
APPRECIATION	INCOME INCREASE			EXPENSE INCREASES		SELLING COSTS	
4% Per Year	4% Per Year			2% Per Year		6% of Price	
	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
RENTAL INCOME							
Gross Rent:	\$ 22,200	\$ 23,088	\$ 24,012	\$ 25,971	\$ 31,598	\$ 46,772	\$ 69,234
Vacancy:	- \$ 666	- \$ 693	- \$ 720	- \$ 779	- \$ 948	- \$ 1,403	- \$ 2,077
Vacancy Rate:	3%	3%	3%	3%	3%	3%	3%
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Operating Income:	= \$ 21,534	= \$ 22,395	= \$ 23,292	= \$ 25,192	= \$ 30,650	= \$ 45,369	= \$ 67,157
Income Increase:	4%	4%	4%	4%	4%	4%	4%
OPERATING EXPENSES							
Property Taxes:	\$ 2,135	\$ 2,178	\$ 2,221	\$ 2,311	\$ 2,552	\$ 3,110	\$ 3,791
Insurance:	+ \$ 868	+ \$ 885	+ \$ 903	+ \$ 940	+ \$ 1,037	+ \$ 1,265	+ \$ 1,541
Property Management:	N/A	+ \$ 2,240	+ \$ 2,329	+ \$ 2,519	+ \$ 3,065	+ \$ 4,537	+ \$ 6,716
Maintenance:	+ \$ 888	+ \$ 924	+ \$ 960	+ \$ 1,039	+ \$ 1,264	+ \$ 1,871	+ \$ 2,769
Capital Expenditures:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
HOA Fees:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Utilities:	+ \$ 3,000	+ \$ 3,060	+ \$ 3,121	+ \$ 3,247	+ \$ 3,585	+ \$ 4,370	+ \$ 5,328
Landscaping:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Accounting & Legal Fees:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Operating Expenses:	= \$ 6,891	= \$ 9,287	= \$ 9,534	= \$ 10,056	= \$ 11,503	= \$ 15,153	= \$ 20,145
Expense Increase:	2%	2%	2%	2%	2%	2%	2%
CASH FLOW							
Operating Income:	\$ 21,534	\$ 22,395	\$ 23,292	\$ 25,192	\$ 30,650	\$ 45,369	\$ 67,157
Operating Expenses:	- \$ 6,891	- \$ 9,287	- \$ 9,534	- \$ 10,056	- \$ 11,503	- \$ 15,153	- \$ 20,145
Expense Ratio:	32%	41.5%	40.9%	39.9%	37.5%	33.4%	30%
Net Operating Income:	= \$ 14,643	= \$ 13,108	= \$ 13,758	= \$ 15,136	= \$ 19,147	= \$ 30,216	= \$ 47,012
Loan Payments:	- \$ 9,949	- \$ 9,949	- \$ 9,949	- \$ 9,949	- \$ 9,949	- \$ 9,949	- \$ 9,949
Cash Flow:	= \$ 4,694	= \$ 3,159	= \$ 3,809	= \$ 5,187	= \$ 9,198	= \$ 20,267	= \$ 37,063
Cash Flow Per Unit:	\$ 2,347	\$ 1,580	\$ 1,905	\$ 2,594	\$ 4,599	\$ 10,134	\$ 18,532
TAX BENEFITS & DEDUCTIONS							
Operating Expenses:	\$ 6,891	\$ 9,287	\$ 9,534	\$ 10,056	\$ 11,503	\$ 15,153	\$ 20,145
Loan Interest:	+ \$ 8,483	+ \$ 8,385	+ \$ 8,280	+ \$ 8,049	+ \$ 7,322	+ \$ 4,925	+ \$ 342
Depreciation:	+ \$ 6,332	+ \$ 6,332	+ \$ 6,332	+ \$ 6,332	+ \$ 6,332	+ \$ 6,332	+ \$ 0

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Total Deductions:	= \$ 21,706	= \$ 24,004	= \$ 24,146	= \$ 24,437	= \$ 25,157	= \$ 26,410	= \$ 20,487
EQUITY ACCUMULATION							
Property Value:	\$ 187,096	\$ 194,580	\$ 202,363	\$ 218,876	\$ 266,296	\$ 394,183	\$ 583,487
Appreciation:	4%	4%	4%	4%	4%	4%	4%
Loan Balance:	- \$ 129,709	- \$ 128,144	- \$ 126,475	- \$ 122,794	- \$ 111,205	- \$ 73,019	- \$ 0
LTV Ratio:	69.3%	65.9%	62.5%	56.1%	41.8%	18.5%	-
Total Equity:	= \$ 57,387	= \$ 66,436	= \$ 75,888	= \$ 96,082	= \$ 155,091	= \$ 321,164	= \$ 583,487
SALE ANALYSIS							
Equity:	\$ 57,387	\$ 66,436	\$ 75,888	\$ 96,082	\$ 155,091	\$ 321,164	\$ 583,487
Selling Costs (6%):	- \$ 11,226	- \$ 11,675	- \$ 12,142	- \$ 13,133	- \$ 15,978	- \$ 23,651	- \$ 35,009
Sale Proceeds:	= \$ 46,161	= \$ 54,761	= \$ 63,746	= \$ 82,949	= \$ 139,113	= \$ 297,513	= \$ 548,478
Cumulative Cash Flow:	+ \$ 4,694	+ \$ 7,853	+ \$ 11,662	+ \$ 21,331	+ \$ 58,960	+ \$ 207,993	+ \$ 497,313
Total Cash Invested:	- \$ 46,349	- \$ 46,349	- \$ 46,349	- \$ 46,349	- \$ 46,349	- \$ 46,349	- \$ 46,349
Total Profit:	= \$ 4,506	= \$ 16,265	= \$ 29,059	= \$ 57,931	= \$ 151,724	= \$ 459,157	= \$ 999,442
INVESTMENT RETURNS							
Cap Rate (Purchase Price):	8.4%	7.5%	7.9%	8.7%	10.9%	17.3%	26.9%
Cap Rate (Market Value):	7.8%	6.7%	6.8%	6.9%	7.2%	7.7%	8.1%
Cash on Cash Return:	10.1%	6.8%	8.2%	11.2%	19.8%	43.7%	80%
Return on Equity:	8.2%	4.8%	5%	5.4%	5.9%	6.3%	6.4%
Return on Investment:	9.7%	35.1%	62.7%	125%	327.4%	990.7%	2,156.3%
Internal Rate of Return:	9.7%	17%	18.9%	19.7%	19.1%	17.8%	17.2%
FINANCIAL RATIOS							
Rent to Value:	1%	1%	1%	1%	1%	1%	1%
Gross Rent Multiplier:	8.43	8.43	8.43	8.43	8.43	8.43	8.43
Equity Multiple:	1.1	1.35	1.63	2.25	4.27	10.91	22.56
Break Even Ratio:	75.9%	83.3%	81.1%	77%	67.9%	53.7%	43.5%
Debt Coverage Ratio:	1.47	1.32	1.38	1.52	1.92	3.04	4.73
Debt Yield:	11.3%	10.2%	10.9%	12.3%	17.2%	41.4%	-

Cash Flow Over Time



Equity Over Time



Property Photos





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