

1106 Church St

Investment Property - Buy & Hold

1106 Church St, New Castle, IN 47362

Multi-Family · 2 Units · 2,800 Sq.Ft.

\$ 289,900 Purchase Price · \$ 300,000 ARV
\$ 76,824 Cash Needed · \$ 658/mo Cash Flow · 8.4% Cap Rate · 10.3% COC

Prepared by:



The Homeboys



Property Description

ADDRESS

1106 Church St
New Castle, IN 47362

DESCRIPTION

Property Type:	Multi-Family
Year Built:	1900
Parking:	Garage
Lot Size:	5,724 sq.ft.
MLS Number:	201925609

UNITS & RENT ROLL

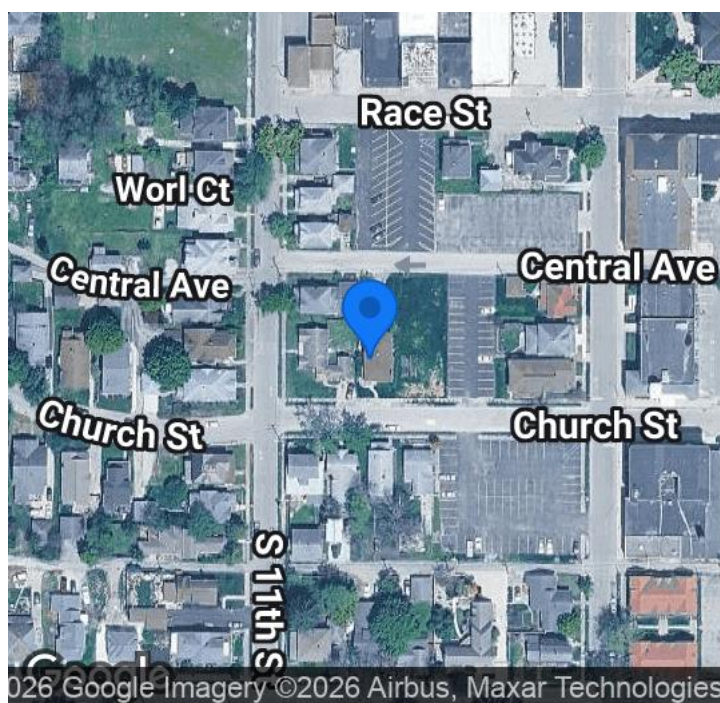
2 Units - Residential

3 Beds / 1 Baths / 1,400 Sq.Ft.

Gross Rent: \$ 1,350 Per Month

UNIT INFORMATION

Total Units/Spaces:	2
Total Square Footage:	2,800



Purchase Analysis & Returns

PURCHASE & REHAB

Purchase Price:		\$ 289,900
Amount Financed:	-	\$ 217,425
Down Payment:	=	\$ 72,475
Purchase Costs:	+	\$ 4,349
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 76,824
After Repair Value:		\$ 300,000
ARV Per Square Foot:		\$ 107.1
Price Per Square Foot:		\$ 103.5
Price Per Unit:		\$ 144,950

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	8.4% / 8.1%
Cash on Cash Return:	10.3%
Return on Equity:	8.1%
Return on Investment:	12.2%
Internal Rate of Return:	12.2%
Rent to Value:	0.9%
Gross Rent Multiplier:	8.95
Equity Multiple:	1.12
Break Even Ratio:	72.6%
Debt Coverage Ratio:	1.48
Debt Yield:	11.2%

PURCHASE COSTS

Total (1.5% of Price):	\$ 4,349
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FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	6.5%
Financing Of:	Price (75%)
Loan Amount:	\$ 217,425
LTC / LTV:	75% / 72.5%
Loan Payment:	\$ 1,374 Per Month \$ 16,491 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:	\$ 14,600

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:		\$ 2,700	\$ 32,400
Vacancy (3%):	-	\$ 81	\$ 972
Other Income:	+	\$ 0	\$ 0
Operating Income:	=	\$ 2,619	\$ 31,428
Operating Expenses (22.4%):	-	\$ 586	\$ 7,035
Net Operating Income:	=	\$ 2,033	\$ 24,393
Loan Payments:	-	\$ 1,374	\$ 16,491
Cash Flow:	=	\$ 659	\$ 7,902
Cash Flow Per Unit:		\$ 329	\$ 3,951

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

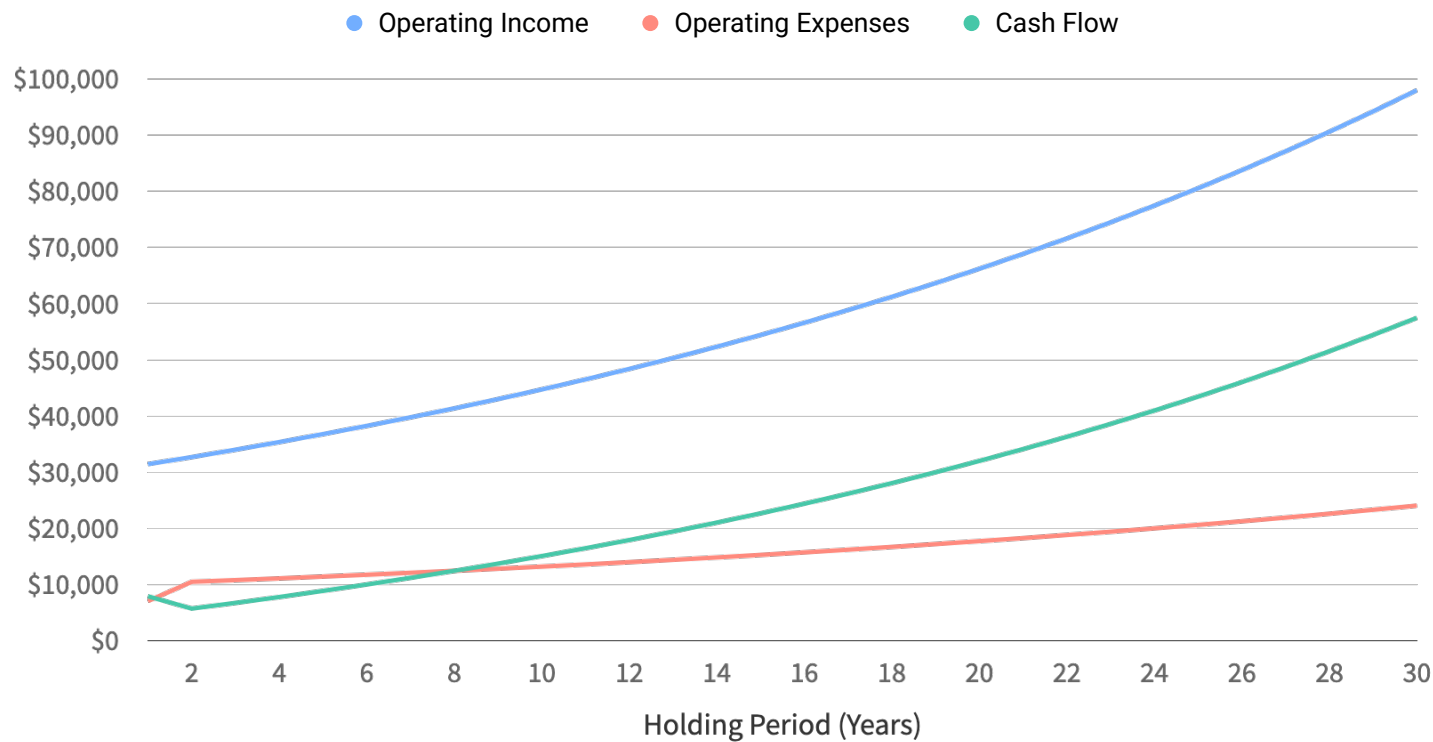
		Monthly	Yearly
OPERATING EXPENSES			
Property Taxes:		\$ 146	\$ 1,752
Insurance:		\$ 152	\$ 1,827
Maintenance:		\$ 108	\$ 1,296
Capital Expenditures:		\$ 0	\$ 0
HOA Fees:		\$ 0	\$ 0
Utilities - Sewer Bill:		\$ 100	\$ 1,200
Landscaping:		\$ 80	\$ 960
Accounting & Legal Fees:		\$ 0	\$ 0
Total:		\$ 586	\$ 7,035

Buy & Hold Projections

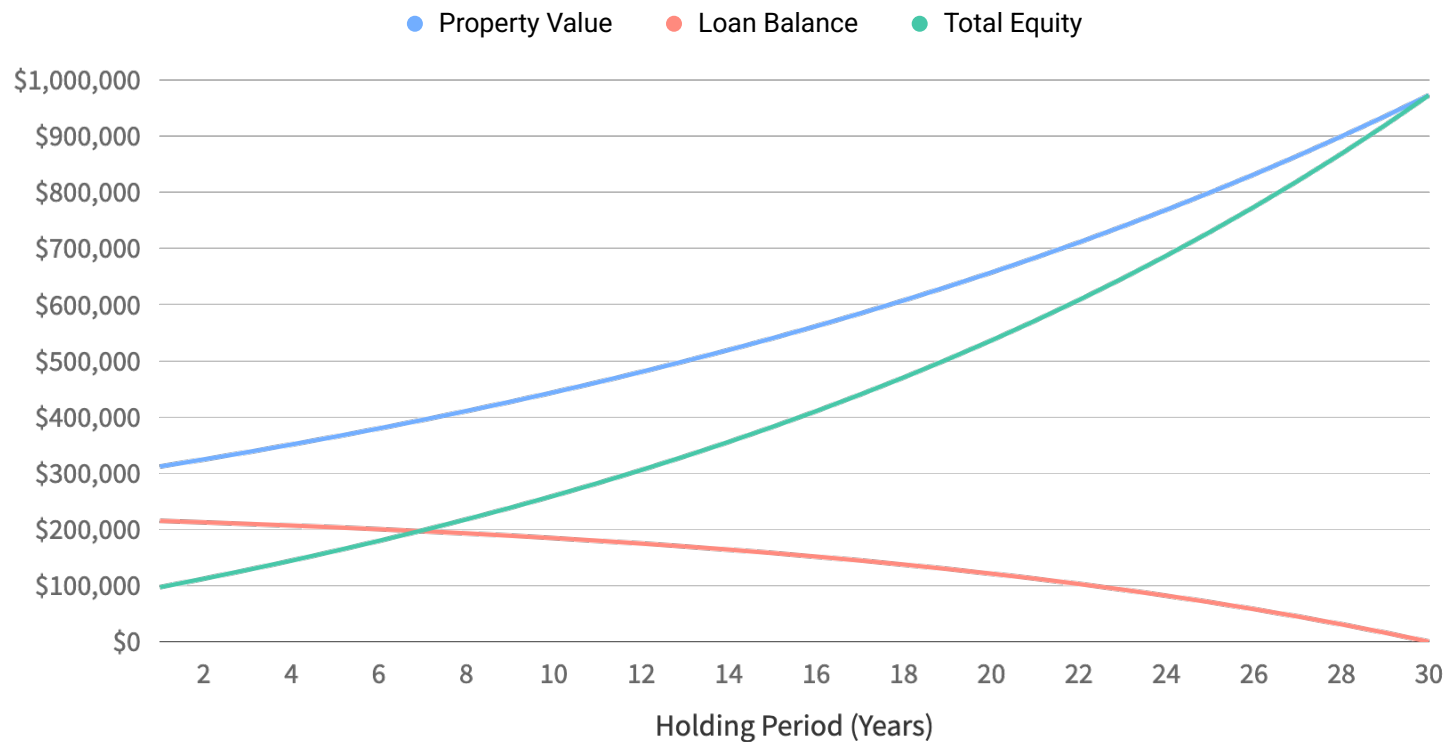
APPRECIATION	INCOME INCREASE			EXPENSE INCREASES		SELLING COSTS	
4% Per Year	4% Per Year			2% Per Year		6% of Price	
	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
RENTAL INCOME							
Gross Rent:	\$ 32,400	\$ 33,696	\$ 35,044	\$ 37,903	\$ 46,115	\$ 68,262	\$ 101,044
Vacancy:	- \$ 972	- \$ 1,011	- \$ 1,051	- \$ 1,137	- \$ 1,383	- \$ 2,048	- \$ 3,031
Vacancy Rate:	3%	3%	3%	3%	3%	3%	3%
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Operating Income:	= \$ 31,428	= \$ 32,685	= \$ 33,993	= \$ 36,766	= \$ 44,732	= \$ 66,214	= \$ 98,013
Income Increase:	4%	4%	4%	4%	4%	4%	4%
OPERATING EXPENSES							
Property Taxes:	\$ 1,752	\$ 1,787	\$ 1,823	\$ 1,896	\$ 2,094	\$ 2,552	\$ 3,111
Insurance:	+ \$ 1,827	+ \$ 1,864	+ \$ 1,901	+ \$ 1,978	+ \$ 2,183	+ \$ 2,662	+ \$ 3,244
Property Management:	N/A	+ \$ 3,269	+ \$ 3,399	+ \$ 3,677	+ \$ 4,473	+ \$ 6,621	+ \$ 9,801
Maintenance:	+ \$ 1,296	+ \$ 1,348	+ \$ 1,402	+ \$ 1,516	+ \$ 1,845	+ \$ 2,730	+ \$ 4,042
Capital Expenditures:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
HOA Fees:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Utilities - Sewer Bill:	+ \$ 1,200	+ \$ 1,224	+ \$ 1,248	+ \$ 1,299	+ \$ 1,434	+ \$ 1,748	+ \$ 2,131
Landscaping:	+ \$ 960	+ \$ 979	+ \$ 999	+ \$ 1,039	+ \$ 1,147	+ \$ 1,399	+ \$ 1,705
Accounting & Legal Fees:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Operating Expenses:	= \$ 7,035	= \$ 10,471	= \$ 10,772	= \$ 11,405	= \$ 13,176	= \$ 17,712	= \$ 24,034
Expense Increase:	2%	2%	2%	2%	2%	2%	2%
CASH FLOW							
Operating Income:	\$ 31,428	\$ 32,685	\$ 33,993	\$ 36,766	\$ 44,732	\$ 66,214	\$ 98,013
Operating Expenses:	- \$ 7,035	- \$ 10,471	- \$ 10,772	- \$ 11,405	- \$ 13,176	- \$ 17,712	- \$ 24,034
Expense Ratio:	22.4%	32%	31.7%	31%	29.5%	26.7%	24.5%
Net Operating Income:	= \$ 24,393	= \$ 22,214	= \$ 23,221	= \$ 25,361	= \$ 31,556	= \$ 48,502	= \$ 73,979
Loan Payments:	- \$ 16,491	- \$ 16,491	- \$ 16,491	- \$ 16,491	- \$ 16,491	- \$ 16,491	- \$ 16,491
Cash Flow:	= \$ 7,902	= \$ 5,723	= \$ 6,730	= \$ 8,870	= \$ 15,065	= \$ 32,011	= \$ 57,488
Cash Flow Per Unit:	\$ 3,951	\$ 2,862	\$ 3,365	\$ 4,435	\$ 7,533	\$ 16,006	\$ 28,744
TAX BENEFITS & DEDUCTIONS							
Operating Expenses:	\$ 7,035	\$ 10,471	\$ 10,772	\$ 11,405	\$ 13,176	\$ 17,712	\$ 24,034
Loan Interest:	+ \$ 14,061	+ \$ 13,898	+ \$ 13,725	+ \$ 13,342	+ \$ 12,136	+ \$ 8,163	+ \$ 566
Depreciation:	+ \$ 10,169	+ \$ 10,169	+ \$ 10,169	+ \$ 10,169	+ \$ 10,169	+ \$ 10,169	+ \$ 0

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Total Deductions:	= \$ 31,265	= \$ 34,538	= \$ 34,666	= \$ 34,916	= \$ 35,481	= \$ 36,044	= \$ 24,600
EQUITY ACCUMULATION							
Property Value:	\$ 312,000	\$ 324,480	\$ 337,459	\$ 364,996	\$ 444,073	\$ 657,337	\$ 973,019
Appreciation:	4%	4%	4%	4%	4%	4%	4%
Loan Balance:	- \$ 214,995	- \$ 212,402	- \$ 209,635	- \$ 203,534	- \$ 184,324	- \$ 121,030	- \$ 0
LTV Ratio:	68.9%	65.5%	62.1%	55.8%	41.5%	18.4%	-
Total Equity:	= \$ 97,005	= \$ 112,078	= \$ 127,824	= \$ 161,462	= \$ 259,749	= \$ 536,307	= \$ 973,019
SALE ANALYSIS							
Equity:	\$ 97,005	\$ 112,078	\$ 127,824	\$ 161,462	\$ 259,749	\$ 536,307	\$ 973,019
Selling Costs (6%):	- \$ 18,720	- \$ 19,469	- \$ 20,248	- \$ 21,900	- \$ 26,644	- \$ 39,440	- \$ 58,381
Sale Proceeds:	= \$ 78,285	= \$ 92,609	= \$ 107,576	= \$ 139,563	= \$ 233,104	= \$ 496,867	= \$ 914,638
Cumulative Cash Flow:	+ \$ 7,902	+ \$ 13,625	+ \$ 20,355	+ \$ 37,004	+ \$ 99,428	+ \$ 337,571	+ \$ 789,286
Total Cash Invested:	- \$ 76,824	- \$ 76,824	- \$ 76,824	- \$ 76,824	- \$ 76,824	- \$ 76,824	- \$ 76,824
Total Profit:	= \$ 9,363	= \$ 29,410	= \$ 51,107	= \$ 99,743	= \$ 255,708	= \$ 757,614	= \$ 1,627,100
INVESTMENT RETURNS							
Cap Rate (Purchase Price):	8.4%	7.7%	8%	8.7%	10.9%	16.7%	25.5%
Cap Rate (Market Value):	7.8%	6.8%	6.9%	6.9%	7.1%	7.4%	7.6%
Cash on Cash Return:	10.3%	7.4%	8.8%	11.5%	19.6%	41.7%	74.8%
Return on Equity:	8.1%	5.1%	5.3%	5.5%	5.8%	6%	5.9%
Return on Investment:	12.2%	38.3%	66.5%	129.8%	332.8%	986.2%	2,118%
Internal Rate of Return:	12.2%	18.4%	19.9%	20.4%	19.4%	17.9%	17.2%
FINANCIAL RATIOS							
Rent to Value:	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
Gross Rent Multiplier:	9.63	9.63	9.63	9.63	9.63	9.63	9.63
Equity Multiple:	1.12	1.38	1.67	2.3	4.33	10.86	22.18
Break Even Ratio:	72.6%	80%	77.8%	73.6%	64.3%	50.1%	40.1%
Debt Coverage Ratio:	1.48	1.35	1.41	1.54	1.91	2.94	4.49
Debt Yield:	11.3%	10.5%	11.1%	12.5%	17.1%	40.1%	-

Cash Flow Over Time

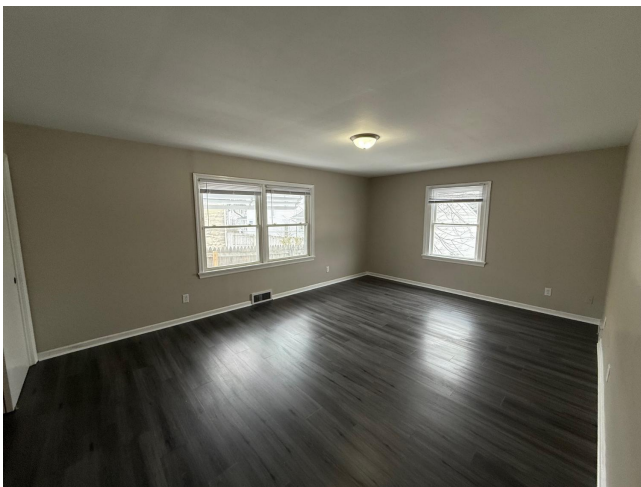


Equity Over Time



Property Photos







Additional Information

Great 6 Bedroom Duplex Only Upper Unit can be shown without 24 hour notice

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