1304 W Royale Dr

Investment Property - Buy & Hold

1304 W Royale Dr, Muncie, IN 47304
House · 4 Beds · 1.5 Baths · 1,416 Sq.Ft.

4 Bed 1.5 Bath Home Near Ball State University!

$ 159,900 Purchase Price · **$ 159,900** ARV
$ 40,775 Cash Needed · **$ 527/mo** Cash Flow · **8.4%** Cap Rate · **15.5%** COC

Prepared by:

The Homeboys



Property Description

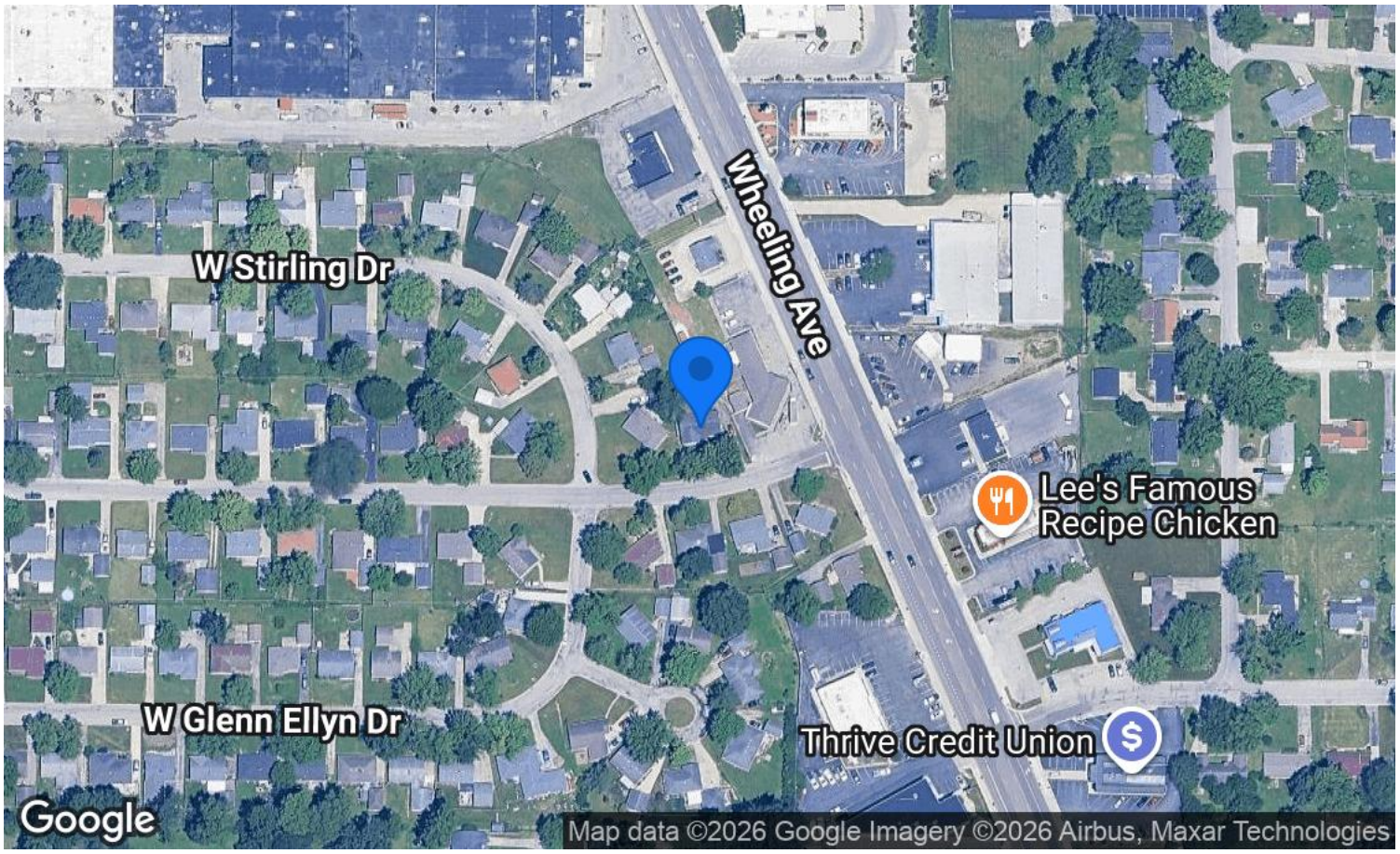
ADDRESS

1304 W Royale Dr
Muncie, IN 47304

DESCRIPTION

Property Type:	House
Beds / Baths:	4 BR / 1.5 BA
Square Footage:	1,416
Year Built:	1954
Lot Size:	8,000 sq.ft.
Zoning:	Single Family Residential





Purchase Analysis & Returns

PURCHASE & REHAB

Purchase Price:		$ 159,900
Amount Financed:	-	$ 119,925
Down Payment:	=	$ 39,975
Purchase Costs:	+	$ 800
Rehab Costs:	+	$ 0
Total Cash Needed:	=	**$ 40,775**
After Repair Value:		$ 159,900
ARV Per Square Foot:		$ 112.9
Price Per Square Foot:		$ 112.9

FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	4.25%
Financing Of:	Price (75%)
Loan Amount:	$ 119,925
LTC / LTV:	75% / 75%
Loan Payment:	$ 590 Per Month
	$ 7,080 Per Year

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	8.4% / 8.4%
Cash on Cash Return:	15.5%
Return on Equity:	13.1%
Return on Investment:	9.7%
Internal Rate of Return:	9.7%
Rent to Value:	0.9%
Gross Rent Multiplier:	9.52
Equity Multiple:	1.1
Break Even Ratio:	59.4%
Debt Coverage Ratio:	1.89
Debt Yield:	11.2%

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:	$ 12,600

PURCHASE COSTS

Total (0.5% of Price):	**$ 800**

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:		$ 1,400	$ 16,800
Vacancy (3%):	-	$ 42	$ 504
Other Income:	+	$ 0	$ 0
Operating Income:	=	$ 1,358	$ 16,296
Operating Expenses (17.8%):	-	$ 241	$ 2,894
Net Operating Income:	=	$ 1,117	$ 13,402
Loan Payments:	-	$ 590	$ 7,080
Cash Flow:	**=**	**$ 527**	**$ 6,322**

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

	Monthly	Yearly
OPERATING EXPENSES		
Property Taxes:	$ 125	$ 1,502
Insurance:	$ 60	$ 720
Maintenance:	$ 56	$ 672
Capital Expenditures:	$ 0	$ 0
HOA Fees:	$ 0	$ 0
Utilities:	$ 0	$ 0
Landscaping:	$ 0	$ 0
Accounting & Legal Fees:	$ 0	$ 0
Total:	**$ 241**	**$ 2,894**

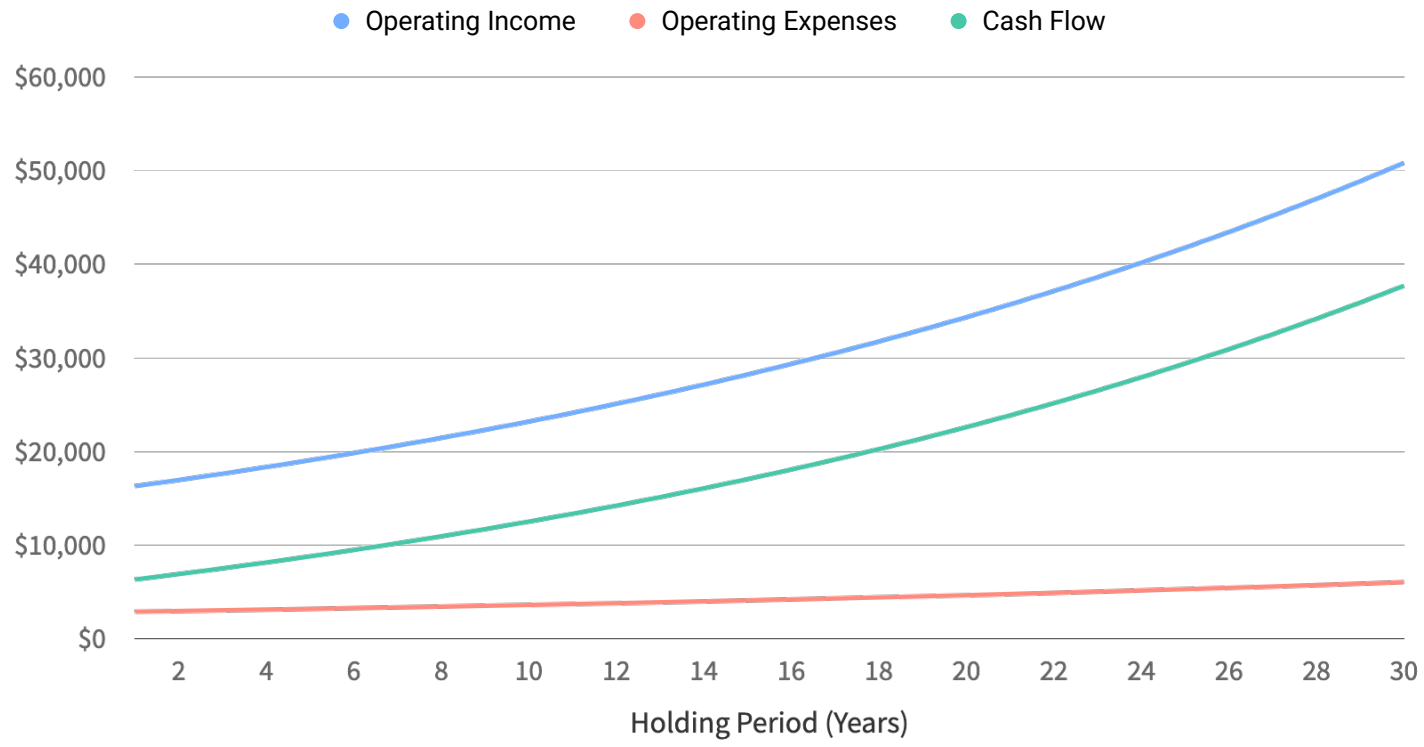
Buy & Hold Projections

APPRECIATION	INCOME INCREASE	EXPENSE INCREASES	SELLING COSTS
4% Per Year	4% Per Year	2% Per Year	6% of Price

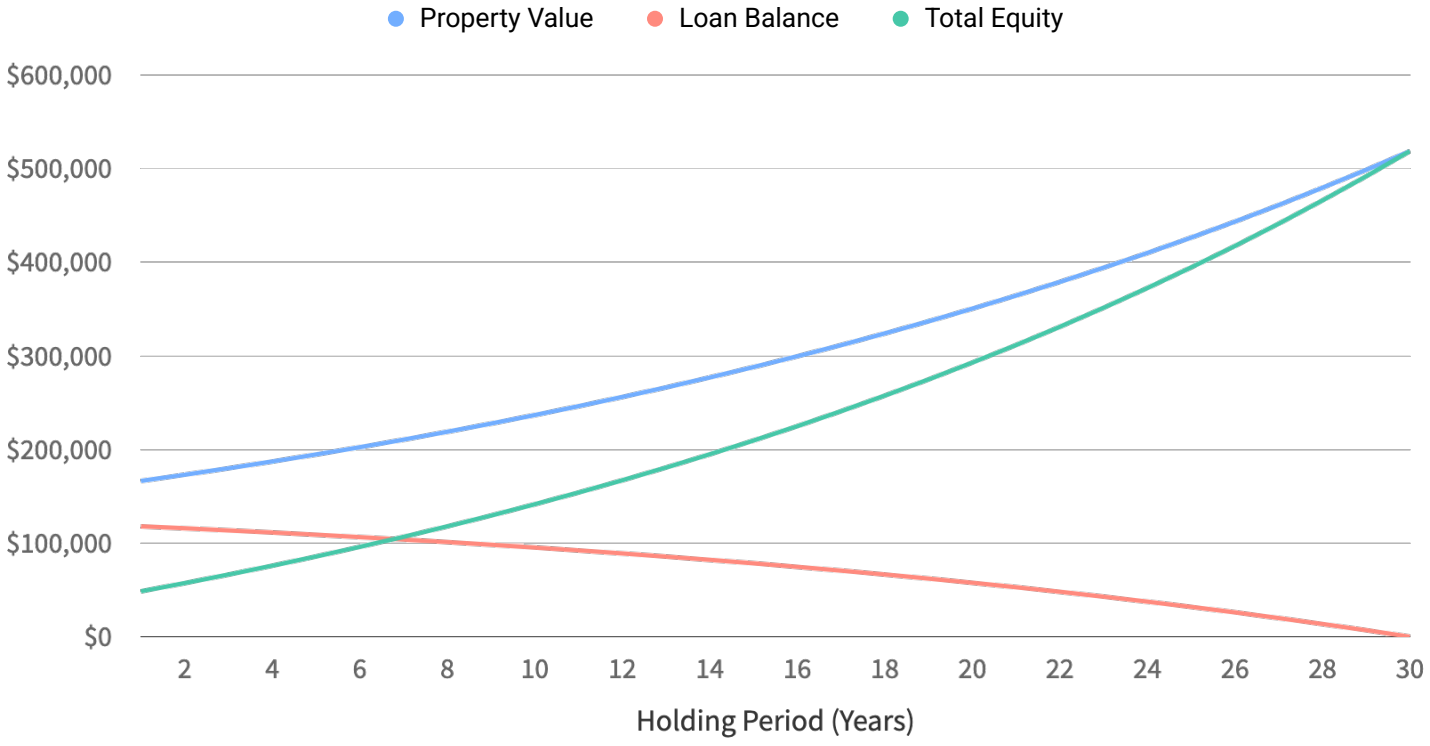
	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
RENTAL INCOME							
Gross Rent:	$ 16,800	$ 17,472	$ 18,171	$ 19,654	$ 23,912	$ 35,395	$ 52,393
Vacancy:	- $ 504	- $ 524	- $ 545	- $ 590	- $ 717	- $ 1,062	- $ 1,572
Vacancy Rate:	3%	3%	3%	3%	3%	3%	3%
Other Income:	+ $ 0	+ $ 0	+ $ 0	+ $ 0	+ $ 0	+ $ 0	+ $ 0
Operating Income:	**= $ 16,296**	**= $ 16,948**	**= $ 17,626**	**= $ 19,064**	**= $ 23,195**	**= $ 34,333**	**= $ 50,821**
Income Increase:	4%	4%	4%	4%	4%	4%	4%
OPERATING EXPENSES							
Property Taxes:	$ 1,502	$ 1,532	$ 1,563	$ 1,626	$ 1,795	$ 2,188	$ 2,667
Insurance:	+ $ 720	+ $ 734	+ $ 749	+ $ 779	+ $ 860	+ $ 1,049	+ $ 1,279
Property Management:	N/A	+ $ 0	+ $ 0	+ $ 0	+ $ 0	+ $ 0	+ $ 0
Maintenance:	+ $ 672	+ $ 699	+ $ 727	+ $ 786	+ $ 956	+ $ 1,416	+ $ 2,096
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:	**= $ 2,894**	**= $ 2,965**	**= $ 3,039**	**= $ 3,191**	**= $ 3,611**	**= $ 4,653**	**= $ 6,042**
Expense Increase:	2%	2%	2%	2%	2%	2%	2%
CASH FLOW							
Operating Income:	$ 16,296	$ 16,948	$ 17,626	$ 19,064	$ 23,195	$ 34,333	$ 50,821
Operating Expenses:	- $ 2,894	- $ 2,965	- $ 3,039	- $ 3,191	- $ 3,611	- $ 4,653	- $ 6,042
Expense Ratio:	17.8%	17.5%	17.2%	16.7%	15.6%	13.6%	11.9%
Net Operating Income:	= $ 13,402	= $ 13,983	= $ 14,587	= $ 15,873	= $ 19,584	= $ 29,680	= $ 44,779
Loan Payments:	- $ 7,080	- $ 7,080	- $ 7,080	- $ 7,080	- $ 7,080	- $ 7,080	- $ 7,080
Cash Flow:	**= $ 6,322**	**= $ 6,903**	**= $ 7,507**	**= $ 8,793**	**= $ 12,504**	**= $ 22,600**	**= $ 37,699**
TAX BENEFITS & DEDUCTIONS							
Operating Expenses:	$ 2,894	$ 2,965	$ 3,039	$ 3,191	$ 3,611	$ 4,653	$ 6,042
Loan Interest:	+ $ 5,058	+ $ 4,970	+ $ 4,879	+ $ 4,684	+ $ 4,118	+ $ 2,553	+ $ 160
Depreciation:	+ $ 5,385	+ $ 5,385	+ $ 5,385	+ $ 5,385	+ $ 5,385	+ $ 5,385	+ $ 0
Total Deductions:	**= $ 13,337**	**= $ 13,321**	**= $ 13,303**	**= $ 13,260**	**= $ 13,114**	**= $ 12,591**	**= $ 6,202**

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
EQUITY ACCUMULATION							
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:	- $ 117,903	- $ 115,794	- $ 113,593	- $ 108,901	- $ 95,272	- $ 57,592	- $ 0
LTV Ratio:	70.9%	67%	63.2%	56%	40.3%	16.4%	-
Total Equity:	**= $ 48,393**	**= $ 57,154**	**= $ 66,273**	**= $ 85,642**	**= $ 141,419**	**= $ 292,769**	**= $ 518,619**
SALE ANALYSIS							
Equity:	$ 48,393	$ 57,154	$ 66,273	$ 85,642	$ 141,419	$ 292,769	$ 518,619
Selling Costs (6%):	- $ 9,978	- $ 10,377	- $ 10,792	- $ 11,673	- $ 14,201	- $ 21,022	- $ 31,117
Sale Proceeds:	= $ 38,415	= $ 46,777	= $ 55,481	= $ 73,969	= $ 127,217	= $ 271,747	= $ 487,502
Cumulative Cash Flow:	+ $ 6,322	+ $ 13,225	+ $ 20,732	+ $ 37,662	+ $ 92,456	+ $ 269,666	+ $ 573,732
Total Cash Invested:	- $ 40,775	- $ 40,775	- $ 40,775	- $ 40,775	- $ 40,775	- $ 40,775	- $ 40,775
Total Profit:	**= $ 3,962**	**= $ 19,227**	**= $ 35,438**	**= $ 70,856**	**= $ 178,898**	**= $ 500,638**	**= $ 1,020,459**
INVESTMENT RETURNS							
Cap Rate (Purchase Price):	8.4%	8.7%	9.1%	9.9%	12.2%	18.6%	28%
Cap Rate (Market Value):	8.1%	8.1%	8.1%	8.2%	8.3%	8.5%	8.6%
Cash on Cash Return:	15.5%	16.9%	18.4%	21.6%	30.7%	55.4%	92.5%
Return on Equity:	13.1%	12.1%	11.3%	10.3%	8.8%	7.7%	7.3%
Return on Investment:	9.7%	47.2%	86.9%	173.8%	438.7%	1,227.8%	2,502.7%
Internal Rate of Return:	9.7%	22.8%	26.1%	27.3%	25.9%	23.9%	23.2%
FINANCIAL RATIOS							
Rent to Value:	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Gross Rent Multiplier:	9.9	9.9	9.9	9.9	9.9	9.9	9.9
Equity Multiple:	1.1	1.47	1.87	2.74	5.39	13.28	26.03
Break Even Ratio:	59.4%	57.5%	55.7%	52.3%	44.7%	33.1%	25%
Debt Coverage Ratio:	1.89	1.98	2.06	2.24	2.77	4.19	6.32
Debt Yield:	11.4%	12.1%	12.8%	14.6%	20.6%	51.5%	-

Cash Flow Over Time

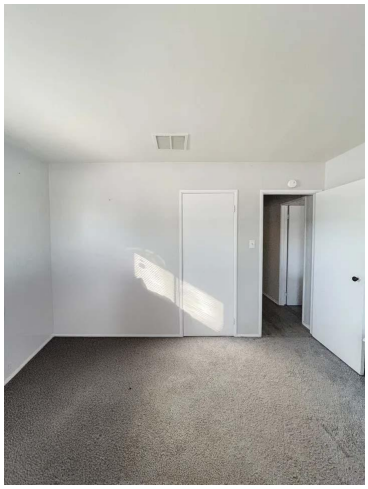


Equity Over Time

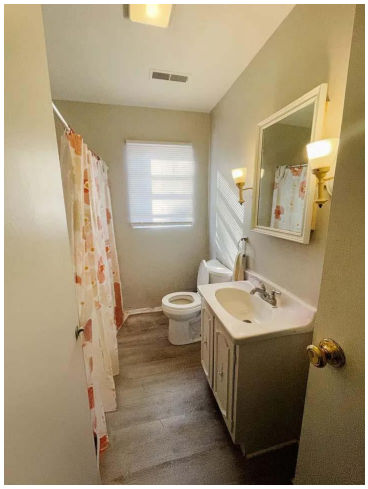


Property Photos















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