2312 N Rosewood Ave

Investment Property - Buy & Hold

2312 N Rosewood Ave, Muncie, IN 47304
House · 3 Beds · 1 Baths · 1,368 Sq.Ft.

3bed 1bath home near Ball State University!

$ 154,900 Purchase Price · **$ 154,900** ARV
$ 41,823 Cash Needed · **$ 365/mo** Cash Flow · **7.3%** Cap Rate · **10.5%** COC

Prepared by:

The Homeboys



Property Description

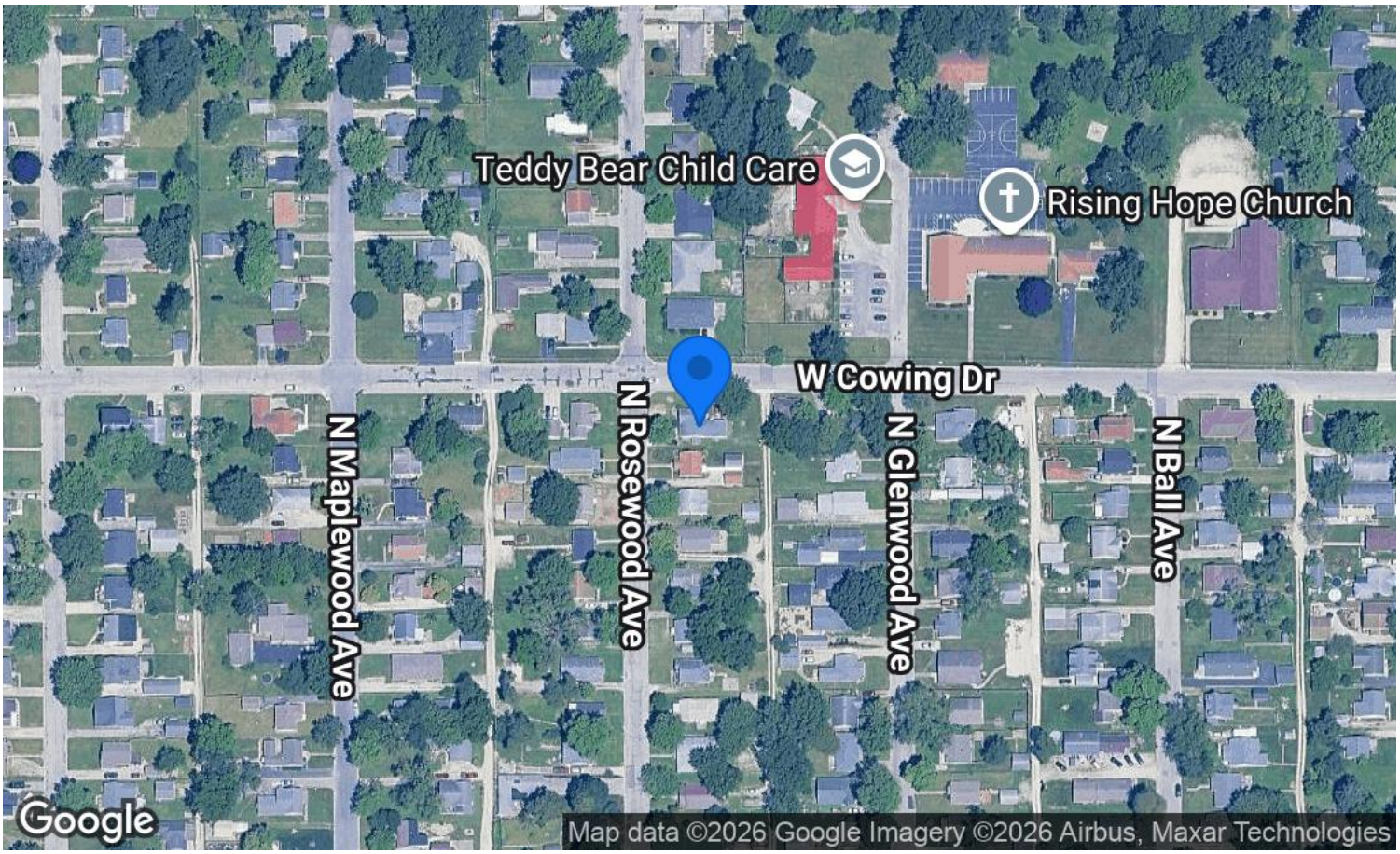
ADDRESS

2312 N Rosewood Ave
Muncie, IN 47304

DESCRIPTION

Property Type:	House
Beds / Baths:	3 BR / 1 BA
Square Footage:	1,368
Year Built:	1951
Lot Size:	8,580 sq.ft.
Zoning:	Single Family Residential





Purchase Analysis & Returns

PURCHASE & REHAB

Purchase Price:		$ 154,900
Amount Financed:	-	$ 116,175
Down Payment:	=	$ 38,725
Purchase Costs:	+	$ 3,098
Rehab Costs:	+	$ 0
Total Cash Needed:	=	**$ 41,823**
After Repair Value:		$ 154,900
ARV Per Square Foot:		$ 113.2
Price Per Square Foot:		$ 113.2

FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	4.25%
Financing Of:	Price (75%)
Loan Amount:	$ 116,175
LTC / LTV:	75% / 75%
Loan Payment:	$ 572 Per Month
	$ 6,858 Per Year

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	7.3% / 7.3%
Cash on Cash Return:	10.5%
Return on Equity:	9.4%
Return on Investment:	-0.5%
Internal Rate of Return:	-0.5%
Rent to Value:	0.8%
Gross Rent Multiplier:	10.54
Equity Multiple:	0.99
Break Even Ratio:	67.1%
Debt Coverage Ratio:	1.64
Debt Yield:	9.7%

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:	$ 11,600

PURCHASE COSTS

Total (2% of Price):	**$ 3,098**

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:		$ 1,225	$ 14,700
Vacancy (3%):	-	$ 37	$ 441
Other Income:	+	$ 0	$ 0
Operating Income:	=	$ 1,188	$ 14,259
Operating Expenses (21.1%):	-	$ 251	$ 3,010
Net Operating Income:	=	$ 937	$ 11,249
Loan Payments:	-	$ 572	$ 6,858
Cash Flow:	**=**	**$ 365**	**$ 4,391**

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

	Monthly	Yearly
OPERATING EXPENSES		
Property Taxes:	$ 142	$ 1,702
Insurance:	$ 60	$ 720
Maintenance:	$ 49	$ 588
Capital Expenditures:	$ 0	$ 0
HOA Fees:	$ 0	$ 0
Utilities:	$ 0	$ 0
Landscaping:	$ 0	$ 0
Accounting & Legal Fees:	$ 0	$ 0
Total:	**$ 251**	**$ 3,010**

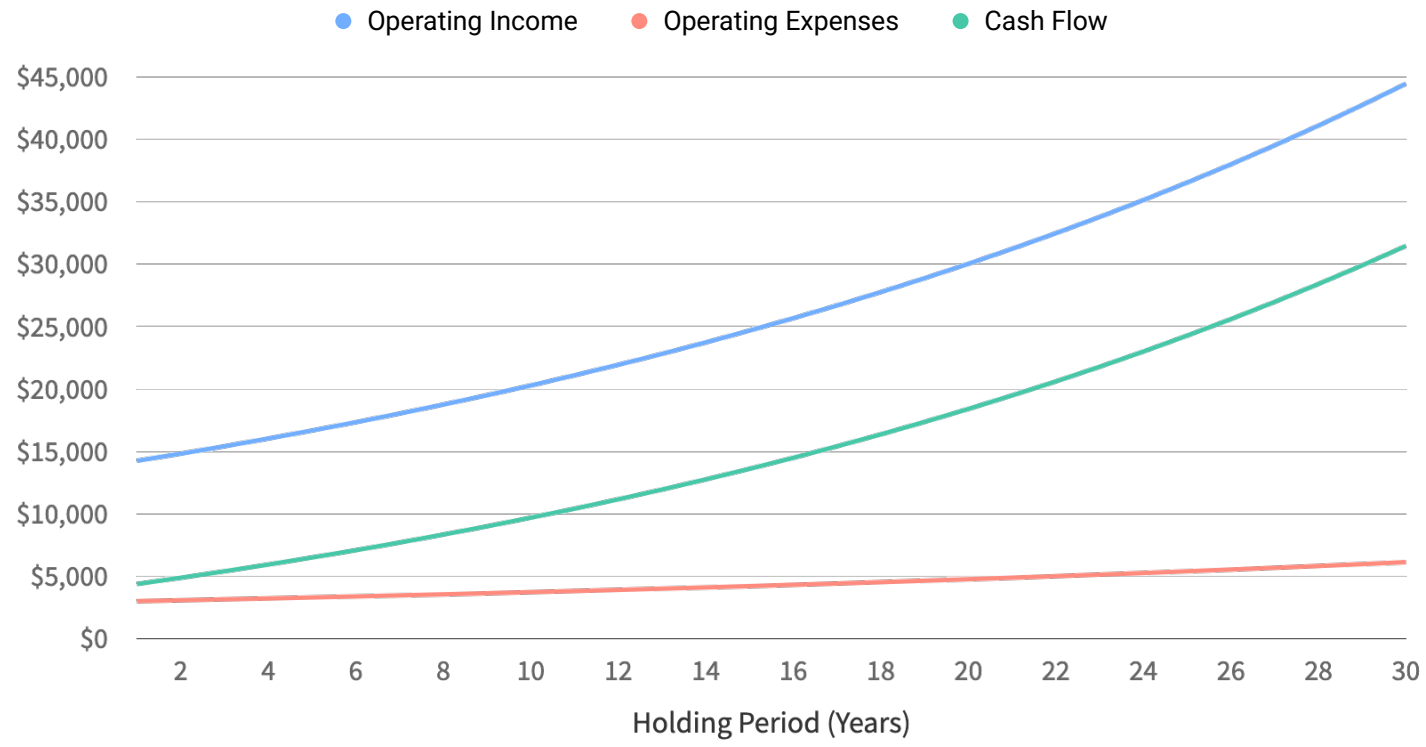
Buy & Hold Projections

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

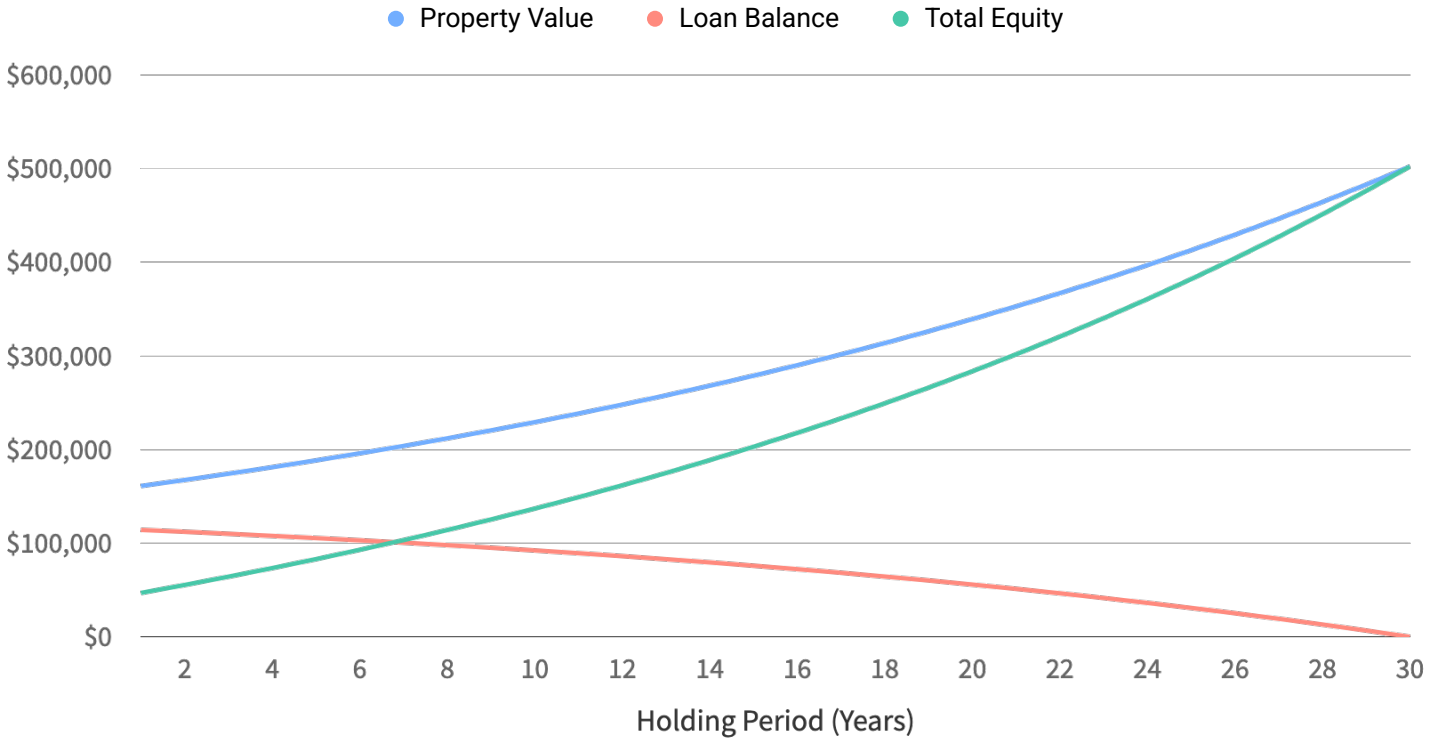
	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
RENTAL INCOME							
Gross Rent:	$ 14,700	$ 15,288	$ 15,900	$ 17,197	$ 20,923	$ 30,971	$ 45,844
Vacancy:	- $ 441	- $ 459	- $ 477	- $ 516	- $ 628	- $ 929	- $ 1,375
Vacancy Rate:	3%	3%	3%	3%	3%	3%	3%
Other Income:	+ $ 0	+ $ 0	+ $ 0	+ $ 0	+ $ 0	+ $ 0	+ $ 0
Operating Income:	**= $ 14,259**	**= $ 14,829**	**= $ 15,423**	**= $ 16,681**	**= $ 20,295**	**= $ 30,042**	**= $ 44,469**
Income Increase:	4%	4%	4%	4%	4%	4%	4%
OPERATING EXPENSES							
Property Taxes:	$ 1,702	$ 1,736	$ 1,771	$ 1,842	$ 2,034	$ 2,479	$ 3,022
Insurance:	+ $ 720	+ $ 734	+ $ 749	+ $ 779	+ $ 860	+ $ 1,049	+ $ 1,279
Property Management:	N/A	+ $ 0	+ $ 0	+ $ 0	+ $ 0	+ $ 0	+ $ 0
Maintenance:	+ $ 588	+ $ 612	+ $ 636	+ $ 688	+ $ 837	+ $ 1,239	+ $ 1,834
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:	**= $ 3,010**	**= $ 3,082**	**= $ 3,156**	**= $ 3,309**	**= $ 3,731**	**= $ 4,767**	**= $ 6,135**
Expense Increase:	2%	2%	2%	2%	2%	2%	2%
CASH FLOW							
Operating Income:	$ 14,259	$ 14,829	$ 15,423	$ 16,681	$ 20,295	$ 30,042	$ 44,469
Operating Expenses:	- $ 3,010	- $ 3,082	- $ 3,156	- $ 3,309	- $ 3,731	- $ 4,767	- $ 6,135
Expense Ratio:	21.1%	20.8%	20.5%	19.8%	18.4%	15.9%	13.8%
Net Operating Income:	= $ 11,249	= $ 11,747	= $ 12,267	= $ 13,372	= $ 16,564	= $ 25,275	= $ 38,334
Loan Payments:	- $ 6,858	- $ 6,858	- $ 6,858	- $ 6,858	- $ 6,858	- $ 6,858	- $ 6,858
Cash Flow:	**= $ 4,391**	**= $ 4,889**	**= $ 5,409**	**= $ 6,514**	**= $ 9,706**	**= $ 18,417**	**= $ 31,476**
TAX BENEFITS & DEDUCTIONS							
Operating Expenses:	$ 3,010	$ 3,082	$ 3,156	$ 3,309	$ 3,731	$ 4,767	$ 6,135
Loan Interest:	+ $ 4,900	+ $ 4,815	+ $ 4,726	+ $ 4,537	+ $ 3,989	+ $ 2,473	+ $ 155
Depreciation:	+ $ 5,324	+ $ 5,324	+ $ 5,324	+ $ 5,324	+ $ 5,324	+ $ 5,324	+ $ 0
Total Deductions:	**= $ 13,233**	**= $ 13,220**	**= $ 13,206**	**= $ 13,170**	**= $ 13,044**	**= $ 12,563**	**= $ 6,290**

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
EQUITY ACCUMULATION							
Property Value:	$ 161,096	$ 167,540	$ 174,241	$ 188,460	$ 229,290	$ 339,405	$ 502,402
Appreciation:	4%	4%	4%	4%	4%	4%	4%
Loan Balance:	- $ 114,216	- $ 112,173	- $ 110,041	- $ 105,496	- $ 92,293	- $ 55,791	- $ 0
LTV Ratio:	70.9%	67%	63.2%	56%	40.3%	16.4%	-
Total Equity:	**= $ 46,880**	**= $ 55,367**	**= $ 64,200**	**= $ 82,964**	**= $ 136,997**	**= $ 283,614**	**= $ 502,402**
SALE ANALYSIS							
Equity:	$ 46,880	$ 55,367	$ 64,200	$ 82,964	$ 136,997	$ 283,614	$ 502,402
Selling Costs (6%):	- $ 9,666	- $ 10,052	- $ 10,454	- $ 11,308	- $ 13,757	- $ 20,364	- $ 30,144
Sale Proceeds:	= $ 37,214	= $ 45,315	= $ 53,746	= $ 71,657	= $ 123,239	= $ 263,250	= $ 472,258
Cumulative Cash Flow:	+ $ 4,391	+ $ 9,280	+ $ 14,689	+ $ 27,154	+ $ 69,036	+ $ 211,094	+ $ 462,750
Total Cash Invested:	- $ 41,823	- $ 41,823	- $ 41,823	- $ 41,823	- $ 41,823	- $ 41,823	- $ 41,823
Total Profit:	**= -$ 218**	**= $ 12,772**	**= $ 26,612**	**= $ 56,988**	**= $ 150,452**	**= $ 432,521**	**= $ 893,185**
INVESTMENT RETURNS							
Cap Rate (Purchase Price):	7.3%	7.6%	7.9%	8.6%	10.7%	16.3%	24.7%
Cap Rate (Market Value):	7%	7%	7%	7.1%	7.2%	7.4%	7.6%
Cash on Cash Return:	10.5%	11.7%	12.9%	15.6%	23.2%	44%	75.3%
Return on Equity:	9.4%	8.8%	8.4%	7.9%	7.1%	6.5%	6.3%
Return on Investment:	-0.5%	30.5%	63.6%	136.3%	359.7%	1,034.2%	2,135.6%
Internal Rate of Return:	-0.5%	14.9%	19.4%	21.8%	21.4%	19.8%	19.1%
FINANCIAL RATIOS							
Rent to Value:	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Gross Rent Multiplier:	10.96	10.96	10.96	10.96	10.96	10.96	10.96
Equity Multiple:	0.99	1.31	1.64	2.36	4.6	11.34	22.36
Break Even Ratio:	67.1%	65%	63%	59.1%	50.6%	37.5%	28.3%
Debt Coverage Ratio:	1.64	1.71	1.79	1.95	2.42	3.69	5.59
Debt Yield:	9.8%	10.5%	11.1%	12.7%	17.9%	45.3%	-

Cash Flow Over Time



Equity Over Time



Property Photos





























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