1705 W Cowing Dr

Investment Property - Buy & Hold

1705 W Cowing Dr, Muncie, IN 47304
House · 3 Beds · 1 Baths · 1,146 Sq.Ft.

3bed 1bath home close to Ball State University!!

$ 164,900 Purchase Price · **$ 169,900** ARV
$ 44,523 Cash Needed · **$ 386/mo** Cash Flow · **7.2%** Cap Rate · **10.4%** COC

Prepared by:

The Homeboys



Property Description

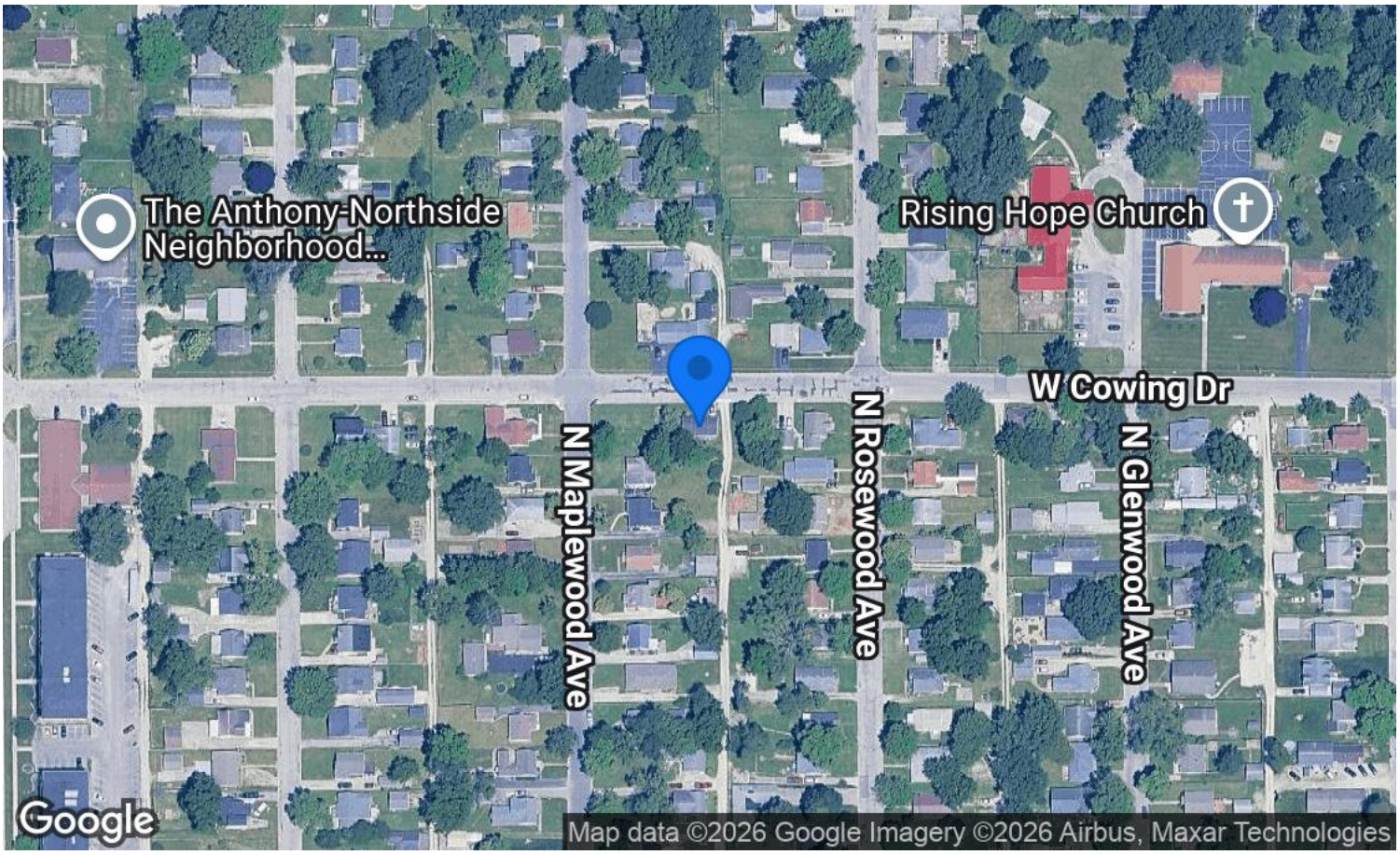
ADDRESS

1705 W Cowing Dr
Muncie, IN 47304

DESCRIPTION

Property Type:	House
Beds / Baths:	3 BR / 1 BA
Square Footage:	1,146
Year Built:	1955
Lot Size:	8,276 sq.ft.
Zoning:	Single Family Residential
MLS Number:	21943170





Purchase Analysis & Returns

PURCHASE & REHAB

Purchase Price:		$ 164,900
Amount Financed:	-	$ 123,675
Down Payment:	=	$ 41,225
Purchase Costs:	+	$ 3,298
Rehab Costs:	+	$ 0
Total Cash Needed:	=	**$ 44,523**
After Repair Value:		$ 169,900
ARV Per Square Foot:		$ 148.3
Price Per Square Foot:		$ 143.9

FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	4.25%
Financing Of:	Price (75%)
Loan Amount:	$ 123,675
LTC / LTV:	75% / 72.8%
Loan Payment:	$ 608 Per Month
	$ 7,301 Per Year

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	7.2% / 7%
Cash on Cash Return:	10.4%
Return on Equity:	8.4%
Return on Investment:	10.4%
Internal Rate of Return:	10.3%
Rent to Value:	0.8%
Gross Rent Multiplier:	10.78
Equity Multiple:	1.1
Break Even Ratio:	66.8%
Debt Coverage Ratio:	1.63
Debt Yield:	9.6%

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:	$ 11,800

PURCHASE COSTS

Total (2% of Price):	**$ 3,298**

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:		$ 1,275	$ 15,300
Vacancy (3%):	-	$ 38	$ 459
Other Income:	+	$ 0	$ 0
Operating Income:	=	$ 1,237	$ 14,841
Operating Expenses (19.6%):	-	$ 243	$ 2,916
Net Operating Income:	=	$ 994	$ 11,925
Loan Payments:	-	$ 608	$ 7,301
Cash Flow:	**=**	**$ 386**	**$ 4,624**

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

	Monthly	Yearly
OPERATING EXPENSES		
Property Taxes:	$ 132	$ 1,584
Insurance:	$ 60	$ 720
Maintenance:	$ 51	$ 612
Capital Expenditures:	$ 0	$ 0
HOA Fees:	$ 0	$ 0
Utilities:	$ 0	$ 0
Landscaping:	$ 0	$ 0
Accounting & Legal Fees:	$ 0	$ 0
Total:	**$ 243**	**$ 2,916**

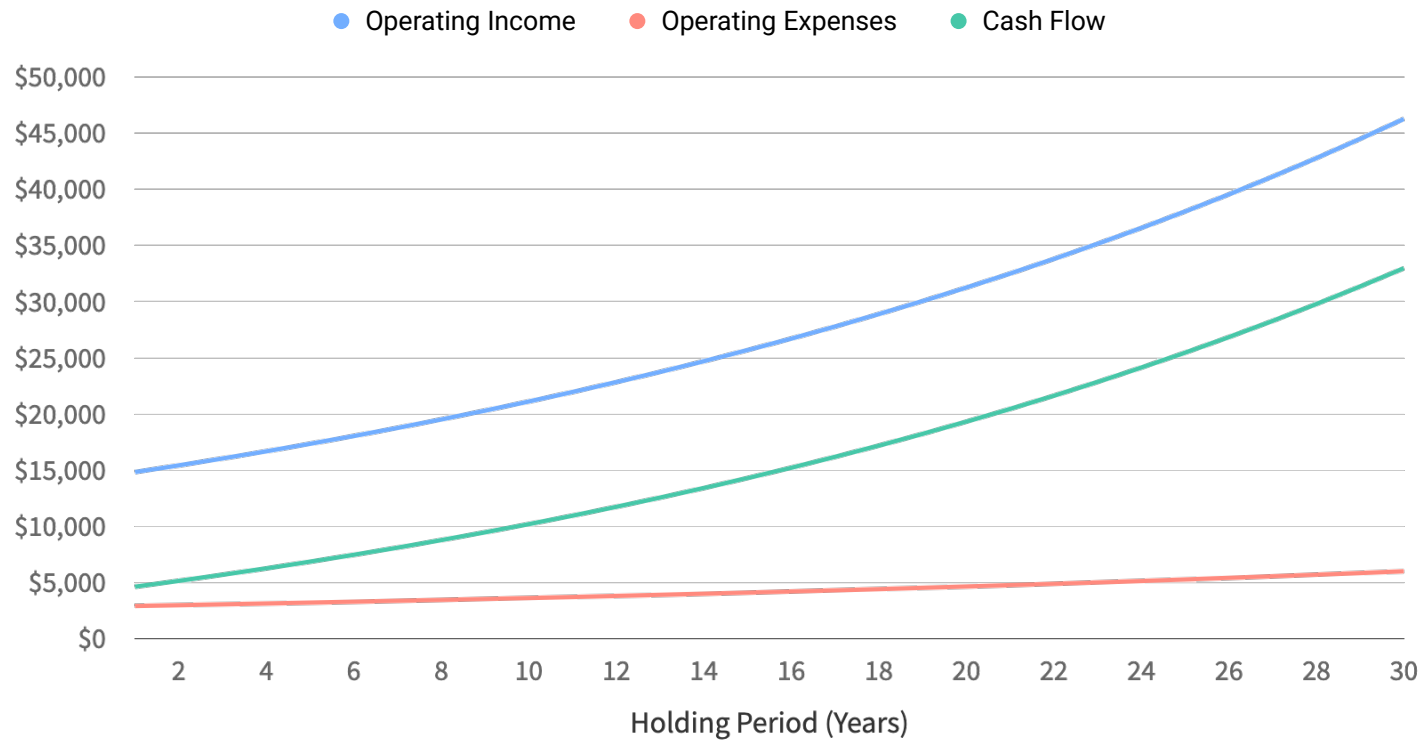
Buy & Hold Projections

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

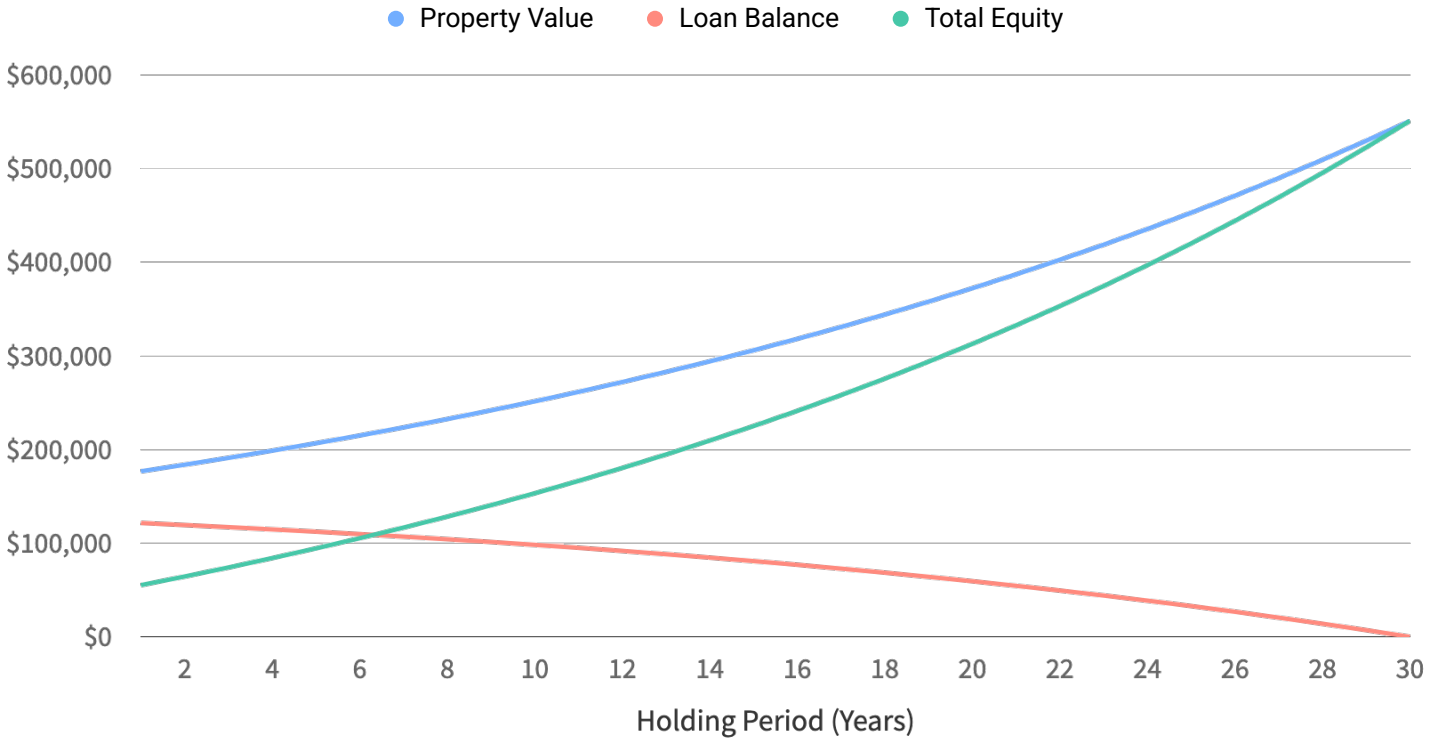
	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
RENTAL INCOME							
Gross Rent:	$ 15,300	$ 15,912	$ 16,548	$ 17,899	$ 21,777	$ 32,235	$ 47,715
Vacancy:	- $ 459	- $ 477	- $ 496	- $ 537	- $ 653	- $ 967	- $ 1,431
Vacancy Rate:	3%	3%	3%	3%	3%	3%	3%
Other Income:	+ $ 0	+ $ 0	+ $ 0	+ $ 0	+ $ 0	+ $ 0	+ $ 0
Operating Income:	**= $ 14,841**	**= $ 15,435**	**= $ 16,052**	**= $ 17,362**	**= $ 21,124**	**= $ 31,268**	**= $ 46,284**
Income Increase:	4%	4%	4%	4%	4%	4%	4%
OPERATING EXPENSES							
Property Taxes:	$ 1,584	$ 1,616	$ 1,648	$ 1,715	$ 1,893	$ 2,308	$ 2,813
Insurance:	+ $ 720	+ $ 734	+ $ 749	+ $ 779	+ $ 860	+ $ 1,049	+ $ 1,279
Property Management:	N/A	+ $ 0	+ $ 0	+ $ 0	+ $ 0	+ $ 0	+ $ 0
Maintenance:	+ $ 612	+ $ 636	+ $ 662	+ $ 716	+ $ 871	+ $ 1,289	+ $ 1,909
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:	**= $ 2,916**	**= $ 2,986**	**= $ 3,059**	**= $ 3,210**	**= $ 3,624**	**= $ 4,646**	**= $ 6,001**
Expense Increase:	2%	2%	2%	2%	2%	2%	2%
CASH FLOW							
Operating Income:	$ 14,841	$ 15,435	$ 16,052	$ 17,362	$ 21,124	$ 31,268	$ 46,284
Operating Expenses:	- $ 2,916	- $ 2,986	- $ 3,059	- $ 3,210	- $ 3,624	- $ 4,646	- $ 6,001
Expense Ratio:	19.6%	19.3%	19.1%	18.5%	17.2%	14.9%	13%
Net Operating Income:	= $ 11,925	= $ 12,449	= $ 12,993	= $ 14,152	= $ 17,500	= $ 26,622	= $ 40,283
Loan Payments:	- $ 7,301	- $ 7,301	- $ 7,301	- $ 7,301	- $ 7,301	- $ 7,301	- $ 7,301
Cash Flow:	**= $ 4,624**	**= $ 5,148**	**= $ 5,692**	**= $ 6,851**	**= $ 10,199**	**= $ 19,321**	**= $ 32,982**
TAX BENEFITS & DEDUCTIONS							
Operating Expenses:	$ 2,916	$ 2,986	$ 3,059	$ 3,210	$ 3,624	$ 4,646	$ 6,001
Loan Interest:	+ $ 5,216	+ $ 5,126	+ $ 5,031	+ $ 4,830	+ $ 4,246	+ $ 2,632	+ $ 165
Depreciation:	+ $ 5,687	+ $ 5,687	+ $ 5,687	+ $ 5,687	+ $ 5,687	+ $ 5,687	+ $ 0
Total Deductions:	**= $ 13,819**	**= $ 13,799**	**= $ 13,777**	**= $ 13,727**	**= $ 13,558**	**= $ 12,966**	**= $ 6,166**

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
EQUITY ACCUMULATION							
Property Value:	$ 176,696	$ 183,764	$ 191,114	$ 206,709	$ 251,494	$ 372,272	$ 551,053
Appreciation:	4%	4%	4%	4%	4%	4%	4%
Loan Balance:	- $ 121,590	- $ 119,415	- $ 117,145	- $ 112,306	- $ 98,251	- $ 59,393	- $ 0
LTV Ratio:	68.8%	65%	61.3%	54.3%	39.1%	16%	-
Total Equity:	**= $ 55,106**	**= $ 64,349**	**= $ 73,969**	**= $ 94,403**	**= $ 153,243**	**= $ 312,879**	**= $ 551,053**
SALE ANALYSIS							
Equity:	$ 55,106	$ 64,349	$ 73,969	$ 94,403	$ 153,243	$ 312,879	$ 551,053
Selling Costs (6%):	- $ 10,602	- $ 11,026	- $ 11,467	- $ 12,403	- $ 15,090	- $ 22,336	- $ 33,063
Sale Proceeds:	= $ 44,504	= $ 53,324	= $ 62,502	= $ 82,000	= $ 138,153	= $ 290,543	= $ 517,990
Cumulative Cash Flow:	+ $ 4,624	+ $ 9,772	+ $ 15,464	+ $ 28,575	+ $ 72,598	+ $ 221,715	+ $ 485,535
Total Cash Invested:	- $ 44,523	- $ 44,523	- $ 44,523	- $ 44,523	- $ 44,523	- $ 44,523	- $ 44,523
Total Profit:	**= $ 4,605**	**= $ 18,573**	**= $ 33,443**	**= $ 66,052**	**= $ 166,228**	**= $ 467,735**	**= $ 959,002**
INVESTMENT RETURNS							
Cap Rate (Purchase Price):	7.2%	7.5%	7.9%	8.6%	10.6%	16.1%	24.4%
Cap Rate (Market Value):	6.7%	6.8%	6.8%	6.8%	7%	7.2%	7.3%
Cash on Cash Return:	10.4%	11.6%	12.8%	15.4%	22.9%	43.4%	74.1%
Return on Equity:	8.4%	8%	7.7%	7.3%	6.7%	6.2%	6%
Return on Investment:	10.3%	41.7%	75.1%	148.4%	373.4%	1,050.5%	2,153.9%
Internal Rate of Return:	10.3%	19.9%	22.3%	23%	21.7%	19.7%	19%
FINANCIAL RATIOS							
Rent to Value:	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
Gross Rent Multiplier:	11.55	11.55	11.55	11.55	11.55	11.55	11.55
Equity Multiple:	1.1	1.42	1.75	2.48	4.73	11.51	22.54
Break Even Ratio:	66.8%	64.6%	62.6%	58.7%	50.2%	37.1%	27.9%
Debt Coverage Ratio:	1.63	1.71	1.78	1.94	2.4	3.65	5.52
Debt Yield:	9.8%	10.4%	11.1%	12.6%	17.8%	44.8%	-

Cash Flow Over Time



Equity Over Time



Property Photos











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