

Ravenz Nest

Investment Property - Buy & Hold

Multi-Family · 43 Units · 38,608 Sq.Ft.

University South + Tara East

\$ 4,000,000 Purchase Price · \$ 7,000,000 ARV
\$ 0 Cash Needed · \$ 11,713/mo Cash Flow · 13% Cap Rate · Infinity% COC

Prepared by:



Realty Wealth Advisors



Property Description

ADDRESS

DESCRIPTION

Property Type: Multi-Family

UNIT INFORMATION

Total Units/Spaces: 43
Total Square Footage: 38,608

UNITS & RENT ROLL

18 Units - Residential (2 Bedroom - Tara East)

2 Beds / 1 Baths / 816 Sq.Ft.

Gross Rent: \$ 1,350 Per Month

1 Unit - Residential (One Bedroom - Tara East)

1 Beds / 1 Baths / 700 Sq.Ft.

Gross Rent: \$ 850 Per Month

20 Units - Residential (2 Bedroom - University South)

2 Beds / 1 Baths / 1,021 Sq.Ft.

Gross Rent: \$ 1,350 Per Month

4 Units - Residential (1 Bedroom - University South)

1 Beds / 1 Baths / 700 Sq.Ft.

Gross Rent: \$ 850 Per Month

Purchase Analysis & Returns

PURCHASE & REHAB

Purchase Price:		\$ 4,000,000
Amount Financed:	-	\$ 4,000,000
Down Payment:	=	\$ 0
Purchase Costs:	+	\$ 0
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 0
After Repair Value:		\$ 7,000,000
ARV Per Square Foot:		\$ 181.3
Price Per Square Foot:		\$ 103.6
Price Per Unit:		\$ 93,023

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	13% / 7.4%
Cash on Cash Return:	Infinity%
Return on Equity:	4.2%
Return on Investment:	Infinity%
Internal Rate of Return:	Infinity%
Rent to Value:	1.4%
Gross Rent Multiplier:	6
Equity Multiple:	Infinity
Break Even Ratio:	75.9%
Debt Coverage Ratio:	1.37
Debt Yield:	13%

PURCHASE COSTS

Total (0% of Price):	\$ 0
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FINANCING (PURCHASE)

Loan Type:	Amortizing, 20 Year
Interest Rate:	7.25%
Financing Of:	Price (100%)
Loan Amount:	\$ 4,000,000
LTC / LTV:	100% / 57.1%
Loan Payment:	\$ 31,615 Per Month \$ 379,380 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:	\$ 0

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:		\$ 55,550	\$ 666,600
Vacancy (3%):	-	\$ 1,667	\$ 19,998
Other Income:	+	\$ 0	\$ 0
Operating Income:	=	\$ 53,883	\$ 646,602
Operating Expenses (19.6%):	-	\$ 10,555	\$ 126,664
Net Operating Income:	=	\$ 43,328	\$ 519,938
Loan Payments:	-	\$ 31,615	\$ 379,380
Cash Flow:	=	\$ 11,713	\$ 140,558
Cash Flow Per Unit:		\$ 272	\$ 3,269

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

		Monthly	Yearly
OPERATING EXPENSES			
Property Taxes:		\$ 3,333	\$ 40,000
Insurance:		\$ 3,000	\$ 36,000
Maintenance:		\$ 1,111	\$ 13,332
Capital Expenditures:		\$ 1,111	\$ 13,332
HOA Fees:		\$ 0	\$ 0
Utilities:		\$ 1,000	\$ 12,000
Landscaping:		\$ 800	\$ 9,600
Accounting & Legal Fees:		\$ 200	\$ 2,400
Total:		\$ 10,555	\$ 126,664

Buy & Hold Projections

	APPRECIATION 4% Per Year	INCOME INCREASE 4% Per Year	EXPENSE INCREASES 2% Per Year	SELLING COSTS 6% of Price		
	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
RENTAL INCOME						
Gross Rent:	\$ 666,600	\$ 720,995	\$ 779,828	\$ 948,780	\$ 1,404,426	\$ 2,078,893
Vacancy:	- \$ 19,998	- \$ 21,630	- \$ 23,395	- \$ 28,463	- \$ 42,133	- \$ 62,367
Vacancy Rate:	3%	3%	3%	3%	3%	3%
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Operating Income:	= \$ 646,602	= \$ 699,365	= \$ 756,433	= \$ 920,317	= \$ 1,362,293	= \$ 2,016,526
Income Increase:	4%	4%	4%	4%	4%	4%
OPERATING EXPENSES						
Property Taxes:	\$ 40,000	\$ 41,616	\$ 43,297	\$ 47,804	\$ 58,272	\$ 71,034
Insurance:	+ \$ 36,000	+ \$ 37,454	+ \$ 38,968	+ \$ 43,023	+ \$ 52,445	+ \$ 63,930
Property Management:	N/A	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Maintenance:	+ \$ 13,332	+ \$ 14,420	+ \$ 15,597	+ \$ 18,976	+ \$ 28,089	+ \$ 41,578
Capital Expenditures:	+ \$ 13,332	+ \$ 14,420	+ \$ 15,597	+ \$ 18,976	+ \$ 28,089	+ \$ 41,578
HOA Fees:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Utilities:	+ \$ 12,000	+ \$ 12,485	+ \$ 12,989	+ \$ 14,341	+ \$ 17,482	+ \$ 21,310
Landscaping:	+ \$ 9,600	+ \$ 9,988	+ \$ 10,391	+ \$ 11,473	+ \$ 13,985	+ \$ 17,048
Accounting & Legal Fees:	+ \$ 2,400	+ \$ 2,497	+ \$ 2,598	+ \$ 2,868	+ \$ 3,496	+ \$ 4,262
Operating Expenses:	= \$ 126,664	= \$ 132,880	= \$ 139,437	= \$ 157,461	= \$ 201,858	= \$ 260,740
Expense Increase:	2%	2%	2%	2%	2%	2%
CASH FLOW						
Operating Income:	\$ 646,602	\$ 699,365	\$ 756,433	\$ 920,317	\$ 1,362,293	\$ 2,016,526
Operating Expenses:	- \$ 126,664	- \$ 132,880	- \$ 139,437	- \$ 157,461	- \$ 201,858	- \$ 260,740
Expense Ratio:	19.6%	19%	18.4%	17.1%	14.8%	12.9%
Net Operating Income:	= \$ 519,938	= \$ 566,485	= \$ 616,996	= \$ 762,856	= \$ 1,160,435	= \$ 1,755,786
Loan Payments:	- \$ 379,380	- \$ 379,380	- \$ 379,380	- \$ 379,380	- \$ 379,380	- \$ 0
Cash Flow:	= \$ 140,558	= \$ 187,105	= \$ 237,616	= \$ 383,476	= \$ 781,055	= \$ 1,755,786
Cash Flow Per Unit:	\$ 3,269	\$ 4,351	\$ 5,526	\$ 8,918	\$ 18,164	\$ 40,832
TAX BENEFITS & DEDUCTIONS						
Operating Expenses:	\$ 126,664	\$ 132,880	\$ 139,437	\$ 157,461	\$ 201,858	\$ 260,740
Loan Interest:	+ \$ 286,969	+ \$ 272,596	+ \$ 255,987	+ \$ 202,268	+ \$ 14,488	+ \$ 0
Depreciation:	+ \$ 145,455	+ \$ 145,455	+ \$ 145,455	+ \$ 145,455	+ \$ 145,455	+ \$ 0
Total Deductions:	= \$ 559,088	= \$ 550,931	= \$ 540,879	= \$ 505,184	= \$ 361,800	= \$ 260,740

	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
EQUITY ACCUMULATION						
Property Value:	\$ 7,280,000	\$ 7,874,048	\$ 8,516,570	\$ 10,361,710	\$ 15,337,862	\$ 22,703,783
Appreciation:	4%	4%	4%	4%	4%	4%
Loan Balance:	- \$ 3,907,589	- \$ 3,701,466	- \$ 3,463,285	- \$ 2,692,910	- \$ 0	- \$ 0
LTV Ratio:	53.7%	47%	40.7%	26%	-	-
Total Equity:	= \$ 3,372,411	= \$ 4,172,582	= \$ 5,053,285	= \$ 7,668,800	= \$ 15,337,862	= \$ 22,703,783

SALE ANALYSIS

Equity:	\$ 3,372,411	\$ 4,172,582	\$ 5,053,285	\$ 7,668,800	\$ 15,337,862	\$ 22,703,783
Selling Costs (6%):	- \$ 436,800	- \$ 472,443	- \$ 510,994	- \$ 621,703	- \$ 920,272	- \$ 1,362,227
Sale Proceeds:	= \$ 2,935,611	= \$ 3,700,139	= \$ 4,542,291	= \$ 7,047,098	= \$ 14,417,590	= \$ 21,341,556
Cumulative Cash Flow:	+ \$ 140,558	+ \$ 491,019	+ \$ 940,480	+ \$ 2,554,271	+ \$ 8,443,226	+ \$ 23,124,775
Total Cash Invested:	- \$ 0	- \$ 0	- \$ 0	- \$ 0	- \$ 0	- \$ 0
Total Profit:	= \$ 3,076,169	= \$ 4,191,158	= \$ 5,482,771	= \$ 9,601,369	= \$ 22,860,816	= \$ 44,466,331

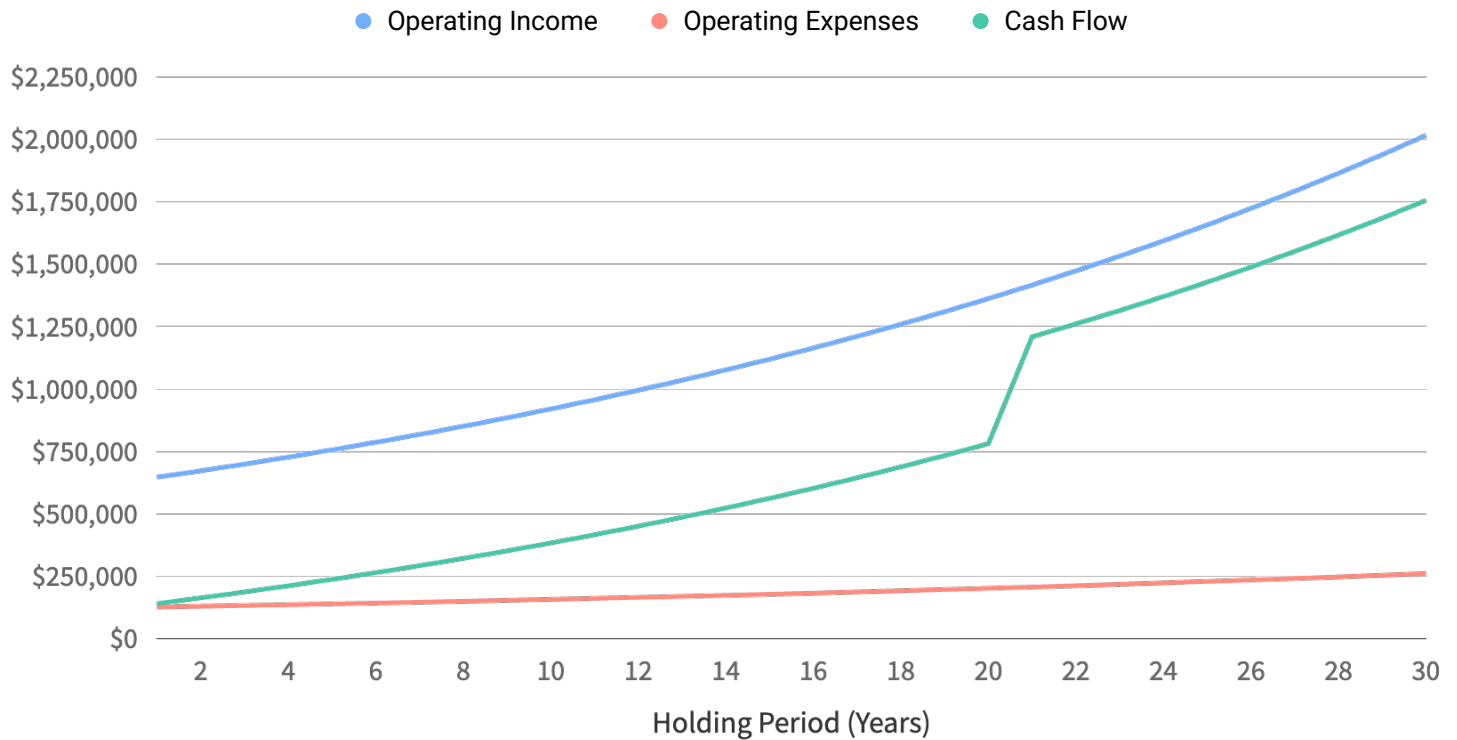
INVESTMENT RETURNS

Cap Rate (Purchase Price):	13%	14.2%	15.4%	19.1%	29%	43.9%
Cap Rate (Market Value):	7.1%	7.2%	7.2%	7.4%	7.6%	7.7%
Cash on Cash Return:	Infinity%	Infinity%	Infinity%	Infinity%	Infinity%	Infinity%
Return on Equity:	4.2%	4.5%	4.7%	5%	5.1%	7.7%
Return on Investment:	Infinity%	Infinity%	Infinity%	Infinity%	Infinity%	Infinity%
Internal Rate of Return:	Infinity%	Infinity%	Infinity%	Infinity%	Infinity%	Infinity%

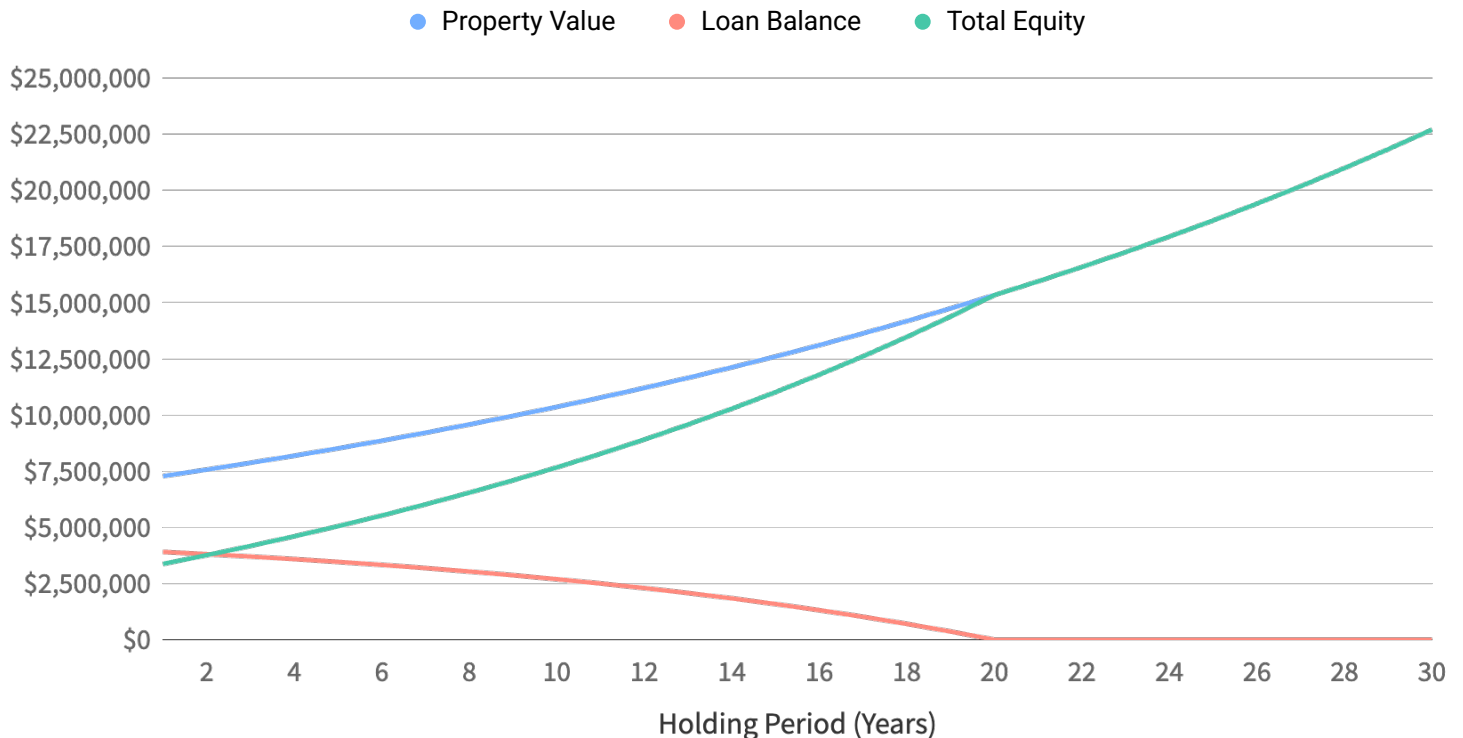
FINANCIAL RATIOS

Rent to Value:	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Gross Rent Multiplier:	10.92	10.92	10.92	10.92	10.92	10.92
Equity Multiple:	Infinity	Infinity	Infinity	Infinity	Infinity	Infinity
Break Even Ratio:	75.9%	71%	66.5%	56.6%	41.4%	12.5%
Debt Coverage Ratio:	1.37	1.49	1.63	2.01	3.06	-
Debt Yield:	13.3%	15.3%	17.8%	28.3%	-	-

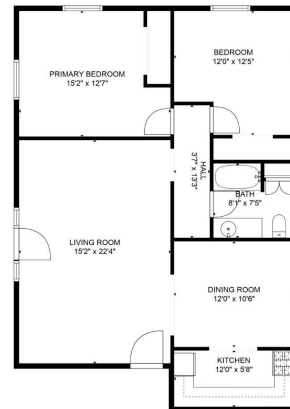
Cash Flow Over Time



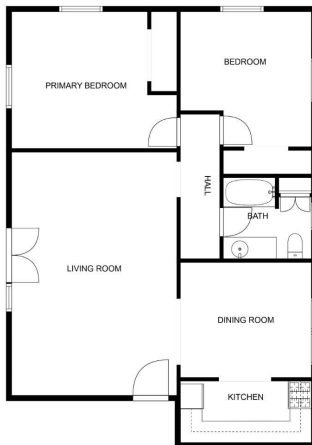
Equity Over Time



Property Photos



TOTAL: 1021 sq. ft.
FLOOR 1: 1021 sq. ft.







TOTAL: 816 sq. ft.
FLOOR 1: 816 sq. ft.





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