



New Haven Fourplex (Tax Abatement)

7100 IN 930
New Haven, IN 46774

Presented by:

Crossroads Multifamily

11521 Fishers Drive
Fishers, IN 46038



All information to be verified by independent study and cannot be guaranteed. Although best efforts are made to be accurate in the assessment of future rents, interest rates, vacancy, expenses, property taxes, and other details noted in this proforma, all is to be independently verified by the investor. It is also essential to understand the square footage noted cannot be guaranteed, but in the event of purchase, floor plans will become a part of the contract and discussed with your agent.

Overview

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Purchase Info

Square Feet (4 Units)	5,624
Initial Market Value	\$1,040,000
Purchase Price	\$1,000,000
Initial Cash Invested	\$328,583

Income Analysis

	Monthly	Annual
Net Operating Income	\$6,098	\$73,172
Cash Flow	\$1,601	\$19,213

Financial Metrics

Cap Rate (Purchase Price)	7.3%
Cash on Cash Return (Year 1)	5.8%
Internal Rate of Return (Year 10)	13.4%
Sale Price (Year 10)	\$1,397,673



Purchase Analysis

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Purchase Info	
Initial Market Value	\$1,040,000
Purchase Price	\$1,000,000
- First Mortgage	-\$750,000
- Second Mortgage	-\$0
= Downpayment	\$250,000
+ Buying Costs	\$78,583
+ Initial Improvements	\$0
= Initial Cash Invested	\$328,583
Square Feet (4 Units)	5,624
Cost per Square Foot	\$178
Monthly Rent per Square Foot	\$1.39
Cost per Unit	\$250,000
Average Monthly Rent per Unit	\$1,950

Mortgages	First	Second
Loan-To-Cost Ratio	75%	0%
Loan-To-Value Ratio	72.12%	0%
Loan Amount	\$750,000	\$0
Loan Type	Amortizing	
Term	30 Years	
Interest Rate	6%	
Payment	\$4,496.63	\$0.00

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	10.7
Operating Expense Ratio	19.4%
Debt Coverage Ratio	1.36
Cap Rate (Purchase Price)	7.3%
Cash on Cash Return	5.8%

Assumptions	
Appreciation Rate	3.0%
Vacancy Rate	3.0%
Income Inflation Rate	2.5%
Expense Inflation Rate	3.0%
LTV for Refinance	70.0%
Selling Costs	\$72,800

Income	Monthly	Annual
Gross Rent	\$7,800	\$93,600
Vacancy Loss	-\$234	-\$2,808
Operating Income	\$7,566	\$90,792

Expenses (% of Income)	Monthly	Annual
Cleaning & Maintenance (1%)	-\$40	-\$480
Insurance (1%)	-\$50	-\$600
Management Fees (5%)	-\$378	-\$4,540
Taxes (3%)	-\$200	-\$2,400
Association Fees (11%)	-\$800	-\$9,600
Operating Expenses (19%)	-\$1,468	-\$17,620

Net Performance	Monthly	Annual
Net Operating Income	\$6,098	\$73,172
- Mortgage Payments	-\$4,497	-\$53,960
- Year 1 Improvements	-\$0	-\$0
= Cash Flow	\$1,601	\$19,213

Buy and Hold Projection

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Income	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Gross Rent	\$93,600	\$95,940	\$98,338	\$103,317	\$116,894	\$149,634	\$191,544
Vacancy Loss	-\$2,808	-\$2,878	-\$2,950	-\$3,100	-\$3,507	-\$4,489	-\$5,746
Operating Income	\$90,792	\$93,062	\$95,388	\$100,217	\$113,387	\$145,145	\$185,797

Expenses	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Cleaning & Maintenance	-\$480	-\$494	-\$509	-\$540	-\$626	-\$842	-\$1,131
Insurance	-\$600	-\$618	-\$637	-\$675	-\$783	-\$1,052	-\$1,414
Management Fees	-\$4,540	-\$4,653	-\$4,769	-\$5,011	-\$5,669	-\$7,257	-\$9,290
Taxes	-\$2,400	-\$2,472	-\$2,546	-\$2,701	-\$3,131	-\$4,208	-\$5,656
Association Fees	-\$9,600	-\$9,888	-\$10,185	-\$10,805	-\$12,526	-\$16,834	-\$22,623
Operating Expenses	-\$17,620	-\$18,125	-\$18,646	-\$19,733	-\$22,736	-\$30,193	-\$40,114

Income Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Net Operating Income	\$73,172	\$74,936	\$76,742	\$80,485	\$90,651	\$114,952	\$145,684
- Mortgage Payments	-\$53,960	-\$53,960	-\$53,960	-\$53,960	-\$53,960	-\$53,960	-\$53,958
- Improvements	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
= Cash Flow	\$19,213	\$20,977	\$22,783	\$26,525	\$36,691	\$60,992	\$91,725
Cap Rate (Purchase Price)	7.3%	7.5%	7.7%	8.0%	9.1%	11.5%	14.6%
Cap Rate (Market Value)	6.8%	6.8%	6.8%	6.7%	6.5%	6.1%	5.8%
Cash on Cash Return	5.8%	6.4%	6.9%	8.1%	11.2%	18.6%	27.9%
Return on Equity	5.8%	5.6%	5.5%	5.2%	4.8%	4.1%	3.6%

Loan Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Market Value	\$1,071,200	\$1,103,336	\$1,136,436	\$1,205,645	\$1,397,673	\$1,878,356	\$2,524,353
- Loan Balance	-\$740,790	-\$731,012	-\$720,630	-\$697,908	-\$627,643	-\$405,026	-\$0
= Equity	\$330,410	\$372,324	\$415,806	\$507,737	\$770,030	\$1,473,329	\$2,524,353
Loan-to-Value Ratio	69.2%	66.3%	63.4%	57.9%	44.9%	21.6%	0.0%
Potential Cash-Out Refi	\$9,050	\$41,323	\$74,875	\$146,044	\$350,728	\$909,823	\$1,767,047

Sale Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Equity	\$330,410	\$372,324	\$415,806	\$507,737	\$770,030	\$1,473,329	\$2,524,353
- Selling Costs	-\$74,984	-\$77,234	-\$79,551	-\$84,395	-\$97,837	-\$131,485	-\$176,705
= Proceeds After Sale	\$255,426	\$295,091	\$336,255	\$423,342	\$672,193	\$1,341,844	\$2,347,648
+ Cumulative Cash Flow	\$19,213	\$40,190	\$62,972	\$114,130	\$276,775	\$772,632	\$1,545,641
- Initial Cash Invested	-\$328,583	-\$328,583	-\$328,583	-\$328,583	-\$328,583	-\$328,583	-\$328,583
= Net Profit	-\$53,944	\$6,697	\$70,644	\$208,889	\$620,386	\$1,785,894	\$3,564,707
Internal Rate of Return	-16.4%	1.0%	7.1%	11.4%	13.4%	13.1%	12.6%
Return on Investment	-16%	2%	21%	64%	189%	544%	1,085%

Graphs

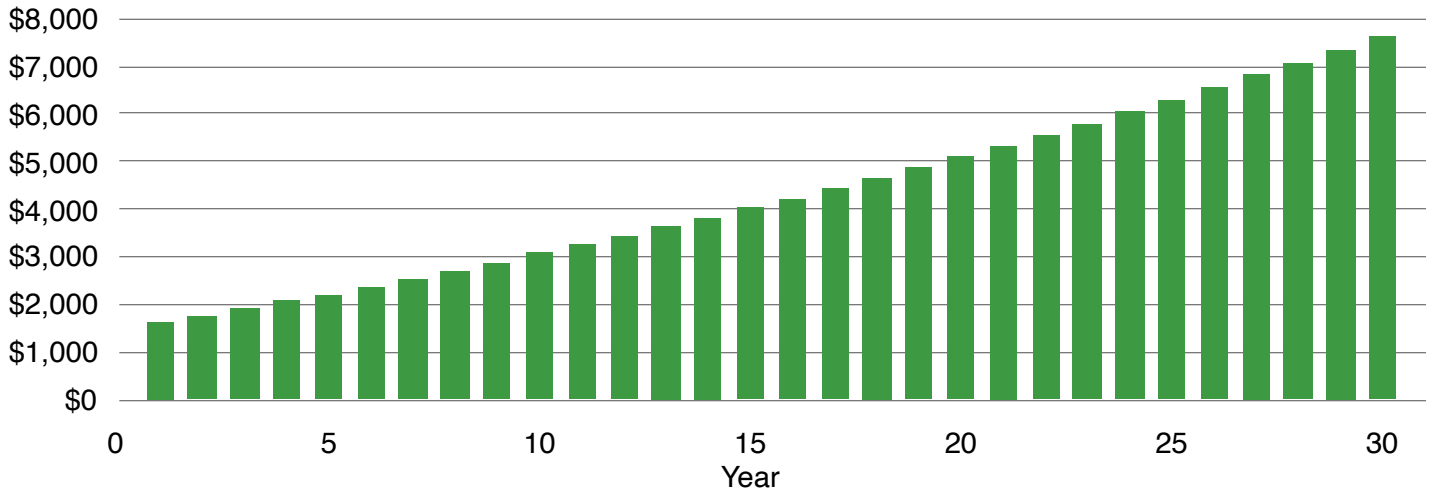
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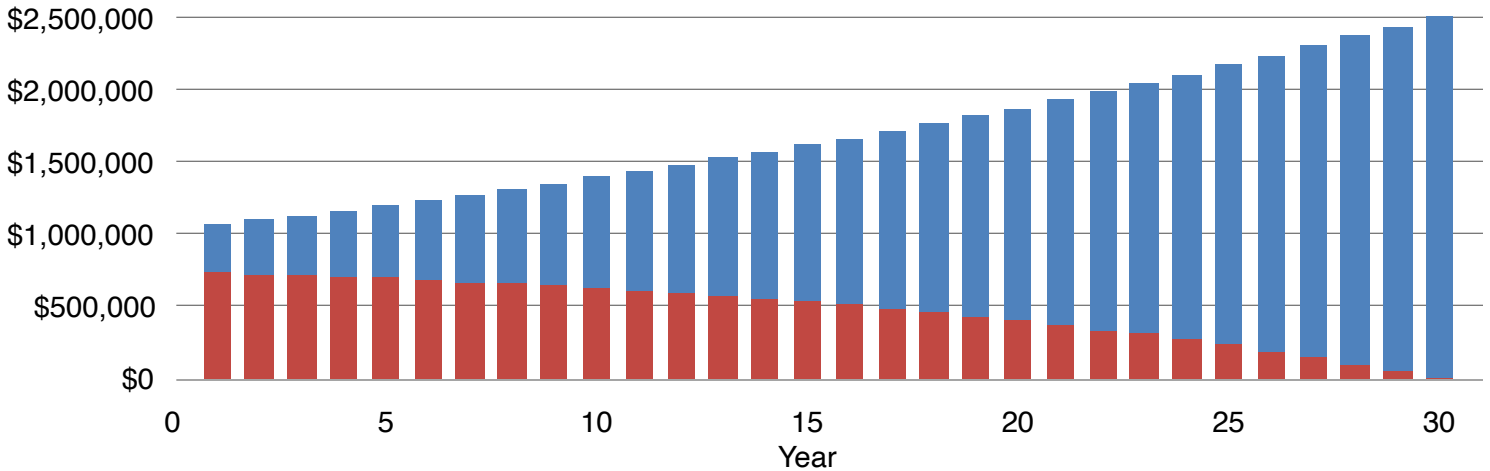


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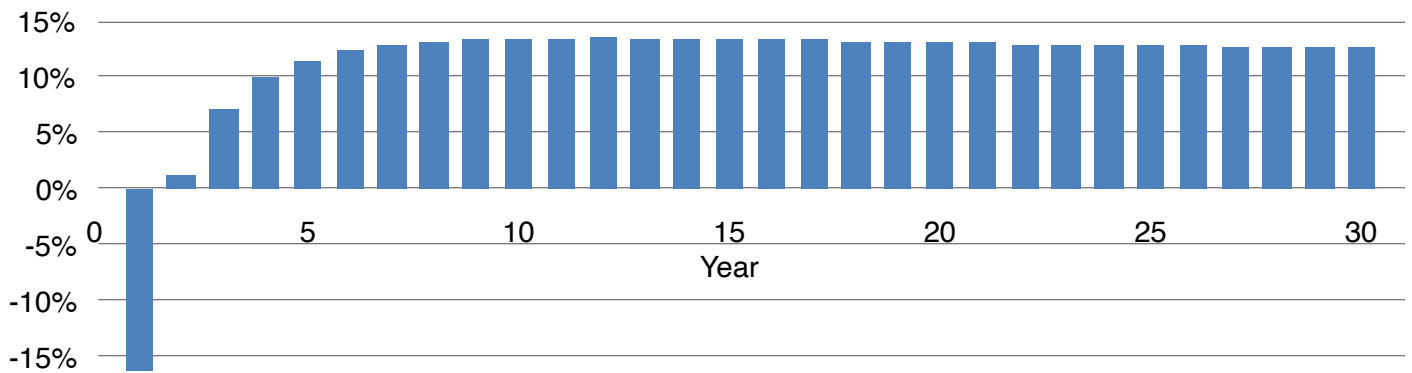
Monthly Cash Flow



■ Loan Balance + ■ Equity = Market Value



Internal Rate of Return (IRR)



Rent Roll

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Unit Description	Square Feet	Units of This Type	Rent (Per Unit)
Unit #1 - 3 Bed	1,406	1	\$1,950 Per Month
Unit #2 - 3 Bed	1,406	1	\$1,950 Per Month
Unit #3 - 3 Bed	1,406	1	\$1,950 Per Month
Unit #4 - 3 Bed	1,406	1	\$1,950 Per Month

Totals for Year 1			
Total Number of Units			4
Total Area (Sum of Units)			5,624 Square Feet
Total Rent (Sum of Units)			\$7,800 Per Month, \$93,600 Per Year

Itemized Closing Costs

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Buying Costs	
Loan Origination Fee	\$8,300
Interest Reserves	\$38,000
Loan Processing and Underwriting	\$1,200
Inspections	\$1,000
Title Costs	\$2,483
Course of Construction Insurance	\$2,000
Initial HOA Setup	\$1,600
Estimated Stabilization Reserves	\$12,000
Interest Rate Buy Down	\$12,000
Total	\$78,583