

INNER LOOP Living and Income Property all in one

2409 Arbor St | HOUSTON | TX | 77004

www.KeinRilesCommercial.com



PRICE REDUCED
\$475,000

- 4 Unit Duplex with 2 Apartment Units
- Near Downtown (TSU/UH)
- Duplex Units have Central HVAC
- Large Kitchen and Living Space
- Tile Features in Wet Areas
- 2 Bedroom/2 Bath Duplex Units
- 1 Bedroom/1 Bath Apartment Units



UPSCALE PROPERTIES
A REAL ESTATE SERVICES COMPANY

14090 Southwest Freeway, Ste. 300
Sugar Land, TX 77478

For more information, please contact:

Kevin Riles - Broker/Owner

Office 281.403.3700

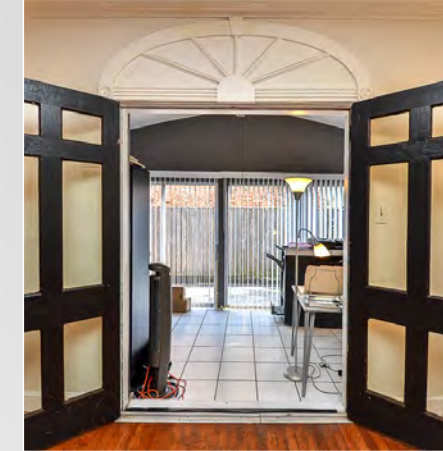
Mobile 281.451.8437

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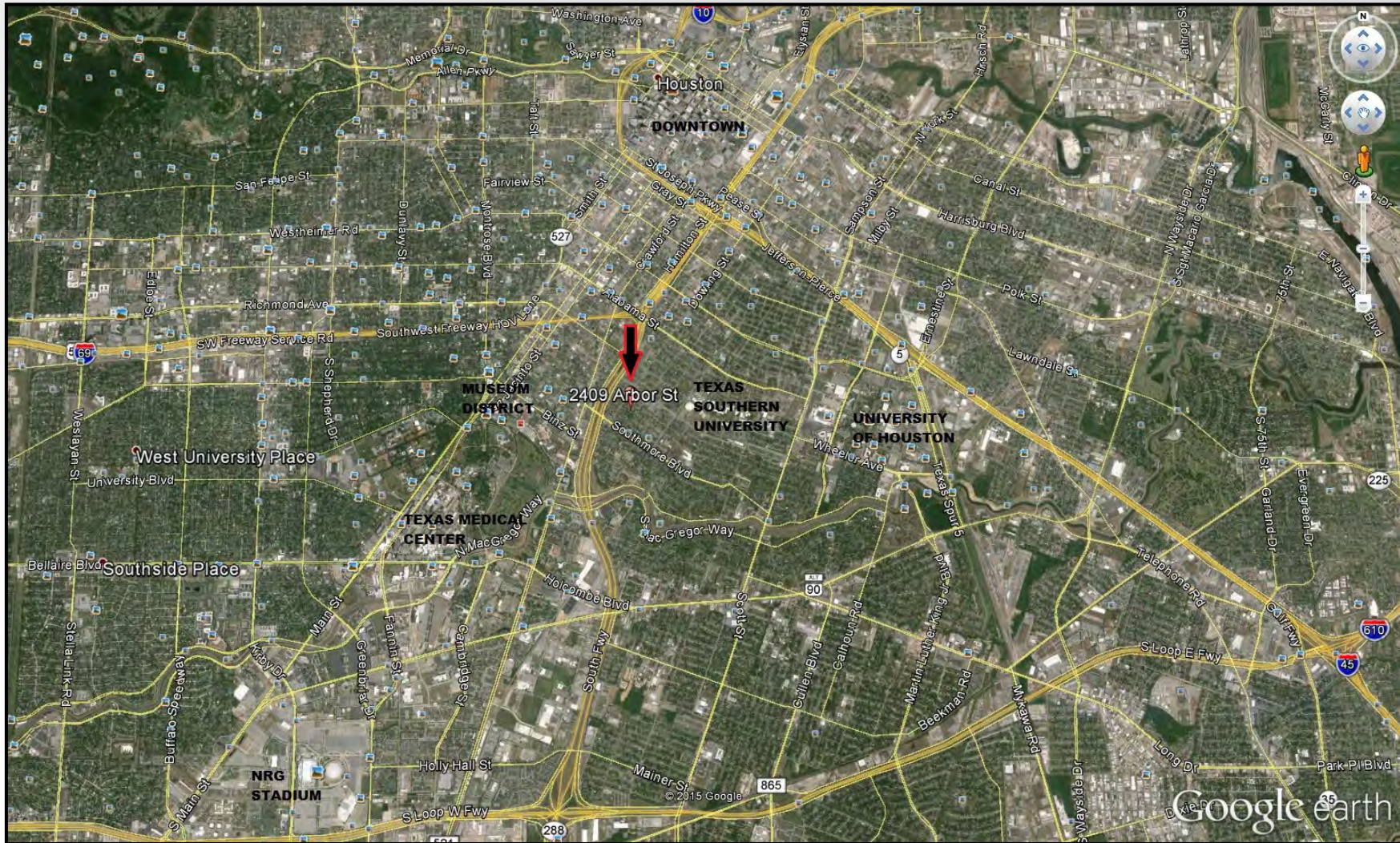
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University 4-Plex

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Houston , Tx 77004

Presented by:

Kevin Riles

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Overview

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 Houston , Tx 77004

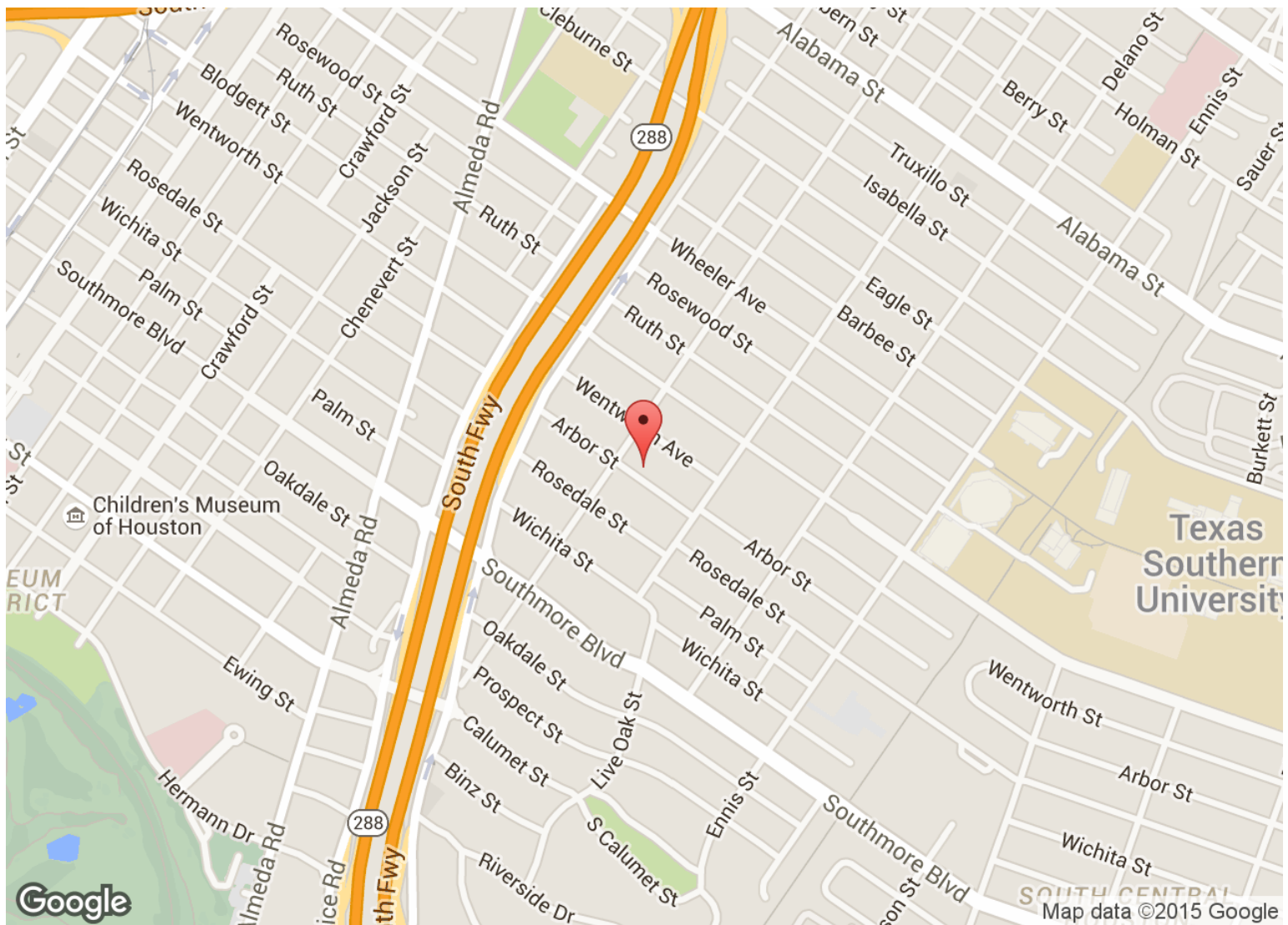


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Purchase Info		
Square Feet (4 Units)		4,152
Purchase Price		\$475,000
Initial Cash Invested		\$128,250

Income Analysis	Monthly	Annual
Net Operating Income	\$3,451	\$41,407
Cash Flow	\$1,099	\$13,194

Financial Metrics	
Cap Rate (Purchase Price)	8.7%
Cash on Cash Return (Year 1)	10.3%
Internal Rate of Return (Year 10)	20.6%
Sale Price (Year 10)	\$638,360



Purchase Analysis

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Purchase Info	
Purchase Price	\$475,000
- First Mortgage	-\$356,250
- Second Mortgage	-\$0
= Downpayment	\$118,750
+ Buying Costs	\$9,500
+ Initial Improvements	\$0
= Initial Cash Invested	\$128,250
Square Feet (4 Units)	4,152
Cost per Square Foot	\$114
Monthly Rent per Square Foot	\$1.08
Cost per Unit	\$118,750
Average Monthly Rent per Unit	\$1,125

Mortgages	First	Second
Loan-To-Cost Ratio	75%	0%
Loan-To-Value Ratio	75%	0%
Loan Amount	\$356,250	\$0
Loan Type	Amortizing	
Term	20 Years	
Interest Rate	5%	
Payment	\$2,351.09	\$0.00

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	8.8
Operating Expense Ratio	14.8%
Debt Coverage Ratio	1.47
Cap Rate (Purchase Price)	8.7%
Cash on Cash Return	10.3%

Assumptions	
Appreciation Rate	3.0%
Vacancy Rate	10.0%
Income Inflation Rate	3.0%
Expense Inflation Rate	3.0%
LTV for Refinance	70.0%
Selling Costs	\$33,250

Income	Monthly	Annual
Gross Rent	\$4,500	\$54,000
Vacancy Loss	-\$450	-\$5,400
Operating Income	\$4,050	\$48,600

Expenses (% of Income)	Monthly	Annual
Insurance (2%)	-\$100	-\$1,200
Taxes (10%)	-\$399	-\$4,793
Utilities (2%)	-\$100	-\$1,200
Operating Expenses (15%)	-\$599	-\$7,193

Net Performance	Monthly	Annual
Net Operating Income	\$3,451	\$41,407
- Mortgage Payments	-\$2,351	-\$28,213
- Year 1 Improvements	-\$0	-\$0
= Cash Flow	\$1,099	\$13,194

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	\$54,000	\$55,620	\$57,289	\$60,777	\$70,458	\$94,689	\$127,255
Vacancy Loss	-\$5,400	-\$5,562	-\$5,729	-\$6,078	-\$7,046	-\$9,469	-\$12,725
Operating Income	\$48,600	\$50,058	\$51,560	\$54,700	\$63,412	\$85,220	\$114,529

Expenses	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Insurance	-\$1,200	-\$1,236	-\$1,273	-\$1,351	-\$1,566	-\$2,104	-\$2,828
Taxes	-\$4,793	-\$4,937	-\$5,085	-\$5,395	-\$6,254	-\$8,405	-\$11,295
Utilities	-\$1,200	-\$1,236	-\$1,273	-\$1,351	-\$1,566	-\$2,104	-\$2,828
Operating Expenses	-\$7,193	-\$7,409	-\$7,631	-\$8,096	-\$9,385	-\$12,613	-\$16,951

Income Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Net Operating Income	\$41,407	\$42,649	\$43,929	\$46,604	\$54,027	\$72,607	\$97,578
- Mortgage Payments	-\$28,213	-\$28,213	-\$28,213	-\$28,213	-\$28,213	-\$28,213	-\$0
- Improvements	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
= Cash Flow	\$13,194	\$14,436	\$15,716	\$18,391	\$25,814	\$44,394	\$97,578
Cap Rate (Purchase Price)	8.7%	9.0%	9.2%	9.8%	11.4%	15.3%	20.5%
Cap Rate (Market Value)	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
Cash on Cash Return	10.3%	11.3%	12.3%	14.3%	20.1%	34.6%	76.1%
Return on Equity	9.2%	8.5%	8.0%	7.3%	6.2%	5.2%	8.5%

Loan Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Market Value	\$489,250	\$503,928	\$519,045	\$550,655	\$638,360	\$857,903	\$1,152,950
- Loan Balance	-\$345,608	-\$334,421	-\$322,662	-\$297,308	-\$221,665	-\$1	-\$0
= Equity	\$143,642	\$169,507	\$196,383	\$253,347	\$416,696	\$857,902	\$1,152,950
Loan-to-Value Ratio	70.6%	66.4%	62.2%	54.0%	34.7%	0.0%	0.0%
Potential Cash-Out Refi	-\$3,133	\$18,328	\$40,670	\$88,151	\$225,188	\$600,531	\$807,065

Sale Analysis	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Equity	\$143,642	\$169,507	\$196,383	\$253,347	\$416,696	\$857,902	\$1,152,950
- Selling Costs	-\$34,248	-\$35,275	-\$36,333	-\$38,546	-\$44,685	-\$60,053	-\$80,706
= Proceeds After Sale	\$109,395	\$134,232	\$160,050	\$214,801	\$372,011	\$797,849	\$1,072,243
+ Cumulative Cash Flow	\$13,194	\$27,630	\$43,346	\$78,770	\$192,554	\$548,360	\$1,405,694
- Initial Cash Invested	-\$128,250	-\$128,250	-\$128,250	-\$128,250	-\$128,250	-\$128,250	-\$128,250
= Net Profit	-\$5,661	\$33,612	\$75,146	\$165,321	\$436,315	\$1,217,959	\$2,349,687
Internal Rate of Return	-4.4%	12.9%	18.1%	20.8%	20.6%	18.7%	18.0%
Return on Investment	-4%	26%	59%	129%	340%	950%	1,832%

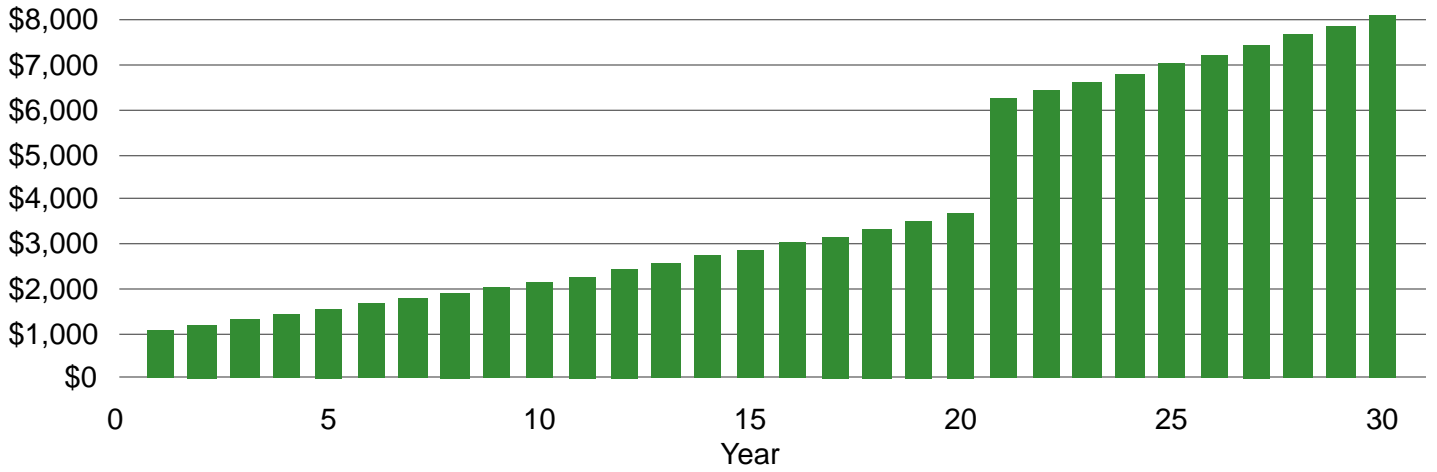
Graphs

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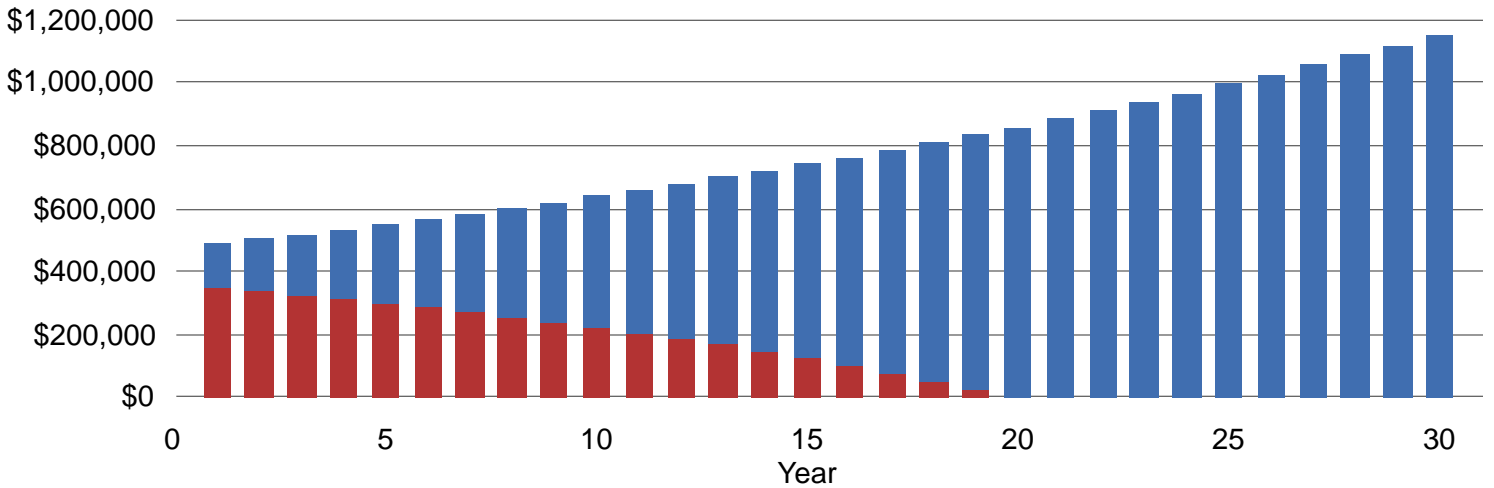


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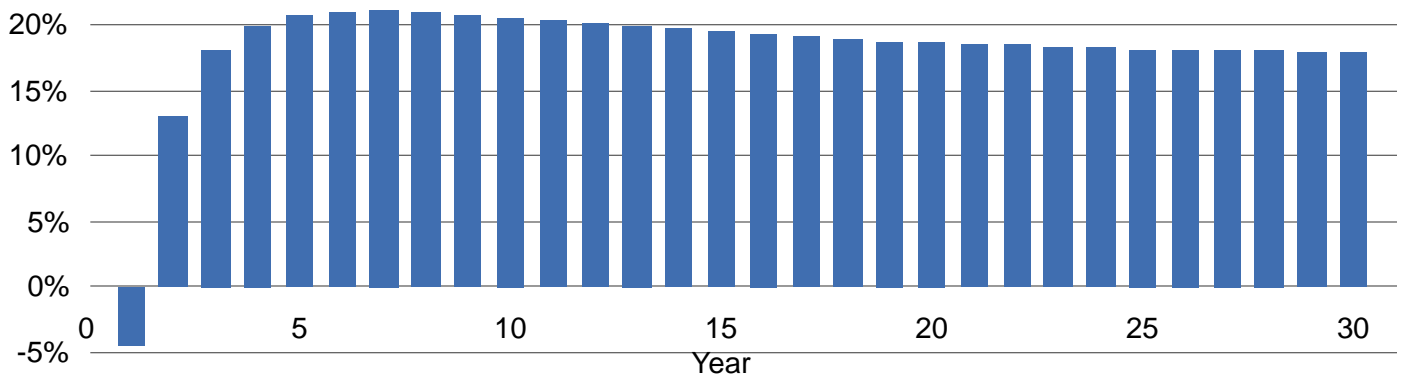
Monthly Cash Flow



■ 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)
Garage Apt #1	486	1	\$650 Per Month
Garage Apt #2	486	1	\$650 Per Month
Unit #1	1,578	1	\$1,600 Per Month
Unit #2	1,602	1	\$1,600 Per Month

Totals for Year 1			
Total Number of Units			4
Total Area (Sum of Units)			4,152 Square Feet
Total Rent (Sum of Units)			\$4,500 Per Month, \$54,000 Per Year

Photos

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