



Price: **\$32,000** 91 Fernwood Dr, Bolingbrook, IL 60440
Great Rental in a Solid community



Purchase Price	\$32,000
Estimated Value	\$110,000
Property Type	Single-Family Home
Beds/Baths	3 beds, 1 bath
# of Units	1
Square Feet	940
Occupancy Status	Rented
Year Built	1978
Total Views	12

63% % of Market Value

12.2% Cash on Cash Return
Cash Purchase

\$666 Monthly Cash Flow
Cash Purchase

Key Analytics

Initial Cash Investment	(\$69,500)
IRR	17.00%
Total Profit	\$151,417
Purchase Cap Rate	25.12%
Break Even Ratio	40.80%
Gross Rent Multiplier (Annual)	2.32
Payback Ratio	7.88 Years
Equity at Close	(\$41,417)
Monthly Cash Flow (Year 1)	\$666

Property Description

Newly remodeled 3 bedroom 2 story townhouse in Bolingbrook. Solid tenants have just extended their lease. Bought from Hud with \$36k of renovation this townhouse is a renters dream. With an excellent community and excellent schools.

Property Information

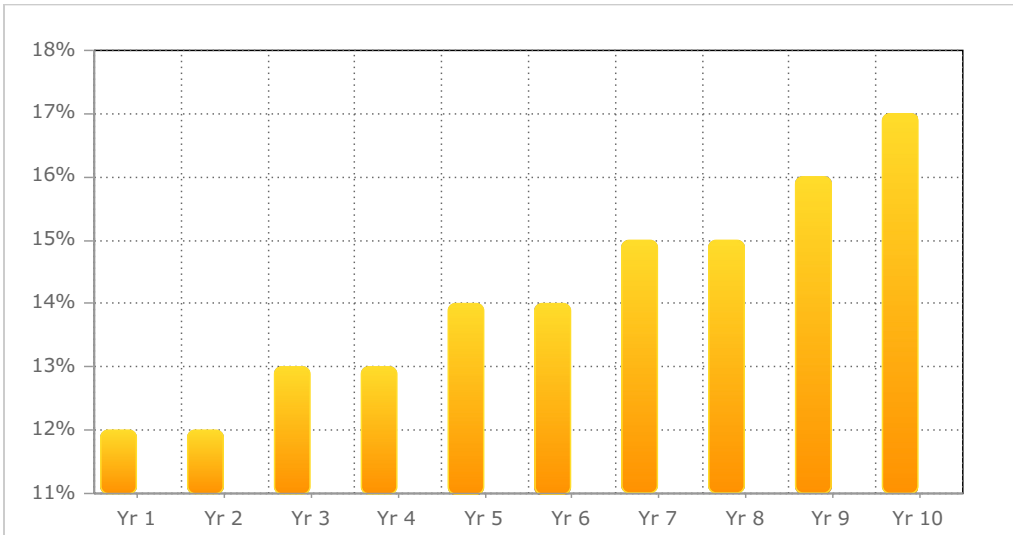
Single-Family Home Roof Condition: **New (< 2 years)** Rehab Needed: **No**
 Roof Type: **Composition Shingle** Vacant: **No**

Financing Assumptions

Cash Purchase	
Closing Costs	(\$1,500)
Conventional Loan Refinance	
Refinance Month	1
Loan to Value	1.00%
Interest Rate	1.00%
Loan Amortization	360
Closing Costs	\$0

Investment Snapshot

Annual Cash on Cash Return (From Rent)



Revenue & Expenses

Rent Revenue	\$1,150/mo
Taxes	\$2,700/year
Insurance	\$300/year
Management Fees	\$1,380/year



Photos



Rent Revenue		13,800	14,214	14,640	15,080	15,532	15,998	16,478	16,972	17,481	18,006
Vacancy		-	-	-	-	-	-	-	-	-	-
Other Income		-	-	-	-	-	-	-	-	-	-
EFF. GROSS REVENUE		13,800	14,214	14,640	15,080	15,532	15,998	16,478	16,972	17,481	18,006
<i>Less: Taxes</i>		2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700
<i>Less: Insurance</i>		300	300	300	300	300	300	300	300	300	300
<i>Less: Management Cost</i>		1,380	1,421	1,464	1,508	1,553	1,600	1,648	1,697	1,748	1,801
<i>Less: Repairs</i>		1,380	1,421	1,464	1,508	1,553	1,600	1,648	1,697	1,748	1,801
TOTAL OPER. EXPENSE		(5,760)	(5,843)	(5,928)	(6,016)	(6,106)	(6,200)	(6,296)	(6,394)	(6,496)	(6,601)
Net Income		8,040	8,371	8,712	9,064	9,426	9,798	10,182	10,578	10,985	11,405
<i>Less: Debt Payment</i>		(5,042)	(5,042)	(5,042)	(5,042)	(5,042)	(5,042)	(5,042)	(5,042)	(5,042)	(5,042)
NET CASH FLOW		2,998	3,330	3,671	4,022	4,384	4,757	5,141	5,536	5,944	6,363
Property Sale		-	-	-	-	-	-	-	-	-	131,000
<i>Less: Commissions</i>		-	-	-	-	-	-	-	-	-	(6,550)
Permanent Loan Payoff		-	-	-	-	-	-	-	-	-	-
<i>Less: Closing Costs</i>		-	-	-	-	-	-	-	-	-	-
Profit From Sale		-	-	-	-	-	-	-	-	-	124,450
TOTAL CASH FLOW	(68,000)	2,998	3,330	3,671	4,022	4,384	4,757	5,141	5,536	5,944	130,813
CUMULATIVE CASH FLOW		(65,002)	(61,672)	(58,001)	(53,979)	(49,595)	(44,838)	(39,697)	(34,161)	(28,217)	102,596
Cash on Cash Return		4.41%	4.9%	5.4%	5.92%	6.45%	7.0%	7.56%	8.14%	8.74%	192.37%
Profit Margin		21.73%	23.43%	25.07%	26.67%	28.23%	29.73%	31.2%	32.62%	34.0%	726.5%
Debt Coverage Ratio		1.59	1.66	1.73	1.8	1.87	1.94	2.02	2.1	2.18	2.26
Operating Expense Ratio		42%	41%	40%	40%	39%	39%	38%	38%	37%	37%
Break Even Ratio		78%	77%	75%	73%	72%	70%	69%	67%	66%	65%
Interest Carry Ratio		9.14%	9.51%	9.9%	10.3%	10.71%	11.13%	11.57%	12.02%	12.48%	12.96%
Cap Rate		25.12%	7.46%	7.61%	7.76%	7.92%	8.07%	8.22%	8.37%	8.52%	8.68%

Ratio Analysis

25.12%

Purchase Cap Rate

[EXCELLENT]

Revenues derived from this property are excellent. The purchase cap rate of 25.12% supports this. There is strong cash flow assuming the financing at reasonable market rates. [+ Read More](#)

18.47 Years

Payback Ratio

[WARNING]

The payback ratio is concerning at 18.47 years. There may be another property that will provide a bigger bang for your buck. Check to ensure you are confident with the following assumptions: Purchase price, rehab costs, closing costs, and rent revenue. Negotiate harder and this ratio will come back in line (between 5 and 7 years).

74.97%

Break Even Ratio

[EXCELLENT]

The property will break even in Year 10. The property's break even ratio is 74.97%, which is excellent. This means you have a 25.03% margin leftover after paying all debt and expenses. Your lender calls it the "default ratio" and they pay close attention to it.

40.51%

Operating Expense Ratio

[GOOD]

The operating expense ratio is good at 40.51%. However, be aware as the average property has an operating expense ratio of 45% (+/- a couple of points). Couple this with the fact that the property is 35 years old, makes the expense ratio seem very low. [+ Read More](#)

9.91%

Interest Carry Ratio

[EXCELLENT]

The Net Income of the property could support an interest rate of 9.91% (Interest Carry Ratio). This is very strong and lenders will look very favorably to the strength of the cash flow. Check to ensure you are not assuming irrational rents and validate that they will actually come to fruition. If so, you are looking really good on the cash flow side of things.

Revenue Analysis

	WORST CASE	CURRENT	BEST CASE
Rent per month (\$)	<input type="text" value="1050"/>	<input type="text" value="1,150"/>	<input type="text" value="1250"/>
Time to rent (mo)	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
Vacancy (%)	<input type="text" value="2"/>	<input type="text" value="1"/>	<input type="text" value="0.00"/>
Rent inflation (%)	<input type="text" value="1.50"/>	<input type="text" value="3.00"/>	<input type="text" value="4.50"/>
Monthly Cash Flow (Y1)	\$151	\$240	\$330
Monthly Cash Flow (Y2)	\$163	\$267	\$375
Total Rent Profit (5 YR)	\$11,320	\$19,485	\$28,395