

344 E 4th St N (BRRR)

Investment Property - BRRRR

344 E 4th St N, Prescott, AR 71857
Manufactured · 3 Beds · 2 Baths · 1,680 Sq.Ft.

Future Rental Property

\$ 92,550 Purchase Price · \$ 160,000 ARV
\$ 2,287 Cash Needed · \$ 371/mo Cash Flow · 13.2% Cap Rate · Infinity% COC

Prepared by:



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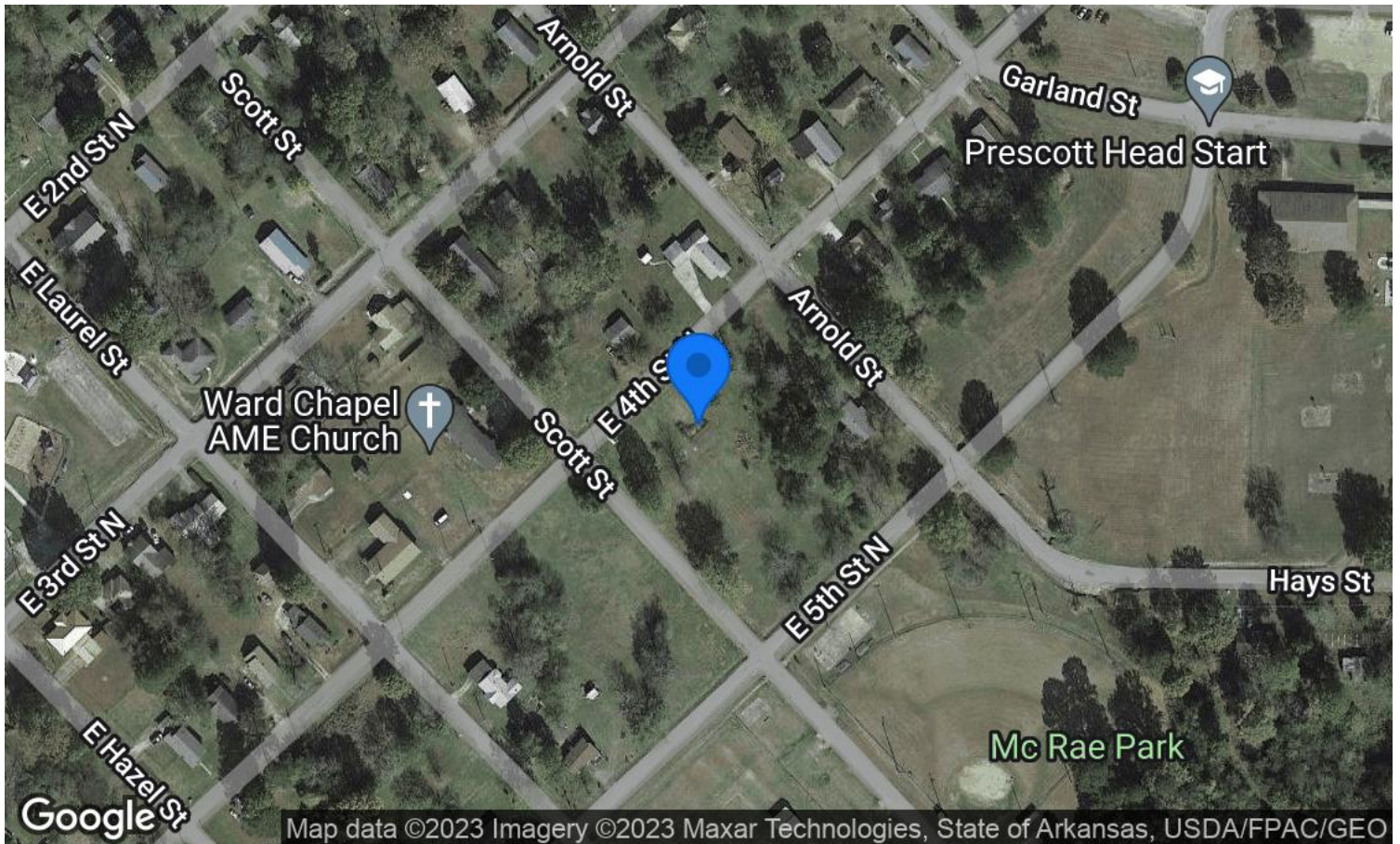
Property Description

ADDRESS

344 E 4th St N
Prescott, AR 71857

DESCRIPTION

Property Type:	Manufactured
Beds / Baths:	3 BR / 2 BA
Square Footage:	1,680
Year Built:	2022
Parking:	Car Port
Lot Size:	11,238 sq.ft.



Purchase & Rehab Analysis

PURCHASE

Purchase Price:		\$ 92,550
Amount Financed:	-	\$ 92,550
Down Payment:	=	\$ 0
Purchase Costs:	+	\$ 2,287
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 2,287
After Repair Value:		\$ 160,000
ARV Per Square Foot:		\$ 95.2
Price Per Square Foot:		\$ 55.1

PURCHASE COSTS

Total (2.471% of Price):	\$ 2,287
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REHAB COSTS

Rehab Costs:	\$ 0
Cost Overrun (0%):	\$ 0
Total:	\$ 0
Total Per Square Foot:	\$ 0

FINANCING (PURCHASE)

Loan 1 - Mobile Home Brrr

Loan Type:	Amortizing, 30 Year
Interest Rate:	8%
Financing Of:	Price (100%)
Loan Amount:	\$ 92,550
LTC / LTV:	100% / 57.8%
Loan Payment:	\$ 679 Per Month

ASSUMPTIONS & PROJECTIONS

Holding Period:	0 Months
Rehab Cost Overrun:	0%
Vacancy Rate:	10%
Appreciation:	3% Per Year
Income Increase:	2% Per Year
Expense Increase:	2% Per Year
Selling Costs:	6% of Sales Price
Depreciation Period:	27.5 Years
Land Value:	\$ 20,000

HOLDING COSTS

Loan Payments:	\$ 0
HOA Fees:	\$ 0
Utilities:	\$ 0
Dumpster Rental:	\$ 0
Landscaping:	\$ 0
Accounting & Legal Fees:	\$ 0
Total:	\$ 0
Total Per Month:	\$ 0

Refinance Analysis & Returns

REFINANCE

Refinance Loan Amount:		\$ 128,000
Refinance Costs:	-	\$ 4,800
Purchase Loan Repayment:	-	\$ 91,777
Holding Costs:	-	\$ 0
Refinance Cash Out:	=	\$ 31,423
Invested Cash:		\$ 2,287
Refinance Cash Out:	-	\$ 31,423
Total Cash Invested:	=	-\$ 29,136

FINANCING (REFINANCE)

Loan 1 - Cash Out Refinance

Loan Type:	Amortizing, 30 Year
Interest Rate:	4.5%
Financing Of:	ARV (80%)
Loan Amount:	\$ 128,000
LTV:	80%
Loan Payment:	\$ 649 Per Month \$ 7,783 Per Year

RETURNS & RATIOS (Year 1, After Refinance)

Cap Rate (Purchase/Market):	13.2% / 7.7%
Cash on Cash Return:	Infinity%
Return on Equity:	11.5%
Return on Investment:	Infinity%
Internal Rate of Return:	Infinity%
Rent to Value:	1.4%
Gross Rent Multiplier:	5.93
Equity Multiple:	Infinity
Break Even Ratio:	61.4%
Debt Coverage Ratio:	1.57
Debt Yield:	9.6%

REFINANCE COSTS

Total (3% of ARV):	\$ 4,800
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Cash Flow (Year 1, After Refinance)

	Monthly	Yearly
CASH FLOW		
Gross Rent:	\$ 1,300	\$ 15,600
Vacancy (10%):	- \$ 130	\$ 1,560
Other Income:	+ \$ 0	\$ 0
Operating Income:	= \$ 1,170	\$ 14,040
Operating Expenses (12.8%):	- \$ 150	\$ 1,800
Net Operating Income:	= \$ 1,020	\$ 12,240
Loan Payments:	- \$ 649	\$ 7,783
Cash Flow:	= \$ 371	\$ 4,457

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

	Monthly	Yearly
EXPENSES		
Property Taxes:	\$ 75	\$ 900
Insurance:	\$ 75	\$ 900
HOA Fees:	\$ 0	\$ 0
Utilities:	\$ 0	\$ 0
Dumpster Rental:	\$ 0	\$ 0
Landscaping:	\$ 0	\$ 0
Accounting & Legal Fees:	\$ 0	\$ 0
Total:	\$ 150	\$ 1,800

Buy & Hold Projections

	APPRECIATION 3% Per Year		INCOME INCREASE 2% Per Year		EXPENSE INCREASES 2% Per Year		SELLING COSTS 6% of Price	
	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30	
INCOME								
Gross Rent:	\$ 15,600	\$ 15,912	\$ 16,230	\$ 16,886	\$ 18,643	\$ 22,726	\$ 27,703	
Vacancy:	- \$ 1,560	- \$ 1,591	- \$ 1,623	- \$ 1,689	- \$ 1,864	- \$ 2,273	- \$ 2,770	
Vacancy Rate:	10%	10%	10%	10%	10%	10%	10%	
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	
Operating Income:	= \$ 14,040	= \$ 14,321	= \$ 14,607	= \$ 15,197	= \$ 16,779	= \$ 20,453	= \$ 24,933	
Income Increase:	2%	2%	2%	2%	2%	2%	2%	
EXPENSES								
Property Taxes:	\$ 900	\$ 918	\$ 936	\$ 974	\$ 1,076	\$ 1,311	\$ 1,598	
Insurance:	+ \$ 900	+ \$ 918	+ \$ 936	+ \$ 974	+ \$ 1,076	+ \$ 1,311	+ \$ 1,598	
HOA Fees:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	
Utilities:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	
Dumpster Rental:	+ \$ 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:	= \$ 1,800	= \$ 1,836	= \$ 1,872	= \$ 1,948	= \$ 2,152	= \$ 2,622	= \$ 3,196	
Expense Increase:	2%	2%	2%	2%	2%	2%	2%	
CASH FLOW								
Operating Income:	\$ 14,040	\$ 14,321	\$ 14,607	\$ 15,197	\$ 16,779	\$ 20,453	\$ 24,933	
Operating Expenses:	- \$ 1,800	- \$ 1,836	- \$ 1,872	- \$ 1,948	- \$ 2,152	- \$ 2,622	- \$ 3,196	
Expense Ratio:	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	
Net Operating Income:	= \$ 12,240	= \$ 12,485	= \$ 12,735	= \$ 13,249	= \$ 14,627	= \$ 17,831	= \$ 21,737	
Loan Payments:	- \$ 7,783	- \$ 7,783	- \$ 7,783	- \$ 7,783	- \$ 7,783	- \$ 7,783	- \$ 7,783	
Cash Flow:	= \$ 4,457	= \$ 4,702	= \$ 4,952	= \$ 5,466	= \$ 6,844	= \$ 10,048	= \$ 13,954	
TAX BENEFITS & DEDUCTIONS								
Operating Expenses:	\$ 1,800	\$ 1,836	\$ 1,872	\$ 1,948	\$ 2,152	\$ 2,622	\$ 3,196	
Loan Interest:	+ \$ 5,718	+ \$ 5,623	+ \$ 5,524	+ \$ 5,311	+ \$ 4,689	+ \$ 2,935	+ \$ 186	
Depreciation:	+ \$ 2,721	+ \$ 2,721	+ \$ 2,721	+ \$ 2,721	+ \$ 2,721	+ \$ 2,721	+ \$ 0	
Total Deductions:	= \$ 10,239	= \$ 10,180	= \$ 10,117	= \$ 9,981	= \$ 9,562	= \$ 8,278	= \$ 3,382	
EQUITY ACCUMULATION								
Property Value:	\$ 164,800	\$ 169,744	\$ 174,836	\$ 185,484	\$ 215,027	\$ 288,978	\$ 388,362	
Appreciation:	3%	3%	3%	3%	3%	3%	3%	

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Loan Balance:	- \$ 125,935	- \$ 123,775	- \$ 121,516	- \$ 116,682	- \$ 102,514	- \$ 62,579	- \$ 0
LTV Ratio:	76.4%	72.9%	69.5%	62.9%	47.7%	21.7%	-
Total Equity:	= \$ 38,865	= \$ 45,969	= \$ 53,320	= \$ 68,802	= \$ 112,513	= \$ 226,399	= \$ 388,362

SALE ANALYSIS

Equity:	\$ 38,865	\$ 45,969	\$ 53,320	\$ 68,802	\$ 112,513	\$ 226,399	\$ 388,362
Selling Costs (6%):	- \$ 9,888	- \$ 10,185	- \$ 10,490	- \$ 11,129	- \$ 12,902	- \$ 17,339	- \$ 23,302
Sale Proceeds:	= \$ 28,977	= \$ 35,784	= \$ 42,830	= \$ 57,673	= \$ 99,611	= \$ 209,060	= \$ 365,060
Cumulative Cash Flow:	+ \$ 4,457	+ \$ 9,159	+ \$ 14,111	+ \$ 24,783	+ \$ 56,193	+ \$ 141,739	+ \$ 263,063
Total Cash Invested:	- \$ 0	- \$ 0	- \$ 0	- \$ 0	- \$ 0	- \$ 0	- \$ 0
Total Profit:	= \$ 33,434	= \$ 44,943	= \$ 56,941	= \$ 82,456	= \$ 155,804	= \$ 350,799	= \$ 628,123

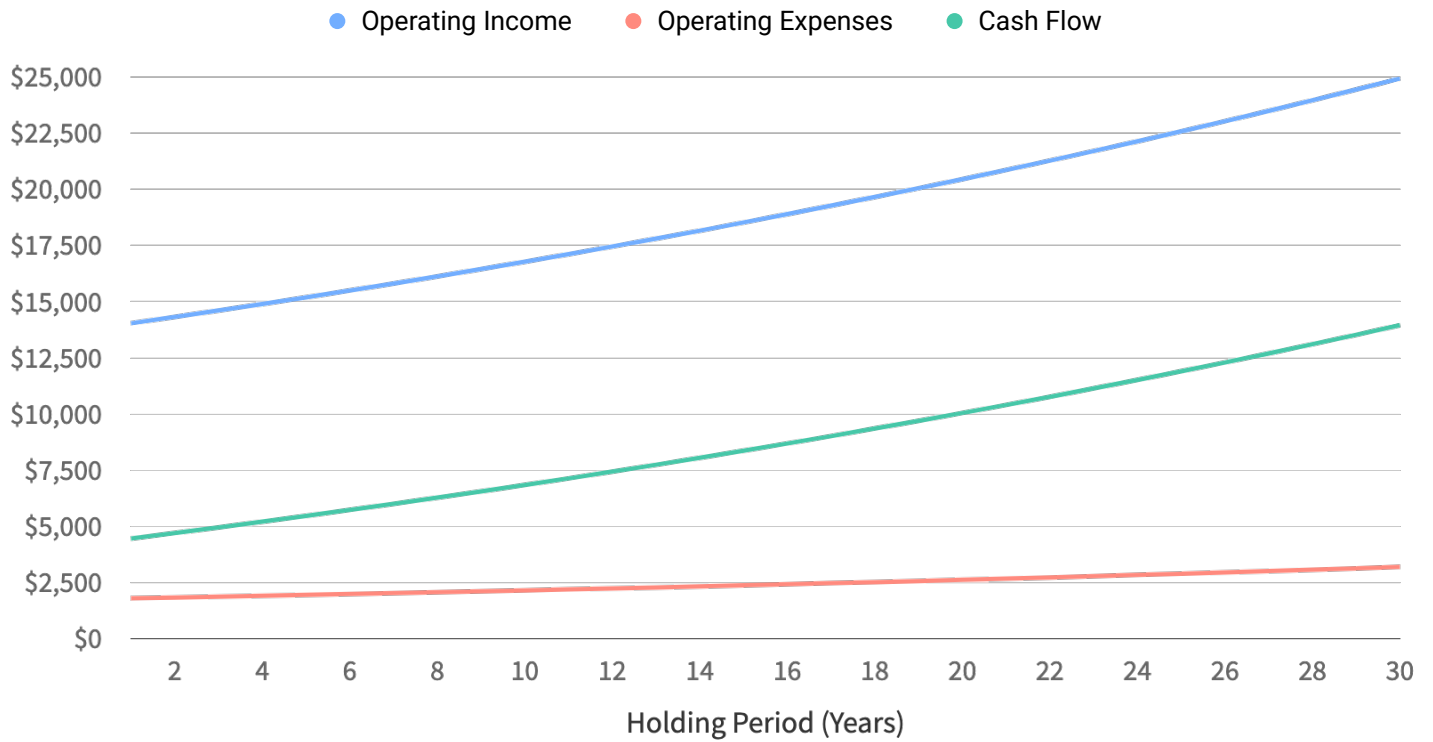
INVESTMENT RETURNS

Cap Rate (Purchase Price):	13.2%	13.5%	13.8%	14.3%	15.8%	19.3%	23.5%
Cap Rate (Market Value):	7.4%	7.4%	7.3%	7.1%	6.8%	6.2%	5.6%
Cash on Cash Return:	Infinity%	Infinity%	Infinity%	Infinity%	Infinity%	Infinity%	Infinity%
Return on Equity:	11.5%	10.2%	9.3%	7.9%	6.1%	4.4%	3.6%
Return on Investment:	Infinity%	Infinity%	Infinity%	Infinity%	Infinity%	Infinity%	Infinity%
Internal Rate of Return:	Infinity%	Infinity%	Infinity%	Infinity%	Infinity%	Infinity%	Infinity%

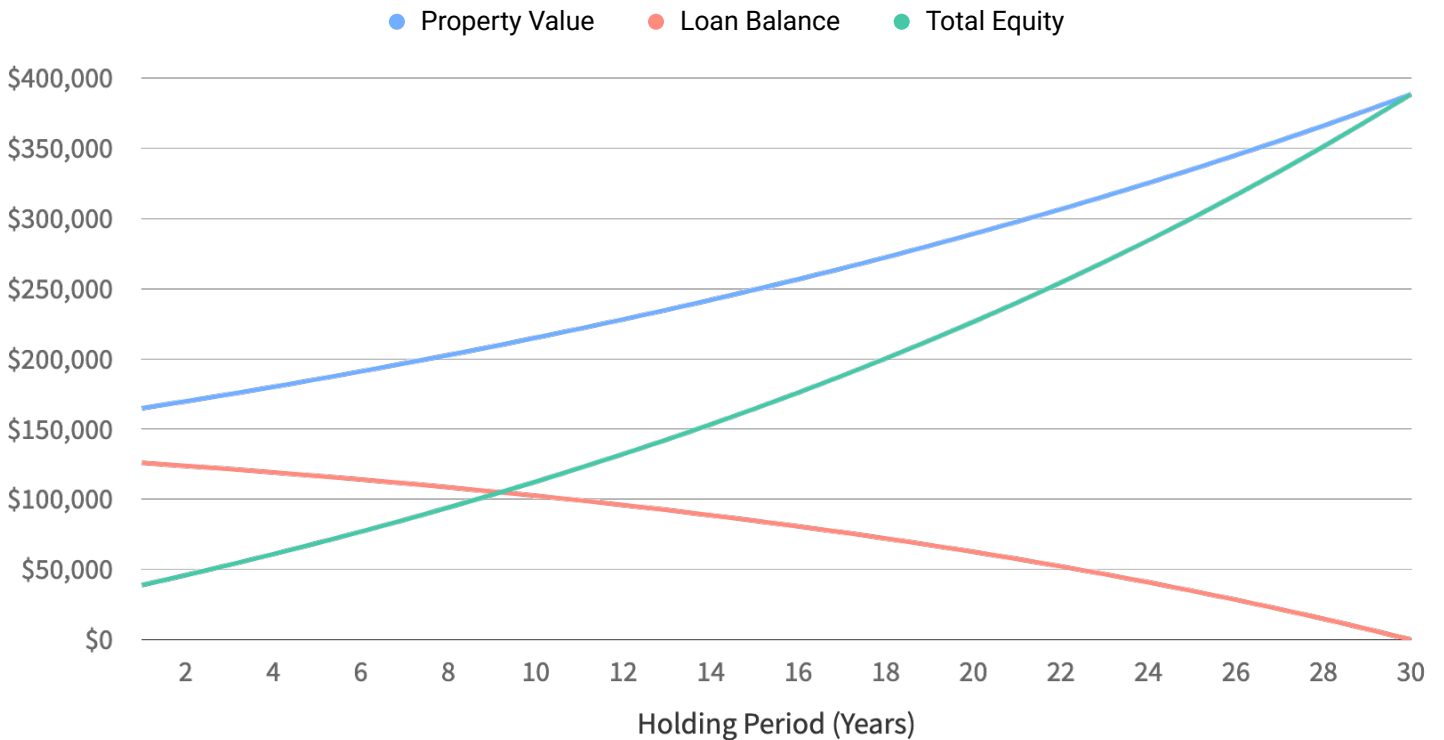
FINANCIAL RATIOS

Rent to Value:	0.8%	0.8%	0.8%	0.8%	0.7%	0.7%	0.6%
Gross Rent Multiplier:	10.56	10.67	10.77	10.98	11.53	12.72	14.02
Equity Multiple:	Infinity	Infinity	Infinity	Infinity	Infinity	Infinity	Infinity
Break Even Ratio:	61.4%	60.5%	59.5%	57.6%	53.3%	45.8%	39.6%
Debt Coverage Ratio:	1.57	1.6	1.64	1.7	1.88	2.29	2.79
Debt Yield:	9.7%	10.1%	10.5%	11.4%	14.3%	28.5%	-

Cash Flow Over Time



Equity Over Time



Purchase Criteria Analysis

PURCHASE

- ✔ Purchase Price less than \$ 250,000
- ✔ Total Cash Needed less than \$ 50,000
- ✔ Total Cash Invested less than \$ 50,000

VALUATION

- ✔ Passes 70% Rule
- ✔ Price Per Square Foot less than \$ 100
- ✔ ARV Per Square Foot less than \$ 100

CASH FLOW

- ✔ Passes 1% Rule
- ✘ Fails 2% Rule
- ✔ Passes 50% Rule
- ✔ Cash Flow greater than \$ 150

Property Photos



Additional Information

Nearby schools include Prescott Elementary School and Prescott High School.

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