

Bertwood

Investment Property - Buy & Hold

8119 Bertwood
Houston, TX 77016

\$ 165,000

\$ 434/mo Cash Flow 7.7% Cap Rate 15% COC

Prepared by:



WYEBROOK REALTY
RESIDENTIAL ★ COMMERCIAL

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Property Overview

ADDRESS

8119 Bertwood
Houston, TX 77016

DESCRIPTION

Property Type:	Multi-Family
Year Built:	1979
Parking:	Off-Street
Lot Size:	7,500 sq.ft.
Zoning:	
MLS Number:	

UNIT MIX

1 Unit - 2 Beds, 1 Bath

Square Footage:	750
Gross Rent:	\$ 850 Per Month

1 Unit - 2 Beds, 1 Bath

Square Footage:	750
Gross Rent:	\$ 800 Per Month

UNIT INFORMATION

Total Units:	2
Total Square Footage:	1,500



Purchase Analysis & Returns

PURCHASE

Purchase Price:		\$ 165,000
Amount Financed:	-	\$ 132,000
Down Payment:	=	\$ 33,000
Purchase Costs:	+	\$ 1,650
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 34,650
After Repair Value:		\$ 165,000
Price Per Square Foot:		\$ 110
Price Per Unit:		\$ 82,500

FINANCING

Loan Type:		Amortizing
Loan Amount:		\$ 132,000
Loan to Value (LTV):		80%
Loan Term:		30 Years
Interest Rate:		4%
Loan Payment:		\$ 630 Per Month
		\$ 7,562 Per Year

PURCHASE COSTS

Total (1% of Price):	\$ 1,650
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RETURNS & RATIOS (Year 1)

Cap Rate (Purchase Price):	7.7%
Cap Rate (Market Value):	7.7%
Cash on Cash Return:	15%
Return on Equity:	12.9%
Return on Investment:	11.6%
Internal Rate of Return:	11.6%
Rent to Value:	1%
Gross Rent Multiplier:	8.3
Debt Coverage Ratio:	1.7

ASSUMPTIONS & PROJECTIONS

Vacancy:	0%
Rent Collection:	Monthly
Appreciation:	3% Per Year
Income Increase:	3% Per Year
Expenses Increase:	2% Per Year
Selling Costs:	4% of Sales Price
Land Value:	\$ 50,000

REHAB COSTS

Total:	\$ 0
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Cash Flow (Year 1)

	Monthly	Yearly
CASH FLOW		
Gross Rent:	\$ 1,650	\$ 19,800
Vacancy (0%):	-	\$ 0
Other Income:	+	\$ 0
Operating Income:	=	\$ 1,650
Operating Expenses (35.5%):	-	\$ 586
Net Operating Income:	=	\$ 1,064
Loan Payment:	-	\$ 630
Cash Flow:	=	\$ 434
Cash Flow Per Unit:	\$ 217	\$ 2,602

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

	Monthly	Yearly
EXPENSES		
Property Taxes:	\$ 146	\$ 1,750
Insurance:	\$ 108	\$ 1,300
Property Management:	\$ 150	\$ 1,800
Maintenance:	\$ 132	\$ 1,584
Utilities:	\$ 50	\$ 600
Total:	\$ 586	\$ 7,034

Buy & Hold Projections

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
INCOME							
Gross Rent:	\$ 19,800	\$ 20,394	\$ 21,006	\$ 22,285	\$ 25,835	\$ 34,719	\$ 46,660
Vacancy (0%):	- \$ 0	- \$ 0	- \$ 0	- \$ 0	- \$ 0	- \$ 0	- \$ 0
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Operating Income:	= \$ 19,800	= \$ 20,394	= \$ 21,006	= \$ 22,285	= \$ 25,835	= \$ 34,719	= \$ 46,660
EXPENSES							
Property Taxes:	\$ 1,750	\$ 1,785	\$ 1,821	\$ 1,894	\$ 2,091	\$ 2,549	\$ 3,108
Insurance:	+ \$ 1,300	+ \$ 1,326	+ \$ 1,353	+ \$ 1,407	+ \$ 1,554	+ \$ 1,894	+ \$ 2,309
Property Management:	+ \$ 1,800	+ \$ 1,836	+ \$ 1,873	+ \$ 1,948	+ \$ 2,151	+ \$ 2,622	+ \$ 3,197
Maintenance:	+ \$ 1,584	+ \$ 1,632	+ \$ 1,680	+ \$ 1,783	+ \$ 2,067	+ \$ 2,778	+ \$ 3,733
Utilities:	+ \$ 600	+ \$ 612	+ \$ 624	+ \$ 649	+ \$ 717	+ \$ 874	+ \$ 1,066
Operating Expenses:	= \$ 7,034	= \$ 7,191	= \$ 7,351	= \$ 7,681	= \$ 8,580	= \$ 10,717	= \$ 13,413
CASH FLOW							
Operating Income:	\$ 19,800	\$ 20,394	\$ 21,006	\$ 22,285	\$ 25,835	\$ 34,719	\$ 46,660
Operating Expenses:	- \$ 7,034	- \$ 7,191	- \$ 7,351	- \$ 7,681	- \$ 8,580	- \$ 10,717	- \$ 13,413
Net Operating Income:	= \$ 12,766	= \$ 13,203	= \$ 13,655	= \$ 14,604	= \$ 17,255	= \$ 24,002	= \$ 33,247
Loan Payments:	- \$ 7,562	- \$ 7,562	- \$ 7,562	- \$ 7,562	- \$ 7,562	- \$ 7,562	- \$ 7,562
Cash Flow:	= \$ 5,204	= \$ 5,641	= \$ 6,093	= \$ 7,042	= \$ 9,693	= \$ 16,440	= \$ 25,685
Cash Flow Per Unit:	\$ 2,602	\$ 2,821	\$ 3,047	\$ 3,521	\$ 4,847	\$ 8,220	\$ 12,843
TAX BENEFITS & DEDUCTIONS							
Operating Expenses:	\$ 7,034	\$ 7,191	\$ 7,351	\$ 7,681	\$ 8,580	\$ 10,717	\$ 13,413
Loan Interest:	+ \$ 5,237	+ \$ 5,143	+ \$ 5,044	+ \$ 4,835	+ \$ 4,232	+ \$ 2,598	+ \$ 161
Depreciation:	+ \$ 4,242	+ \$ 4,242	+ \$ 4,242	+ \$ 4,242	+ \$ 4,242	+ \$ 4,242	+ \$ 0
Total Deductions:	= \$ 16,513	= \$ 16,576	= \$ 16,637	= \$ 16,758	= \$ 17,054	= \$ 17,557	= \$ 13,574
EQUITY ACCUMULATION							
Property Value:	\$ 169,950	\$ 175,049	\$ 180,300	\$ 191,280	\$ 221,746	\$ 298,008	\$ 400,498
Loan Balance:	- \$ 129,675	- \$ 127,256	- \$ 124,738	- \$ 119,391	- \$ 103,995	- \$ 62,244	- \$ 0
Total Equity:	= \$ 40,275	= \$ 47,793	= \$ 55,562	= \$ 71,889	= \$ 117,751	= \$ 235,764	= \$ 400,498
SALE ANALYSIS							
Equity:	\$ 40,275	\$ 47,793	\$ 55,562	\$ 71,889	\$ 117,751	\$ 235,764	\$ 400,498
Selling Costs (4%):	- \$ 6,798	- \$ 7,002	- \$ 7,212	- \$ 7,651	- \$ 8,870	- \$ 11,920	- \$ 16,020
Sale Proceeds:	= \$ 33,477	= \$ 40,791	= \$ 48,350	= \$ 64,238	= \$ 108,881	= \$ 223,844	= \$ 384,478

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Cumulative Cash Flow:	+ \$ 5,204	+ \$ 10,845	+ \$ 16,938	+ \$ 30,539	+ \$ 73,533	+ \$ 205,813	+ \$ 418,681
Invested Cash:	- \$ 34,650	- \$ 34,650	- \$ 34,650	- \$ 34,650	- \$ 34,650	- \$ 34,650	- \$ 34,650
Total Profit:	= \$ 4,031	= \$ 16,986	= \$ 30,638	= \$ 60,127	= \$ 147,764	= \$ 395,007	= \$ 768,509

INVESTMENT RETURNS

Cap Rate (Purchase Price):	7.7%	8%	8.3%	8.9%	10.5%	14.5%	20.1%
Cap Rate (Market Value):	7.5%	7.5%	7.6%	7.6%	7.8%	8.1%	8.3%
Cash on Cash Return:	15%	16.3%	17.6%	20.3%	28%	47.4%	74.1%
Return on Equity:	12.9%	11.8%	11%	9.8%	8.2%	7%	6.4%
Return on Investment:	11.6%	49%	88.4%	173.5%	426.4%	1,140%	2,217.9%
Internal Rate of Return:	11.6%	22.1%	23.5%	22.3%	18.1%	13.4%	11%

FINANCIAL RATIOS

Rent to Value:	1%	1%	1%	1%	1%	1%	1%
Gross Rent Multiplier:	8.6	8.6	8.6	8.6	8.6	8.6	8.6
Debt Coverage Ratio:	1.7	1.7	1.8	1.9	2.3	3.2	4.4

Property Photos



