



10 Unit Apartment Building

34 Beacon Street
Worcester, MA

Presented by:

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All information contained in the analysis is subject to errors and omissions. Listing broker and agents for for the seller at all times.

Overview

10 Unit Apartment Building

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Purchase Info

Square Feet (11 Units)	13,280
Initial Market Value	\$865,000
Purchase Price	\$850,000
Initial Cash Invested	\$216,750

Income Analysis

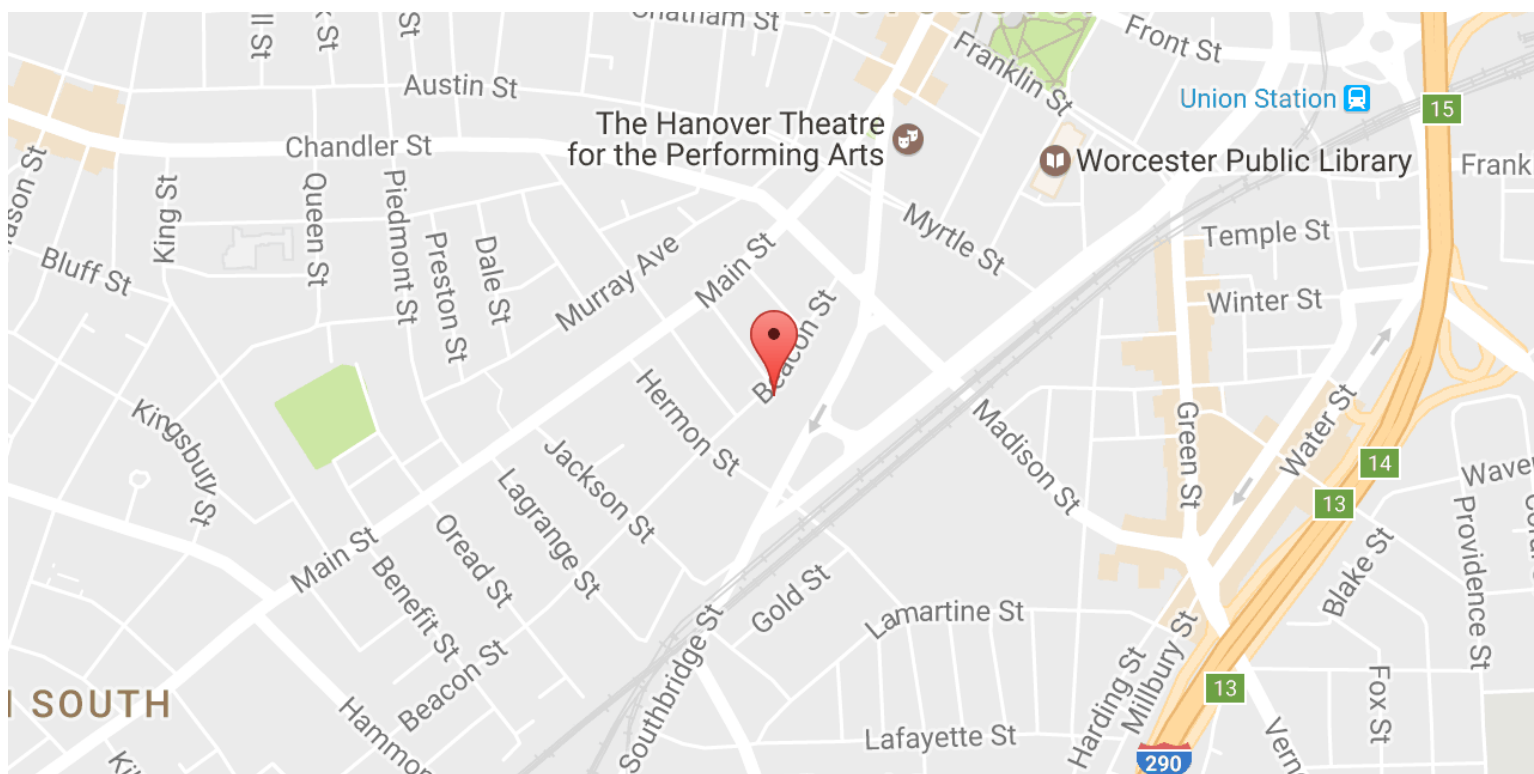
	Monthly	Annual
Net Operating Income	\$7,472	\$89,658
Cash Flow	\$3,837	\$46,044

Financial Metrics

Cap Rate (Purchase Price)	10.5%
Cash on Cash Return (Year 1)	21.2%
Internal Rate of Return (Year 15)	28.3%
Sale Price (Year 15)	\$1,347,642



Large Brick Apartment Building with 4 floors. 3bed and 4 bed units with decks and lots of sun. 100% Occupied for many years. Amazing Up side potential with 10+ net cape rate.



Purchase Analysis

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Purchase Info	
Initial Market Value	\$865,000
Purchase Price	\$850,000
- First Mortgage	(\$637,500)
- Second Mortgage	(\$0)
= Downpayment	\$212,500
+ Buying Costs	\$4,250
+ Initial Improvements	\$0
= Initial Cash Invested	\$216,750
Square Feet (11 Units)	13,280
Cost per Square Foot	\$64
Monthly Rent per Square Foot	\$0.80
Cost per Unit	\$77,273
Average Monthly Rent per Unit	\$962

Mortgages	First	Second
Loan-To-Cost Ratio	75%	0%
Loan-To-Value Ratio	73.7%	0%
Loan Amount	\$637,500	\$0
Loan Type	Amortizing	
Term	25 Years	
Interest Rate	4.75%	
Payment	\$3,634.50	\$0.00

Financial Metrics (Year 1)	
Annual Gross Rent Multiplier	6.7
Operating Expense Ratio	27.2%
Debt Coverage Ratio	2.06
Cap Rate (Purchase Price)	10.5%
Cash on Cash Return	21.2%

Assumptions	
Appreciation Rate	3.0%
Vacancy Rate	3.0%
Income Inflation Rate	3.0%
Expense Inflation Rate	2.0%
LTV for Refinance	70.0%
Selling Costs	\$60,550

Income	Monthly	Annual
Gross Rent	\$10,580	\$126,960
Vacancy Loss	(\$317)	(\$3,809)
Operating Income	\$10,263	\$123,151

Expenses (% of Income)	Monthly	Annual
City water sewer (10%)	(\$1,000)	(\$12,000)
Cleaning & Maintenance (3%)	(\$340)	(\$4,080)
Gas for Hotwater (3%)	(\$265)	(\$3,180)
Insurance (4%)	(\$428)	(\$5,137)
Pest control (1%)	(\$67)	(\$800)
Taxes (7%)	(\$691)	(\$8,296)
Operating Expenses (27%)	(\$2,791)	(\$33,493)

Net Performance	Monthly	Annual
Net Operating Income	\$7,472	\$89,658
- Mortgage Payments	(\$3,634)	(\$43,614)
- Year 1 Improvements	(\$0)	(\$0)
= Cash Flow	\$3,837	\$46,044

Buy and Hold Projection

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Income	Year 1	Year 2	Year 3	Year 4	Year 10	Year 20	Year 30
Gross Rent	\$126,960	\$130,769	\$134,692	\$138,733	\$165,654	\$222,625	\$299,190
Vacancy Loss	(\$3,809)	(\$3,923)	(\$4,041)	(\$4,162)	(\$4,970)	(\$6,679)	(\$8,976)
Operating Income	\$123,151	\$126,846	\$130,651	\$134,571	\$160,684	\$215,946	\$290,214

Expenses	Year 1	Year 2	Year 3	Year 4	Year 10	Year 20	Year 30
City water sewer	(\$12,000)	(\$12,240)	(\$12,485)	(\$12,734)	(\$14,341)	(\$17,482)	(\$21,310)
Cleaning & Maintenance	(\$4,080)	(\$4,162)	(\$4,245)	(\$4,330)	(\$4,876)	(\$5,944)	(\$7,245)
Gas for Hotwater	(\$3,180)	(\$3,244)	(\$3,308)	(\$3,375)	(\$3,800)	(\$4,633)	(\$5,647)
Insurance	(\$5,137)	(\$5,240)	(\$5,345)	(\$5,451)	(\$6,139)	(\$7,484)	(\$9,123)
Pest control	(\$800)	(\$816)	(\$832)	(\$849)	(\$956)	(\$1,165)	(\$1,421)
Taxes	(\$8,296)	(\$8,462)	(\$8,631)	(\$8,804)	(\$9,914)	(\$12,086)	(\$14,732)
Operating Expenses	(\$33,493)	(\$34,163)	(\$34,846)	(\$35,543)	(\$40,027)	(\$48,793)	(\$59,478)

Income Analysis	Year 1	Year 2	Year 3	Year 4	Year 10	Year 20	Year 30
Net Operating Income	\$89,658	\$92,683	\$95,805	\$99,028	\$120,657	\$167,153	\$230,736
- Mortgage Payments	(\$43,614)	(\$43,614)	(\$43,614)	(\$43,614)	(\$43,614)	(\$43,614)	(\$0)
- Improvements	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)
= Cash Flow	\$46,044	\$49,069	\$52,191	\$55,414	\$77,043	\$123,539	\$230,736
Cap Rate (Purchase Price)	10.5%	10.9%	11.3%	11.7%	14.2%	19.7%	27.1%
Cap Rate (Market Value)	10.1%	10.1%	10.1%	10.2%	10.4%	10.7%	11.0%
Cash on Cash Return	21.2%	22.6%	24.1%	25.6%	35.5%	57.0%	106.5%
Return on Equity	17.2%	15.9%	14.9%	14.0%	11.1%	9.0%	11.0%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 10	Year 20	Year 30
Market Value	\$890,950	\$917,678	\$945,209	\$973,565	\$1,162,488	\$1,562,286	\$2,099,582
- Loan Balance	(\$623,873)	(\$609,585)	(\$594,603)	(\$578,893)	(\$467,260)	(\$193,768)	(\$0)
= Equity	\$267,077	\$308,094	\$350,606	\$394,672	\$695,228	\$1,368,518	\$2,099,582
Loan-to-Value Ratio	70.0%	66.4%	62.9%	59.5%	40.2%	12.4%	0.0%
Potential Cash-Out Refi	(\$208)	\$32,790	\$67,044	\$102,602	\$346,482	\$899,833	\$1,469,707

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 10	Year 20	Year 30
Equity	\$267,077	\$308,094	\$350,606	\$394,672	\$695,228	\$1,368,518	\$2,099,582
- Selling Costs	(\$62,366)	(\$64,237)	(\$66,165)	(\$68,150)	(\$81,374)	(\$109,360)	(\$146,971)
= Proceeds After Sale	\$204,710	\$243,856	\$284,442	\$326,522	\$613,854	\$1,259,158	\$1,952,611
+ Cumulative Cash Flow	\$46,044	\$95,113	\$147,304	\$202,718	\$608,911	\$1,623,047	\$3,409,874
- Initial Cash Invested	(\$216,750)	(\$216,750)	(\$216,750)	(\$216,750)	(\$216,750)	(\$216,750)	(\$216,750)
= Net Profit	\$34,005	\$122,219	\$214,996	\$312,490	\$1,006,015	\$2,665,456	\$5,145,735
Internal Rate of Return	15.7%	27.4%	30.2%	31.0%	29.5%	27.6%	27.2%
Return on Investment	16%	56%	99%	144%	464%	1,230%	2,374%

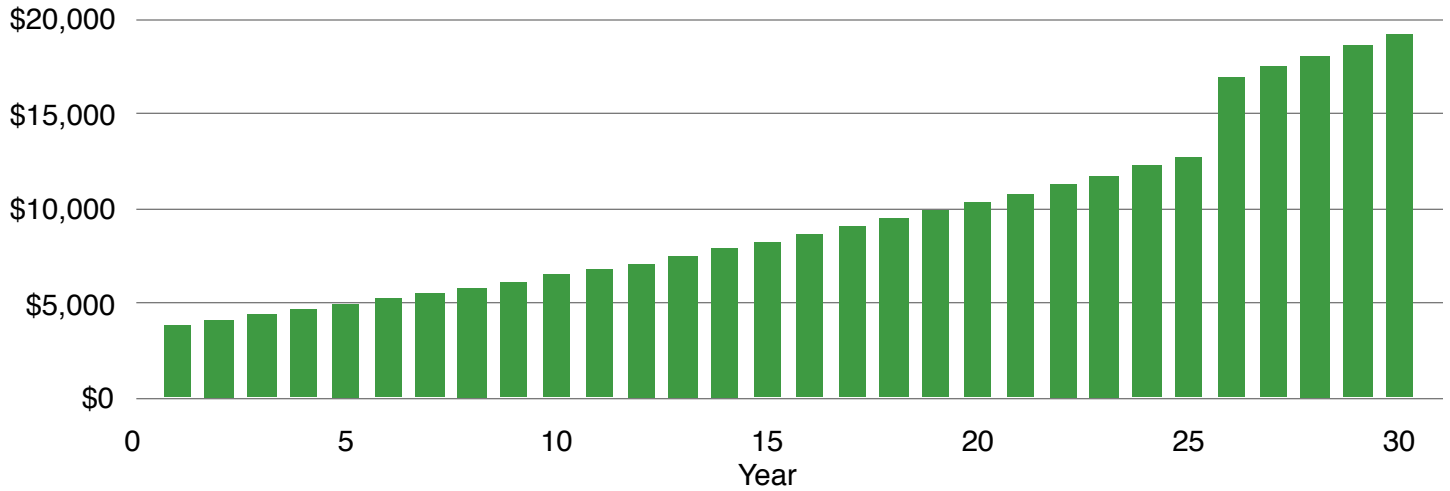
Graphs

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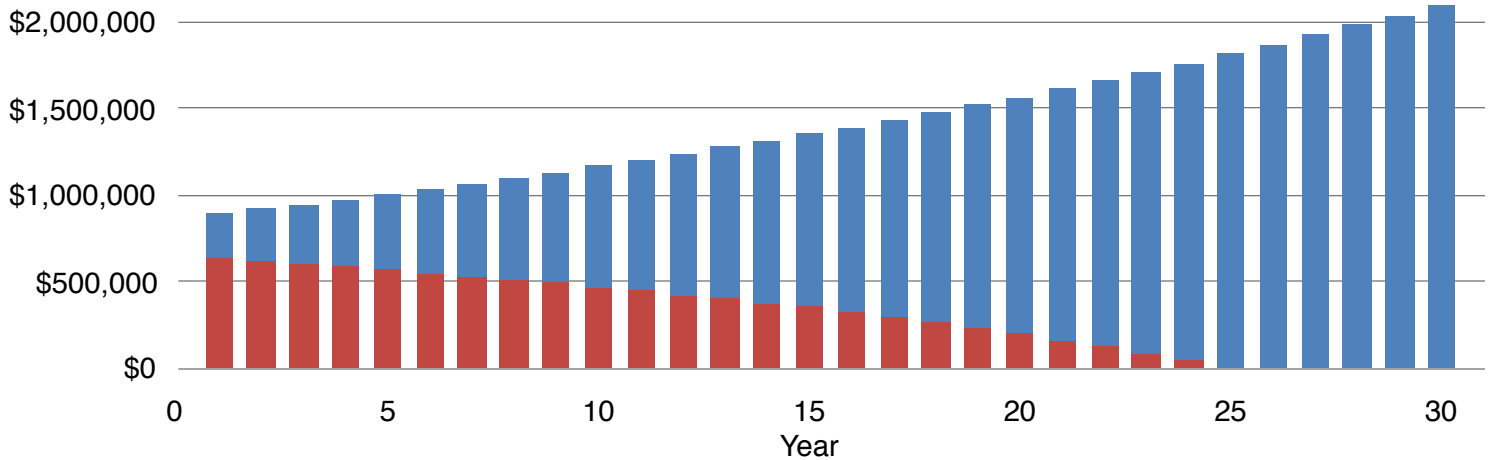


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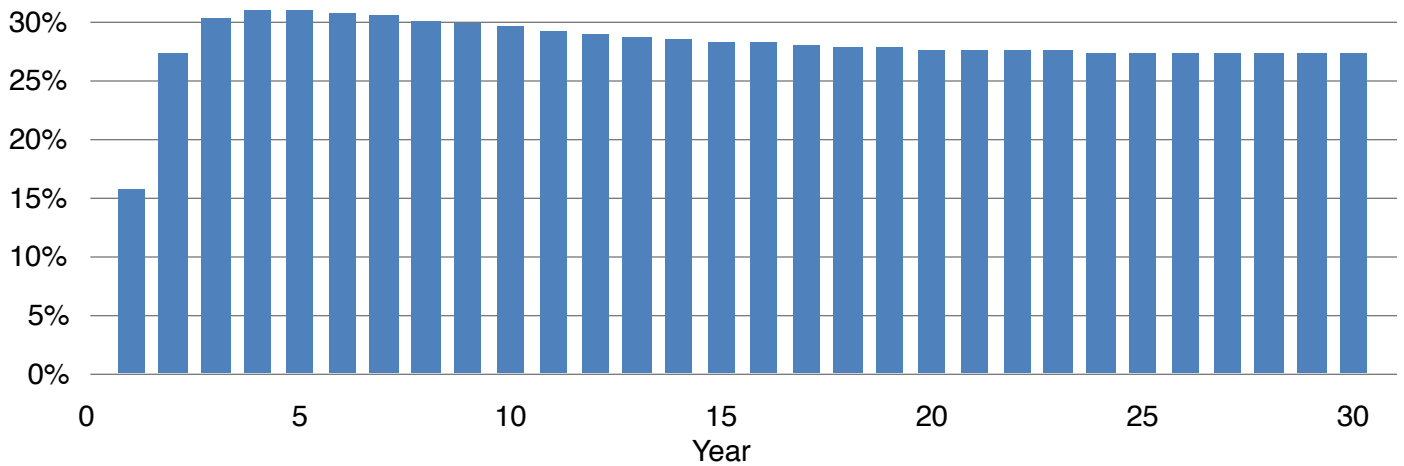
Monthly Cash Flow



■ 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)
Laundry Income	0	1	\$170 Per Month
unit #1L	0	1	\$1,000 Per Month
unit #1R	0	1	\$1,350 Per Month
unit #2L	0	1	\$860 Per Month
unit #2R	0	1	\$1,175 Per Month
unit #3L	0	1	\$950 Per Month
unit #3R	0	1	\$1,245 Per Month
unit #4L	0	1	\$880 Per Month
unit #4R	0	1	\$1,100 Per Month
unit #BL	0	1	\$900 Per Month
Unit #BR	0	1	\$950 Per Month

Totals for Year 1

Total Number of Units	11
Total Area (Single Value)	13,280 Square Feet
Total Rent (Sum of Units)	\$10,580 Per Month, \$126,960 Per Year

The total property area may be greater than the sum of the unit areas due to common areas.

Photos

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