

11 S Franklin St

Investment Property - Buy & Hold

11 S Franklin St, Pottstown, PA 19464
Multi-Family · 3 Units · 3,048 Sq.Ft.

\$ 210,000 Purchase Price · \$ 210,000 ARV
\$ 48,300 Cash Needed · \$ 775/mo Cash Flow · 10.8% Cap Rate · 19.3% COC



Property Description

ADDRESS

11 S Franklin St
Pottstown, PA 19464

DESCRIPTION

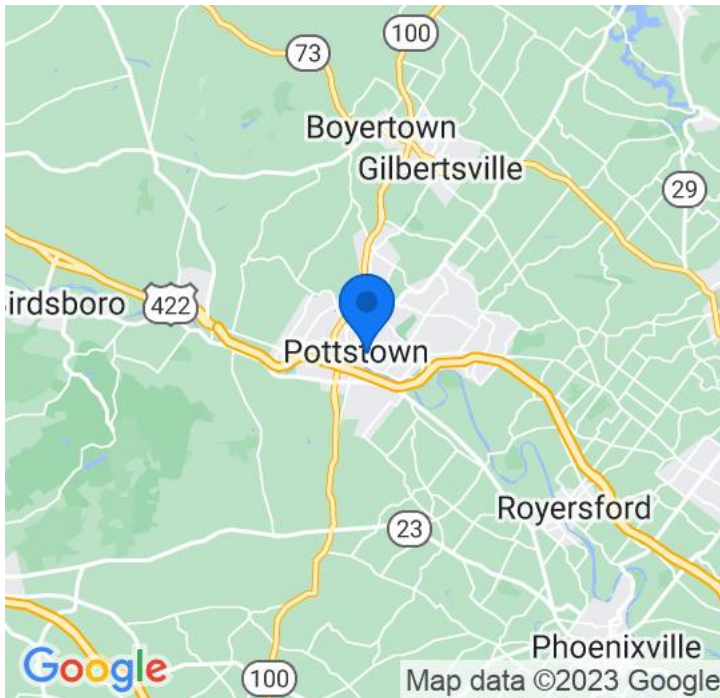
Property Type: Multi-Family
Year Built: 1880
Lot Size: 1,203 sq.ft.
Zoning: D
MLS Number: PAMC2058556

UNIT INFORMATION

Total Units/Spaces: 3
Total Square Footage: 3,048

UNITS & RENT ROLL

3 Units - Residential
2 Beds / 1.5 Baths / 1,016 Sq.Ft.
Gross Rent: \$ 867 Per Month



Purchase Analysis & Returns

PURCHASE

Purchase Price:		\$ 210,000
Amount Financed:	-	\$ 168,000
Down Payment:	=	\$ 42,000
Purchase Costs:	+	\$ 6,300
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 48,300
After Repair Value:		\$ 210,000
ARV Per Square Foot:		\$ 68.9
Price Per Square Foot:		\$ 68.9
Price Per Unit:		\$ 70,000

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	10.8% / 10.8%
Cash on Cash Return:	19.3%
Return on Equity:	18.6%
Return on Investment:	-4.1%
Internal Rate of Return:	-4.1%
Rent to Value:	1.2%
Gross Rent Multiplier:	6.73
Equity Multiple:	0.96
Break Even Ratio:	65.2%
Debt Coverage Ratio:	1.69
Debt Yield:	13.5%

PURCHASE COSTS

Total (3% of Price):	\$ 6,300
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FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	7%
Financing Of:	Price (80%)
Loan Amount:	\$ 168,000
LTC / LTV:	80% / 80%
Loan Payment:	\$ 1,118 Per Month \$ 13,412 Per Year

ASSUMPTIONS & PROJECTIONS

Rehab Cost Overrun:	10%
Vacancy Rate:	5%
Appreciation:	3% Per Year
Income Increase:	3% Per Year
Expense Increase:	3% Per Year
Selling Costs:	6% of Sales Price
Depreciation Period:	27.5 Years
Land Value:	\$ 0

REHAB COSTS

Rehab Costs:	\$ 0
Cost Overrun (10%):	\$ 0
Total:	\$ 0
Total Per Square Foot:	\$ 0

Cash Flow (Year 1)

	Monthly	Yearly
CASH FLOW		
Gross Rent:	\$ 2,601	\$ 31,212
Vacancy (5%):	- \$ 130	\$ 1,561
Other Income:	+ \$ 0	\$ 0
Operating Income:	= \$ 2,471	\$ 29,651
Operating Expenses (23.4%):	- \$ 578	\$ 6,934
Net Operating Income:	= \$ 1,893	\$ 22,717
Loan Payments:	- \$ 1,118	\$ 13,412
Cash Flow:	= \$ 775	\$ 9,305
Cash Flow Per Unit:	\$ 258	\$ 3,102

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

	Monthly	Yearly
EXPENSES		
Property Taxes:	\$ 326	\$ 3,915
Insurance:	\$ 77	\$ 919
Property Management:	\$ 0	\$ 0
Maintenance:	\$ 175	\$ 2,100
Capital Expenditures:	\$ 0	\$ 0
HOA Fees:	\$ 0	\$ 0
Utilities:	\$ 0	\$ 0
Landscaping:	\$ 0	\$ 0
Accounting & Legal Fees:	\$ 0	\$ 0
Total:	\$ 578	\$ 6,934

Buy & Hold Projections

	APPRECIATION 3% Per Year		INCOME INCREASE 3% Per Year			EXPENSE INCREASES 3% Per Year		SELLING COSTS 6% of Price	
	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30		
INCOME									
Gross Rent:	\$ 31,212	\$ 32,148	\$ 33,113	\$ 35,129	\$ 40,725	\$ 54,730	\$ 73,553		
Vacancy:	- \$ 1,561	- \$ 1,607	- \$ 1,656	- \$ 1,756	- \$ 2,036	- \$ 2,737	- \$ 3,678		
Vacancy Rate:	5%	5%	5%	5%	5%	5%	5%		
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0		
Operating Income:	= \$ 29,651	= \$ 30,541	= \$ 31,457	= \$ 33,373	= \$ 38,689	= \$ 51,993	= \$ 69,875		
Income Increase:	3%	3%	3%	3%	3%	3%	3%		
EXPENSES									
Property Taxes:	\$ 3,915	\$ 4,032	\$ 4,153	\$ 4,406	\$ 5,108	\$ 6,865	\$ 9,226		
Insurance:	+ \$ 919	+ \$ 947	+ \$ 975	+ \$ 1,034	+ \$ 1,199	+ \$ 1,611	+ \$ 2,166		
Property Management:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0		
Maintenance:	+ \$ 2,100	+ \$ 2,163	+ \$ 2,228	+ \$ 2,364	+ \$ 2,740	+ \$ 3,682	+ \$ 4,949		
Capital Expenditures:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0		
HOA Fees:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0		
Utilities:	+ \$ 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:	= \$ 6,934	= \$ 7,142	= \$ 7,356	= \$ 7,804	= \$ 9,047	= \$ 12,158	= \$ 16,341		
Expense Increase:	3%	3%	3%	3%	3%	3%	3%		
CASH FLOW									
Operating Income:	\$ 29,651	\$ 30,541	\$ 31,457	\$ 33,373	\$ 38,689	\$ 51,993	\$ 69,875		
Operating Expenses:	- \$ 6,934	- \$ 7,142	- \$ 7,356	- \$ 7,804	- \$ 9,047	- \$ 12,158	- \$ 16,341		
Expense Ratio:	23.4%	23.4%	23.4%	23.4%	23.4%	23.4%	23.4%		
Net Operating Income:	= \$ 22,717	= \$ 23,399	= \$ 24,101	= \$ 25,569	= \$ 29,642	= \$ 39,835	= \$ 53,534		
Loan Payments:	- \$ 13,412	- \$ 13,412	- \$ 13,412	- \$ 13,412	- \$ 13,412	- \$ 13,412	- \$ 13,412		
Cash Flow:	= \$ 9,305	= \$ 9,987	= \$ 10,689	= \$ 12,157	= \$ 16,230	= \$ 26,423	= \$ 40,122		
Cash Flow Per Unit:	\$ 3,102	\$ 3,329	\$ 3,563	\$ 4,052	\$ 5,410	\$ 8,808	\$ 13,374		
TAX BENEFITS & DEDUCTIONS									
Operating Expenses:	\$ 6,934	\$ 7,142	\$ 7,356	\$ 7,804	\$ 9,047	\$ 12,158	\$ 16,341		
Loan Interest:	+ \$ 11,706	+ \$ 11,583	+ \$ 11,450	+ \$ 11,156	+ \$ 10,214	+ \$ 6,985	+ \$ 495		
Depreciation:	+ \$ 7,865	+ \$ 7,865	+ \$ 7,865	+ \$ 7,865	+ \$ 7,865	+ \$ 7,865	+ \$ 0		
Total Deductions:	= \$ 26,505	= \$ 26,590	= \$ 26,672	= \$ 26,826	= \$ 27,127	= \$ 27,008	= \$ 16,836		

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
EQUITY ACCUMULATION							
Property Value:	\$ 216,300	\$ 222,789	\$ 229,473	\$ 243,448	\$ 282,222	\$ 379,283	\$ 509,725
Appreciation:	3%	3%	3%	3%	3%	3%	3%
Loan Balance:	- \$ 166,293	- \$ 164,464	- \$ 162,501	- \$ 158,141	- \$ 144,165	- \$ 96,264	- \$ 0
LTV Ratio:	76.9%	73.8%	70.8%	65%	51.1%	25.4%	-
Total Equity:	= \$ 50,007	= \$ 58,325	= \$ 66,972	= \$ 85,307	= \$ 138,057	= \$ 283,019	= \$ 509,725

SALE ANALYSIS

Equity:	\$ 50,007	\$ 58,325	\$ 66,972	\$ 85,307	\$ 138,057	\$ 283,019	\$ 509,725
Selling Costs (6%):	- \$ 12,978	- \$ 13,367	- \$ 13,768	- \$ 14,607	- \$ 16,933	- \$ 22,757	- \$ 30,584
Sale Proceeds:	= \$ 37,029	= \$ 44,958	= \$ 53,203	= \$ 70,700	= \$ 121,124	= \$ 260,262	= \$ 479,142
Cumulative Cash Flow:	+ \$ 9,305	+ \$ 19,292	+ \$ 29,981	+ \$ 53,550	+ \$ 126,312	+ \$ 342,189	+ \$ 678,430
Total Cash Invested:	- \$ 48,300	- \$ 48,300	- \$ 48,300	- \$ 48,300	- \$ 48,300	- \$ 48,300	- \$ 48,300
Total Profit:	= -\$ 1,966	= \$ 15,950	= \$ 34,884	= \$ 75,950	= \$ 199,136	= \$ 554,151	= \$ 1,109,272

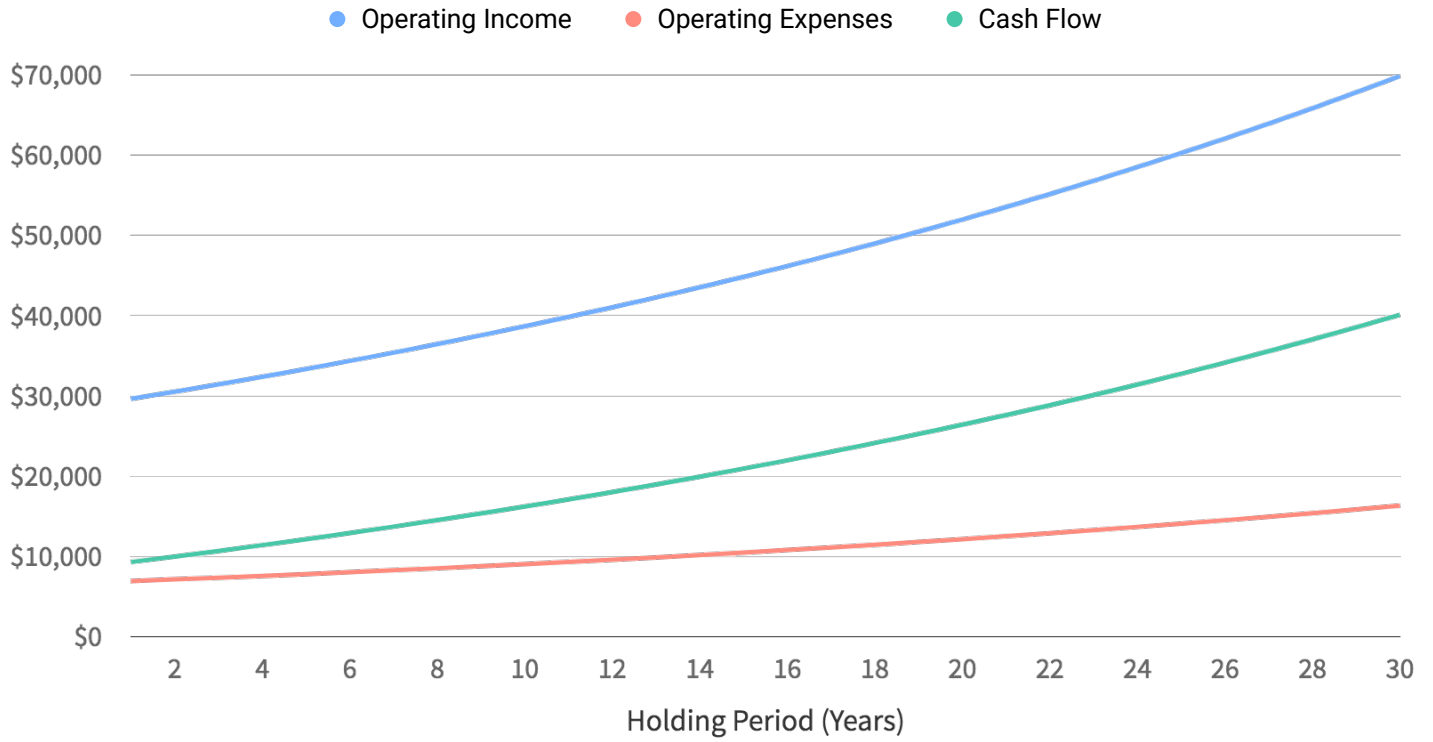
INVESTMENT RETURNS

Cap Rate (Purchase Price):	10.8%	11.1%	11.5%	12.2%	14.1%	19%	25.5%
Cap Rate (Market Value):	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
Cash on Cash Return:	19.3%	20.7%	22.1%	25.2%	33.6%	54.7%	83.1%
Return on Equity:	18.6%	17.1%	16%	14.3%	11.8%	9.3%	7.9%
Return on Investment:	-4.1%	33%	72.2%	157.2%	412.3%	1,147.3%	2,296.6%
Internal Rate of Return:	-4.1%	16.7%	23.2%	26.9%	27.3%	26.1%	25.7%

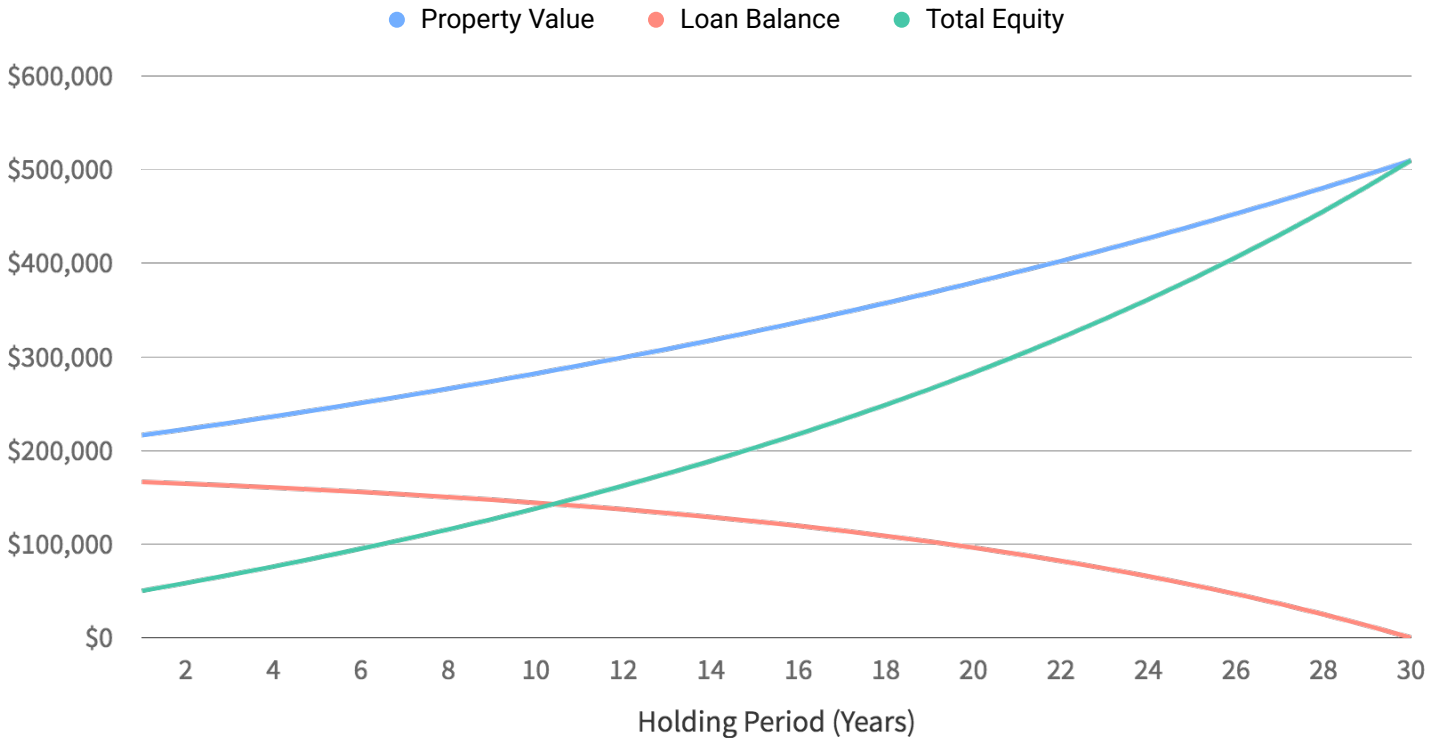
FINANCIAL RATIOS

Rent to Value:	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
Gross Rent Multiplier:	6.93	6.93	6.93	6.93	6.93	6.93	6.93
Equity Multiple:	0.96	1.33	1.72	2.57	5.12	12.47	23.97
Break Even Ratio:	65.2%	63.9%	62.7%	60.4%	55.1%	46.7%	40.5%
Debt Coverage Ratio:	1.69	1.74	1.8	1.91	2.21	2.97	3.99
Debt Yield:	13.7%	14.2%	14.8%	16.2%	20.6%	41.4%	-

Cash Flow Over Time



Equity Over Time



Recent Comparable Sales

Average Sale Price

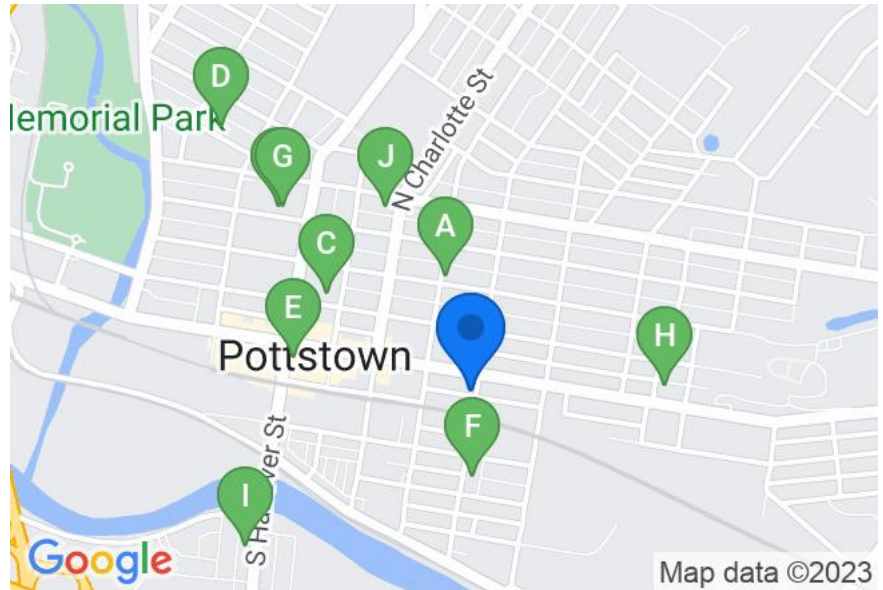
\$ 254,500 (\$ 110/sq.ft.)











\$ 179,900 - \$ 399,900

\$ 75/sq.ft. - \$ 237/sq.ft.

Estimated Property ARV Based on
Average Price/Sq.Ft.

\$ 335,300



Property	Distance	Type	Beds	Baths	Sq.Ft.	Sale Price	Sale Date
 11 S Franklin St Pottstown, PA 19464	0 mi	Multi-Family Built 1880	-	-	3,048	-	-
 343 Chestnut St Pottstown, PA 19464	0.2 mi	Multi-Family	3	3	-	\$ 210,000	12/04/2022
 131 Walnut St Pottstown, PA 19464	0.45 mi	Multi-Family	3	3	2,170	\$ 184,900 \$ 85.21/sq.ft.	08/06/2022
 223 King St Pottstown, PA 19464	0.29 mi	Multi-Family	3	2	2,637	\$ 235,000 \$ 89.12/sq.ft.	09/15/2022
 23 E 2nd St Pottstown, PA 19464	0.61 mi	Multi-Family	3	-	1,814	\$ 194,900 \$ 107.44/sq.ft.	08/06/2022
 204 E High St Pottstown, PA 19464	0.3 mi	Multi-Family	-	-	-	\$ 395,000	11/07/2022
 114 S Franklin St Pottstown, PA 19464	0.15 mi	Multi-Family	4	3	2,288	\$ 210,000 \$ 91.78/sq.ft.	08/23/2022
 133 Walnut St Pottstown, PA 19464	0.44 mi	Multi-Family	4	3	2,415	\$ 235,000 \$ 97.31/sq.ft.	10/02/2022
 635 E High St Pottstown, PA 19464	0.33 mi	Multi-Family	2	-	4,000	\$ 299,900 \$ 74.97/sq.ft.	08/22/2022
 225 S Hanover St Pottstown, PA 19465	0.46 mi	Multi-Family	4	3	1,690	\$ 399,900 \$ 236.63/sq.ft.	12/18/2022
 262 Beech St Pottstown, PA 19464	0.34 mi	Multi-Family	4	-	1,841	\$ 179,900 \$ 97.72/sq.ft.	10/14/2022

Recent Comparable Rental Listings

Average Listed Rent

\$ 940 (\$ 1.15/sq.ft.)

\$ 675 - \$ 1,250

\$ 0.25/sq.ft. - \$ 1.90/sq.ft.

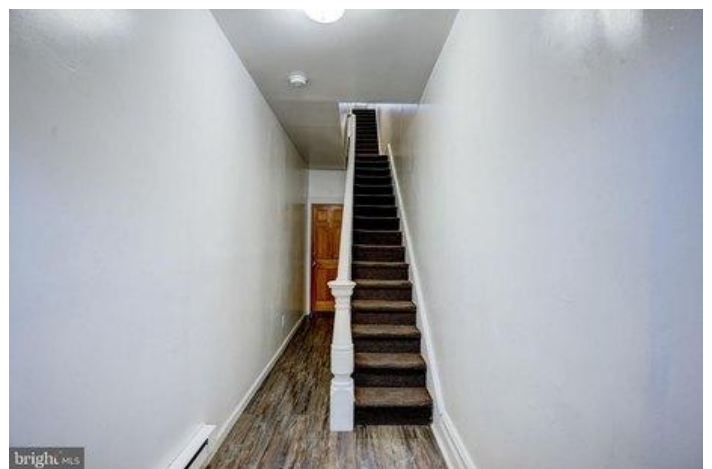
Estimated Property Rent Based on
Average Rent/Sq.Ft.

\$ 3,510



Property	Distance	Type	Beds	Baths	Sq.Ft.	Listed Rent	Listing Date
● 11 S Franklin St Pottstown, PA 19464	0 mi	Multi-Family Built 1880	-	-	3,048	-	-
A 269 Beech St Pottstown, PA 19464	0.36 mi	House	2	2	-	\$ 1,175	05/18/2022
B 378 E High St, Apt 4 Pottstown, PA 19464	0.01 mi	Commercial	1	1	-	\$ 875	12/16/2022
C 378 E High St, Apt 2 Pottstown, PA 19464	0.01 mi	Commercial	1	1	-	\$ 875	12/04/2022
D 378 E High St, Apt 3 Pottstown, PA 19464	0.01 mi	Commercial	-	1	-	\$ 675	12/05/2022
E 378 E High St, Apt 1 Pottstown, PA 19464	0.01 mi	Commercial	-	1	-	\$ 675	12/02/2022
F 372 E High St, Unit 11 Pottstown, PA 19464	0.02 mi	Commercial	-	1	700	\$ 850 \$ 1.21/sq.ft.	12/28/2022
G 372 E High St, Unit 1 Pottstown, PA 19464	0.02 mi	Commercial	2	1	775	\$ 1,250 \$ 1.61/sq.ft.	12/28/2022
H 372 E High St Pottstown, PA 19464	0.02 mi	Commercial	1	1	500	\$ 950 \$ 1.90/sq.ft.	07/18/2022
I 421 E High St, Apt 2A Pottstown, PA 19464	0.08 mi	Condo	1	1	3,600	\$ 900 \$ 0.25/sq.ft.	07/03/2022
J 72 S Evans St, Unit 1 Pottstown, PA 19464	0.11 mi	Condo	2	1	1,500	\$ 1,190 \$ 0.79/sq.ft.	01/02/2023

Property Photos







Additional Information

Cash flowing - turn key triplex for sale in the heart of Pottstown! Located just a block from shops and restaurants. All 3 units have had excellent occupancy and are all rented out. First floor pays \$800, second floor pays \$950 and third floor pays \$850 for a total of 2,600 a month with room for growth! Comparable rentals are going anywhere from 1,000-1,175 per 1 bedroom in this location. Section 8 pays 1,248 per 1 bedroom, that's 3,744 per month or 44,928. 11 S Franklin currently boasts an incredible 15% cap rate, if you went the section 8 route the cap increases to over 21%! Tenants pay electric and heat. Landlords pay water/sewer/trash but there is a possibility to separate water at the new PEX distribution manifold. Priced to sell, showings start Friday 11/25 - Why get another TV or gadget this Black Friday, buy something that will generate monthly passive income!

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DATA SOURCES

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