



420 Water Street

CENTER POINT, IA 52213

\$395,000

Property Features

 ± 5,108 SF

 0.58 Acres

 7.7%

PROPERTY OVERVIEW

Hard to find 8 plex in Center Point IA. This property has one large 2 bedroom unit, three regular 2 bedroom units, and four 1 bedroom units. It also has a 1 stall garage. This building has great rental history. Tenants have been long term and the owner-manager has done a very good job placing tenants. Tons of updates and capex improvements have been done in the last few years.

Currently all but one apartment are occupied and the final apartment is undergoing renovations.



"Tons of updates and Capex improvements have been made by the current owner. This includes electrical work and repairing the main drain line under the building and as a result re-building many of the units top to bottom with new kitchens, bathrooms, fixtures, etc. All work was permitted and inspected by Linn County.

There is a laundry room on site that is plumbed and wired for two washers and two dryers. Tenants are currently having to drive out of town to do laundry, and the owner said the last laundry system brought in about \$285/mo with prices between \$1.50-\$2.00/load current prices are up to \$3 per load. The owner was planning on installing a Shinepay/Smart Coin Box type system. Between the below market rents and the laundry addition this property has plenty of room to increase monthly income!"



NICK WALLRAFF

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CASH IN CASH OUT

DESCRIPTION YEAR ENDING	YEAR 1 02/2025	YEAR 2 02/2026	YEAR 3 02/2027	YEAR 4 02/2028	YEAR 5 02/2029
Income					
Rental Income	\$57,120	\$59,976	\$62,975	\$66,124	\$69,430
Garage	\$720	\$742	\$764	\$787	\$810
Gross Scheduled Income	\$57,840	\$60,718	\$63,739	\$66,910	\$70,240
Turnover Vacancy	(\$2,856)	(\$2,999)	(\$3,149)	(\$3,306)	(\$3,471)
Gross Operating Income	\$54,984	\$57,719	\$60,590	\$63,604	\$66,769
Expenses					
Building Insurance	(\$3,500)	(\$3,588)	(\$3,677)	(\$3,769)	(\$3,863)
Grounds Maintenance	(\$1,410)	(\$1,445)	(\$1,481)	(\$1,518)	(\$1,556)
Maintenance	(\$4,120)	(\$4,223)	(\$4,329)	(\$4,437)	(\$4,548)
Repairs	(\$4,020)	(\$4,121)	(\$4,224)	(\$4,329)	(\$4,437)
Taxes – Real Estate	(\$4,635)	(\$4,751)	(\$4,870)	(\$4,991)	(\$5,116)
Trash Removal	(\$2,112)	(\$2,165)	(\$2,219)	(\$2,274)	(\$2,331)
Utility – Electricity	(\$1,079)	(\$1,106)	(\$1,134)	(\$1,162)	(\$1,191)
Utility – Other	(\$3,241)	(\$3,322)	(\$3,405)	(\$3,490)	(\$3,577)
Total Operating Expenses	(\$24,117)	(\$24,720)	(\$25,338)	(\$25,971)	(\$26,621)
Operating Expense Ratio	43.86%	42.83%	41.82%	40.83%	39.87%
Net Operating Income	\$30,867	\$32,999	\$35,252	\$37,633	\$40,148
Debt Service					
Loan Interest	(\$20,594)	(\$20,266)	(\$19,915)	(\$19,538)	(\$19,134)
Principal Payments	(\$4,532)	(\$4,860)	(\$5,211)	(\$5,588)	(\$5,992)
Before-Tax Cash Flow	\$5,741	\$7,873	\$10,126	\$12,507	\$15,022

BEFORE-TAX CASH FLOW YEAR ENDING	YEAR 1 02/2025	YEAR 2 02/2026	YEAR 3 02/2027	YEAR 4 02/2028	YEAR 5 02/2029
Before-Tax Cash Flow					
Gross Scheduled Income	\$57,840	\$60,718	\$63,739	\$66,910	\$70,240
Turnover Vacancy	(\$2,856)	(\$2,999)	(\$3,149)	(\$3,306)	(\$3,471)
Total Operating Expenses	(\$24,117)	(\$24,720)	(\$25,338)	(\$25,971)	(\$26,621)
Net Operating Income	\$30,867	\$32,999	\$35,252	\$37,633	\$40,148
Loan Payment	(\$25,126)	(\$25,126)	(\$25,126)	(\$25,126)	(\$25,126)
Before-Tax Cash Flow	\$5,741	\$7,873	\$10,126	\$12,507	\$15,022
Cash-On-Cash Return	5.81%	7.97%	10.25%	12.67%	15.21%

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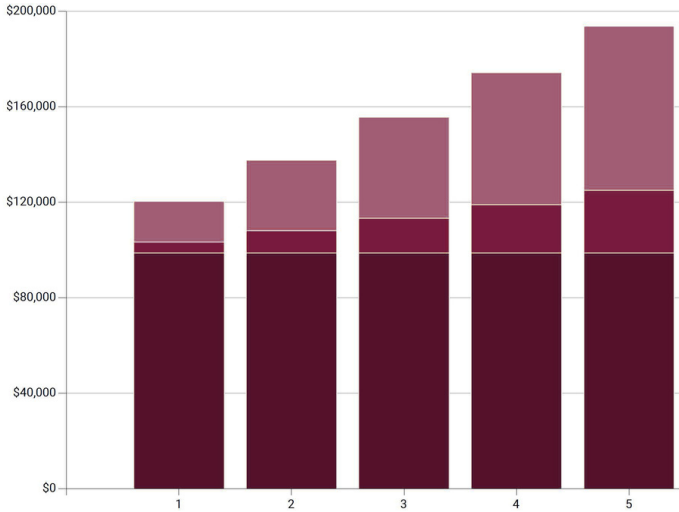
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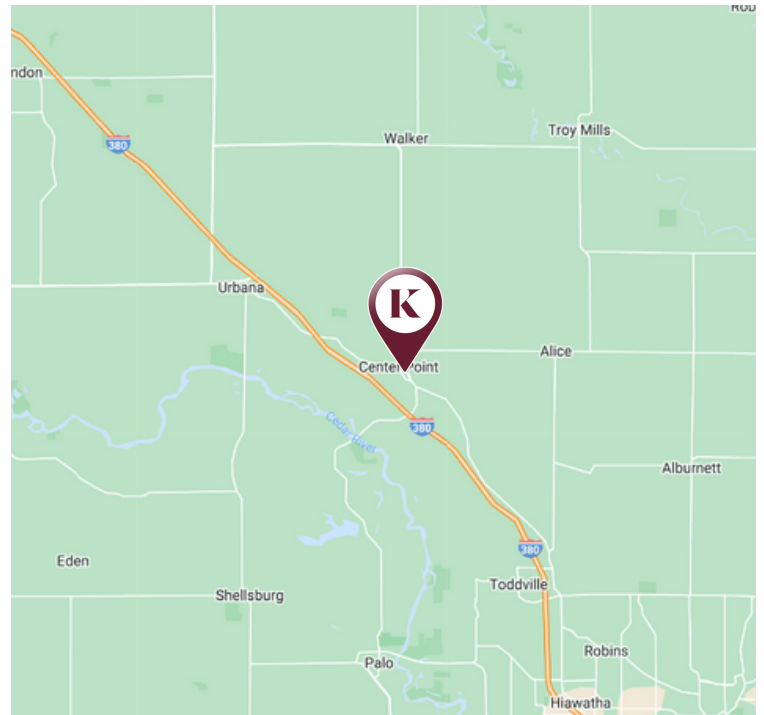
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LOCATION OVERVIEW

Center Point is a bedroom community for Cedar Rapids and has a very strong rental market. There are some large commercial construction projects and some new construction single family houses, but this market is underserved for apartment rentals. The owner has had no problem filling units with quality tenants. Additionally, the owner has had success renting out apartments to travel nurses from Virginia Gay Hospital. There are not a lot of opportunities in this area and he was able to get \$700+/mo for the one bedroom apartments.



Year	Initial Equity	Equity (loan reduction)	Equity (appreciation)
1	\$98,750	\$4,532	\$17,000
2	\$98,750	\$9,392	\$29,360
3	\$98,750	\$14,603	\$42,091
4	\$98,750	\$20,190	\$55,204
5	\$98,750	\$26,182	\$68,710



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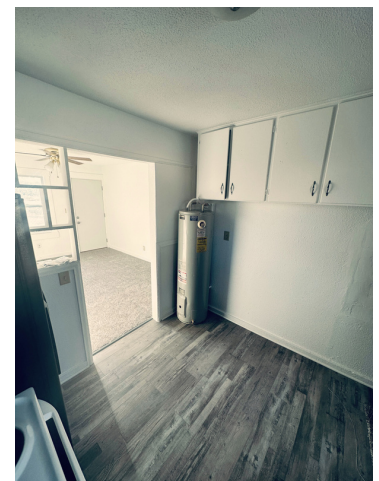
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OFFERING OVERVIEW

Price	\$395,000
Units	8
Price / Unit	\$49,375
NOI	\$30,867
CAP Rate	7.7%
Building SF	5,108
Price / SF	\$77.33
Lot Size	0.58 Acres
Parking	Off Street
Year Built	1948
Renovated	Yes



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