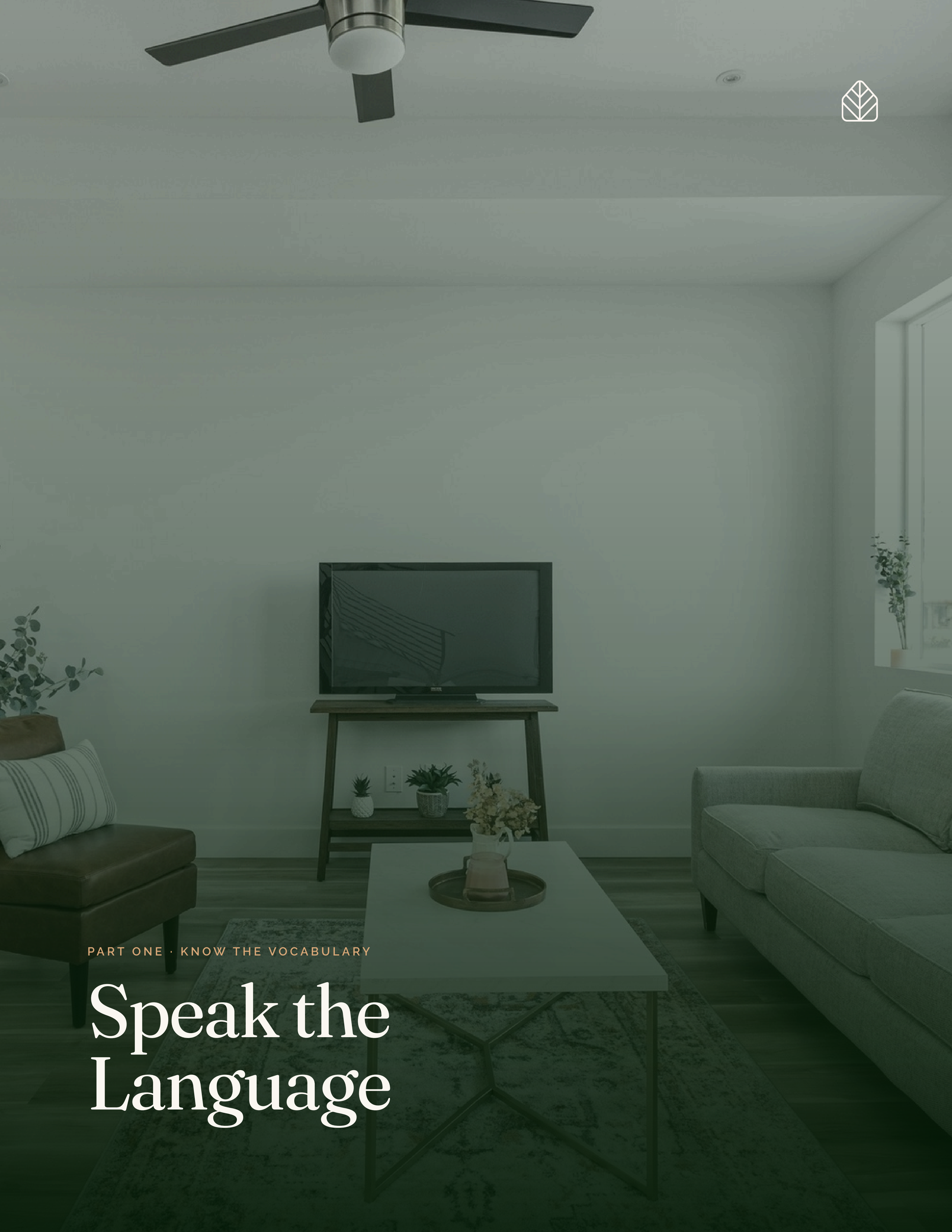
ROOTS REALTY CO

INDIANAPOLIS, INDIANA

Investor's Guide

Steps to executing confidently on an investment property in Indianapolis.



PART ONE · KNOW THE VOCABULARY

Speak the Language

THE BASICS

Real Estate Terms

The shared language of every transaction. Keep these handy as you move through your first — or your next — deal.

OFFER
A preliminary agreement to purchase a property, set between a buyer and a seller.

CONTINGENCY
An offer is accepted pending certain conditions set out by the seller.

CLOSING COST
The amount paid in addition to the sale price — taxes, insurance, and lender expenses.

EARNEST MONEY
Funds set aside in escrow to show you're serious; applied to closing costs at closing.

HOME INSPECTION
An official review of the property's condition to determine if repairs are needed.

TITLE SEARCH
Confirms that the property legally belongs to the seller.

APPRAISAL
Determines value based on the asset, neighborhood, and market conditions.

DISCLOSURES
Everything the seller knows about the property, including any repairs needed.

CLOSING
The final exchange of money and keys.

PRE-APPROVAL
The first step to a mortgage; lenders analyze your income, debt, and credit.

THE STRATEGY WORDS

Investor Terms

The vocabulary that separates a homebuyer from an investor. Your Roots agent speaks all of it — because they invest too.

SFR / MFR
Single-Family Residence and Multi-Family Residence — the two core property types.

CAPEX
Capital expenditures — big-ticket replacements such as a roof or furnace.

PM
Property management — typically around 10% of rent in Indianapolis.

SELLER FINANCING
The buyer pays the seller directly, with terms negotiated between the two parties.

DSCR
A Debt Service Coverage Ratio loan — qualified on the property's income, not your personal income.

SUB-2 / SUBJECT-TO
The buyer takes over the seller's existing mortgage to keep its lower interest rate.

LAND CONTRACT
The buyer makes monthly payments and receives title once the balance is paid in full.

MTR
Mid-term rental — a furnished stay of one month or longer.

1% RULE
A quick screen where monthly rent equals 1% of the purchase price (rare in today's market).

HOW WEALTH IS BUILT

Investment *Fundamentals*

Real estate builds wealth in more ways than one. These are the levers working for you the moment you own a property.

CASH FLOW

The income left after the bills — rent minus mortgage, taxes, insurance, and more.

APPRECIATION

The increase in a property's value over time (2–5% annually in Indy).

EQUITY PAYDOWN

Also called amortization — each month your tenant's rent pays down your mortgage.

1031 EXCHANGE

Defer capital gains tax by reinvesting proceeds into another property within a set window.

BRRRR

Buy, Renovate, Rent, Refinance, Repeat — a cycle for recycling your capital.

DEPRECIATION

Write off a property's value over 27.5 years against your taxable income.

ARV

After Repair Value — what a property will be worth once renovations are complete.

PARTY WALL AGREEMENT

Governs how shared walls and responsibilities are managed across split duplex or MFR units.

PART TWO · FROM FIRST CALL TO CLOSE

The Investment Roadmap

THE BIG PICTURE

The Investment *Roadmap*

Eight steps take you from assembling your team to building real wealth. Your Roots agent runs this play alongside you.

1

BUILD YOUR TEAM

Line up an investor-friendly agent, property manager, lender, and contractor.

2

PREPARE FINANCING

Get a pre-approval or proof of funds in hand.

3

PROPERTY SEARCH

Use the MLS or Roots' email blasts for off-market deals.

4

OFFER

Negotiate, go under contract, and submit earnest money.

5

DUE DILIGENCE

Order inspections and gather repair estimates.

6

APPRAISAL

Your lender evaluates the property's fair market value.

7

CLOSING DAY

Exchange money and title in person or with a notary.

8

CELEBRATE

You've built wealth through real estate!

Note: Every deal is different. Lean on your Roots agent at each step — they have run this roadmap on their own properties.

YOUR TEAM STARTS HERE

Why Choose *Roots*

Every Roots agent is also an active investor. They help clients buy strategically — protecting both the buyer and the asset.

Roots Realty Co. partners with @properties Indy — one of Indianapolis' fastest-growing brokerages — pairing that investor mindset with strong marketing and deep local market knowledge.

> *"Each Roots agent is also an investor — so you get a partner who has run the numbers on their own deals."*

STEP TWO

Prepare Your *Financing*

Get pre-approved with a recommended lender before you start making offers. A strong pre-approval — or proof of funds — lets you move fast when the right property appears.

AVOID MAJOR FINANCIAL CHANGES BEFORE CLOSING

Anything that shifts your income or debt can affect your financing. Until you close, steer clear of:

- Changing jobs
- Buying a vehicle
- Adding new debt
- Making large deposits
- Co-signing a loan
- Spending your down payment funds

Not sure which loan fits — conventional, DSCR, or something more creative? Ask your Roots agent. They can connect you with investor-friendly lenders who structure deals like yours every day.

PART THREE · PUTTING IT TO WORK

Find, Analyze & Close

WHERE DEALS COME FROM

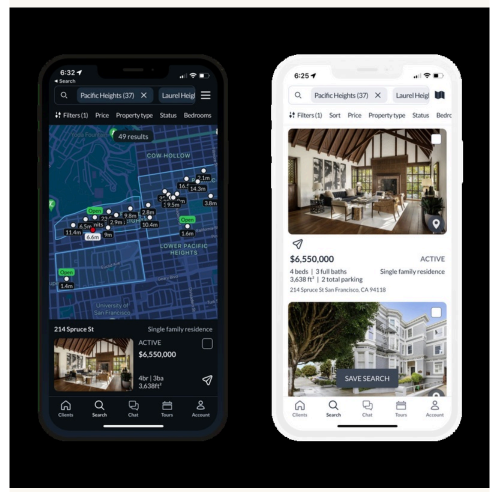
Finding Deals

ZENLIST

Roots' real-time MLS search tool for buyers and investors. Your agent sets you up with instant alerts matching your buy box, the moment new listings hit the market.

OFF-MARKET DEALS

Roots shares pre-list and exclusive opportunities directly with investors by email — deals you won't find on the open market.



GET SET UP

Join Zenlist — *zenlist.com/a/tyler.lingle*

INDIANAPOLIS

Where to *Invest*

Different neighborhoods serve different strategies. Your Roots agent helps you match the area to your goal.

CASH-FLOW AREAS

Stronger rent-to-price ratios — built for monthly income.

- Near Eastside
- Near Westside
- Fountain Square
- Mapleton–Fall Creek
- South Broad Ripple
- Lawrence
- Christian Park
- Twin Aire
- Beech Grove

APPRECIATION AREAS

Stronger long-term value growth — built for equity.

- Downtown
- Broad Ripple
- Meridian–Kessler
- Irvington
- Speedway
- Carmel
- Noblesville
- Westfield
- Greenwood

Explore the Roots investor map — a live, neighborhood-by-neighborhood view of Indianapolis. Tap to open, or ask your Roots agent.

RUN THE NUMBERS

Analyzing a *Deal*

ESTIMATE INCOME

- Rentometer.com
- Zillow & Trulia rental comps
- Realtor or property-manager estimates

TYPICAL EXPENSE AVERAGES

- Taxes: 2–2.5% of assessed value
- Insurance: ~$1 per sq. ft.
- Repairs: 10–15% of rent
- Sewer & water: $100–$150 / unit
- Vacancy: 4–6%
- Management: 10% of rent
- Closing: 1.5–2% of price

Cash Flow = Income − Expenses

The goal is positive cash flow with room to spare for the surprises. Your Roots agent will help you pressure-test every assumption before you write an offer.

WALK IT LIKE AN INVESTOR

Key Property *Questions*

When you tour a property, look past the finishes. The answers below are what move a deal — and a budget.

OUTSIDE

- How old is the roof?
- Are there large trees close to the structure?
- Any signs of drainage or grading issues?

INSIDE

- How is the layout, and what condition is the basement in?
- How old are the electrical, plumbing, HVAC, and water heater?
- Are there washer and dryer hookups?

PLAN FOR THE BIG STUFF

Capital *Expenditures*

The big-ticket replacements every owner eventually faces. Knowing the life expectancy and cost helps you reserve for them — and price an offer.

COMPONENT	LIFE EXPECTANCY	COST TO REPLACE
Roof	15–25 years	$8k–$15k
HVAC	15–25 years	$3k–$4k
Water Heater	10–15 years	$1.5k–$3k
Electrical	Varies	$15k–$20k
Plumbing	Varies	$15k–$30k+
Foundation	—	$10k–$20k+
Appliances	15–20 years	$2k–$4k

Set aside a monthly CapEx reserve from day one. A roof or furnace is not an emergency when you have planned for it — it is just the cost of owning the asset.

THE LAST STEP

The Closing *Process*

WHAT TO BRING

- A government-issued photo ID
- A cashier's check or wire for funds due
- Any title or lender documents requested

Local buyers sign at the title company. Out-of-state investors can close remotely with a mobile notary — your Roots agent coordinates the details either way.

Congratulations — you're now a property owner!

INDIANAPOLIS CONTACTS

Local Resources

UTILITIES

AES Indiana — Electric
aesindiana.com

Citizens Energy Group — Gas / Sewer
citizensenergygroup.com

Trash Pickup
indy.gov/activity/trash-pickup

PROPERTY MANAGEMENT

Roots Property Management Co.
Our in-house property management team

Hoosier Homes LLC

T&H Realty

INSPECTORS

TopDog Inspection Services

Pillar to Post

Markham Inspection Services

INSURANCE & LENDING

Jackson Blevins — Core Life Insurance

Ted King — Goosehead Mortgage

Kali DeWitt — DeWitt Insurance Agency

KEEP LEARNING

Additional *Resources*

A few places to go deeper. Tap any title to open it, or ask your Roots agent to send the link.

01 **Join Zenlist**
Real-time MLS search and instant deal alerts.
zenlist.com/a/tyler.lingle

02 **Underwriting Course**
A walkthrough of how to underwrite a deal, step by step.
Video · Loom

03 **Indy Investor Course**
Roots' full investing course for the Indianapolis market.
Video · YouTube

04 **House Hacking: 9-Step Guide**
How to live in one unit while tenants cover the mortgage.
PDF · Google Drive

05 **Neighborhood Grades & Map**
A graded view of Indianapolis neighborhoods for investors.
PDF · Google Drive

06 **Start Here with Roots Realty Co.**
The best first step — everything in one place.
rootsrealty.co/start-here

SPACE TO THINK

Notes

ROOTS

REALTY CO

We help people plant roots.

ROOTSREALTY.CO

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