BRRRR on SOMERSET

8.53%

19.78%



Monthly Income: Monthly Expenses: Monthly Cash Flow: Pro Forma Cap Rate: \$1,036 / \$1,137 \$339 / \$238 \$1,375.00 NOI **Total Cash Needed** Cash on Cash ROI **Purchase Cap Rate** \$40,640.00 10.0% / 92.4% \$7,912.50

Purchase Price: \$40,000.00 **Purchase Closing Costs:** \$1,000.00 **Estimated Repairs:** \$31,000.00 **Total Project Cost:** \$72,000.00 \$92,736.00 After Repair Value: Estimated Rehab Time: 1 Month Time to Refinance: 3 Months

Acquisition: Down Payment: \$8,000.00 Loan Amount: \$32,000.00 Loan Points/Fees: \$640.00 Amortized Over: 0 years Loan Interest Rate: 12.00% Monthly P&I: \$320.00 Total Cash Needed At Purchase: \$40,640.00

Refinance: Loan Amount: \$69,552.00 Loan Fees: Amortized Over: 20 years 4.00% Loan Interest Rate: Monthly P&I: \$421.47 Total Cash Invested: \$3,088.00

Income





Pre-Refinance Expenses



■ Vacancy ■ Repairs ■ CapEx ■ Insurance

\$171.88 (13%) Vacancy \$55.00 (4%) Repairs CapEx \$68.75 (5%) Insurance \$67.00 (5%) Management \$110.00 (8%) \$320.00 (23%) **Property Taxes** \$243.00 (18%) Total \$1,035.63 (75%)

Post-Refinance Expenses

■ Vacancy ■ Repairs ■ CapEx ■ Insurance



\$171.88 (13%) Vacancy Repairs \$55.00 (4%) \$68.75 (5%) CapEx Insurance \$67.00 (5%) Management \$110.00 (8%) \$421.47 (31%) **Property Taxes** \$243.00 (18%) Total \$1,137.10 (83%)

Financial Projections

Total Initial Equity: \$60,736.00
Gross Rent Multiplier: 2.42
Income-Expense Ratio (2% Rule): 1.91%
ARV based on Cap Rate: -

50% Rule Cash Flow Estimates Pre-Refinance

50% Rule Cash Flow Estimates Post-Refinance

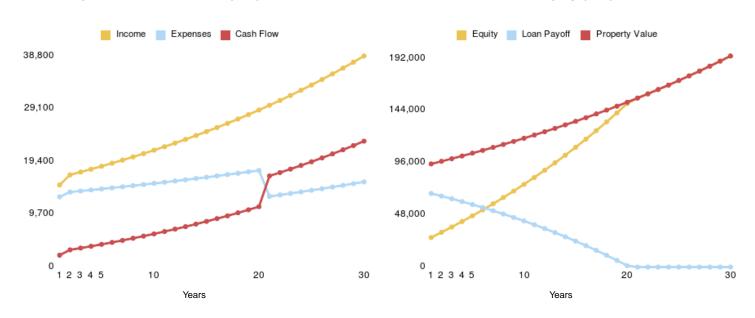
Total Monthly Income:	\$1,375	Total Monthly Income:	\$1,375
x50% for Expenses:	\$688	x50% for Expenses:	\$688
Monthly Payment/Interest Payment:	\$320	Monthly Payment/Interest Payment:	\$421
Total Monthly Cashflow using 50% Rule:	\$368	Total Monthly Cashflow using 50% Rule:	\$266

Analysis Over Time

Annual Growth Assumptions	2.1% Expenses		3% Income		2.5% Property Value		
	Year 1	Year 2	Year 3	Year 4	Year 10	Year 20	Year 30
Total Annual Income	\$15,125	\$16,995	\$17,505	\$18,030	\$21,529	\$28,933	\$38,883
Total Annual Expenses	\$12,935	\$13,825	\$14,010	\$14,198	\$15,411	\$17,803	\$15,690
Total Annual Cashflow	\$2,190	\$3,170	\$3,495	\$3,832	\$6,117	\$11,130	\$23,194
Cash on Cash ROI	70.92%	102.64%	113.19%	124.11%	198.10%	360.42%	751.09%
Property Value	\$95,054	\$97,431	\$99,867	\$102,363	\$118,710	\$151,959	\$194,520
Equity	\$27,232	\$31,997	\$36,918	\$42,001	\$76,239	\$150,703	\$194,520
Loan Balance	\$67,822	\$65,434	\$62,949	\$60,362	\$42,471	\$1,256	\$0
Total Profit if Sold	\$17,779	\$25,499	\$33,697	\$42,388	\$105,917	\$264,737	\$503,214
Annualized Total Return	576%	204%	128%	96%	43%	25%	19%

Income, Expenses and Cash Flow (in \$)

Loan Balance, Value and Equity (in \$)



 House Size (sq. ft)
 1344

 Lot Size (sq. ft)
 1441

 Year Built
 1880

 Stories
 2

Property Type Single Family

County Appraised Value 67500

Other Info Built in 1880. Last sold for \$46k in October 1991.

Tenanted 3 bed/1 bath has 1,344 total square feet of living space.

Home is half of \$80k package deal offered by seller.

Current tenants in place for 10+ years at rate 40% lower than current median.

Plan = 12 mos BRRRR HML for purchase. Rehab OOP.

Sales/listing comps average \$75/sq. ft. ARV estimate \$69/sq. ft.

GC estimates \$31k for kitchen, bath, floors.

Calculations based on a 31-day month. The calculators found on BiggerPockets are designed to be used for informational and educational purposes only, and when used alone, do not constitute investment advice. BiggerPockets recommends that you seek the advice of a real estate professional before making any type of investment. The results presented may not reflect the actual return of your own investments. BiggerPockets is not responsible for the consequences of any decisions or actions taken in reliance upon or as a result of the information provided by these tools. Furthermore, BiggerPockets is not responsible for any human or mechanical errors or omissions.