

Example: BRRRR Property

Investment Property - BRRRR

Fischer Blvd
Toms River, NJ 08753

\$ 450,000 Price · **\$ 600,000 ARV**
\$ 387/mo Cash Flow · **7.3% Cap Rate** · **16.3% COC**

Prepared by:



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Property Description

ADDRESS

Fischer Blvd
Toms River, NJ 08753

UNIT MIX & RENT ROLL

1 Unit - 3 Beds, 2 Baths
Square Footage: 1,000
Gross Rent: \$ 2,050 Per Month

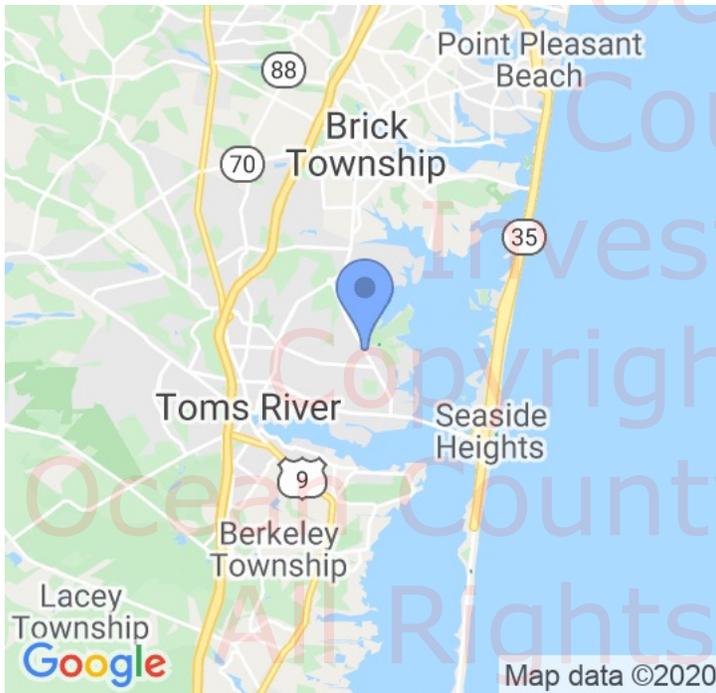
DETAILS

Property Type: Multi-Family
Year Built: Sample Year Built
Parking: Private Lot
Lot Size: 3,434 sq.ft.
Zoning: Multi-Family
MLS Number: Sample MLS #

1 Unit - 3 Beds, 2 Baths
Square Footage: 1,000
Gross Rent: \$ 2,100 Per Month

UNIT INFORMATION

Total Units: 2
Total Square Footage: 2,000



Purchase & Rehab Analysis

PURCHASE

Purchase Price:		\$ 450,000
Rehab Costs:	+	\$ 32,725
Amount Financed:	-	\$ 392,725
Down Payment:	=	\$ 90,000
Purchase Costs:	+	\$ 2,400
Total Cash Needed:	=	\$ 92,400
After Repair Value:		\$ 600,000
Price Per Square Foot:		\$ 225
Price Per Unit:		\$ 225,000

FINANCING (PURCHASE)

Loan Type:	Interest Only
Loan Amount:	\$ 400,580
Loan to Cost (LTC):	81.4%
Loan to Value (LTV):	65.5%
Interest Rate:	8.5%
Finance Rehab Costs:	Yes (100%)
Loan Payments:	\$ 2,837 Per Month

PURCHASE COSTS

Home Inspection:	\$ 400
Loan Points:	\$ 7,855 (Financed)
Closing Costs:	\$ 2,000
Total:	\$ 10,255

ASSUMPTIONS & PROJECTIONS

Holding Period:	4 Months
Rehab Cost Overrun:	10%
Vacancy:	5%
Appreciation:	3% Per Year
Income Increase:	2% Per Year
Expenses Increase:	2% Per Year
Selling Costs:	3% of Sales Price
Land Value:	\$ 150,000

HOLDING COSTS

Loan Payments:	\$ 11,350
Property Taxes:	\$ 1,083
Insurance:	\$ 250
Common Utilities:	\$ 300
Landscaping:	\$ 200
Total:	\$ 13,183
Total Per Month:	\$ 3,296

Rehab Costs

Exterior Stucco Repair:	\$ 1,750
New North/East Side Fence:	\$ 2,800
Unit 1 - New Windows:	\$ 1,800
Unit 1 - Master Bath Shower:	\$ 2,500
Unit 2 - Stairwell Repair:	\$ 2,200
Unit 1/2 - Full Interior Paint:	\$ 3,500
Unit 1/2 - New Carpet:	\$ 5,000
Unit 1/2 - New Fixtures:	\$ 1,500
Unit 1/2 - New Appliances:	\$ 3,600
Unit 1/2 - New Water Heaters:	\$ 4,000
Landscaping:	\$ 350
Trash Removal:	\$ 750
Cost Overrun:	\$ 2,975 (10%)
Total:	\$ 32,725

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Refinance Analysis & Returns

REFINANCE

Refinance Loan Amount:		\$ 480,000
Refinance Costs:	-	\$ 2,250
Purchase Loan Repayment:	-	\$ 400,580
Holding Costs:	-	\$ 13,183
Refinance Cash Out:	=	\$ 63,988
Invested Cash:		\$ 92,400
Refinance Cash Out:	-	\$ 63,988
Total Cash Invested:	=	\$ 28,412

FINANCING (REFINANCE)

Loan Type:	Amortizing
Loan Amount:	\$ 481,000
Loan to Value (LTV):	80%
Loan Term:	30 Years
Interest Rate:	4.25%
Finance Rehab Costs:	N/A
Loan Payments:	\$ 2,366 Per Month \$ 28,395 Per Year

RETURNS & RATIOS (Year 1, After Refinance)

Cap Rate (Purchase/Market):	7.3% / 5.5%
Cash on Cash Return:	16.3%
Return on Equity:	3.2%
Return on Investment:	361.8%
Internal Rate of Return:	361.8%
Rent to Value:	0.9%
Gross Rent Multiplier:	9.04
Equity Multiple:	4.62
Break Even Ratio:	85.7%
Debt Coverage Ratio:	1.16
Debt Yield:	6.9%

REFINANCE COSTS

Appraisal:	\$ 750
Lender Fees:	\$ 1,000 (Financed)
Closing Costs:	\$ 1,500
Total:	\$ 3,250

Cash Flow (Year 1, After Refinance)

	Monthly	Yearly
CASH FLOW		
Gross Rent:	\$ 4,150	\$ 49,800
Vacancy (5%):	-	\$ 2,490
Other Income:	+	\$ 0
Operating Income:	=	\$ 3,942
Operating Expenses (30.2%):	-	\$ 1,189
Net Operating Income:	=	\$ 2,753
Loan Payments:	-	\$ 2,366
Cash Flow:	=	\$ 387
Cash Flow Per Unit:	\$ 194	\$ 2,325

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

	Monthly	Yearly
EXPENSES		
Property Taxes:	\$ 271	\$ 3,250
Insurance:	\$ 63	\$ 750
Property Management:	\$ 315	\$ 3,785
Maintenance:	\$ 332	\$ 3,984
Capital Reserves:	\$ 83	\$ 996
Common Utilities:	\$ 75	\$ 900
Landscaping:	\$ 50	\$ 600
Total:	\$ 1,189	\$ 14,265

Buy & Hold Projections

	APPRECIATION 3% Per Year	INCOME INCREASE 2% Per Year	EXPENSES INCREASES 2% Per Year		SELLING COSTS 3% of Price	
	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
INCOME						
Gross Rent:	\$ 49,800	\$ 51,812	\$ 53,905	\$ 59,516	\$ 72,549	\$ 88,437
Vacancy (5%):	- \$ 2,490	- \$ 2,591	- \$ 2,695	- \$ 2,976	- \$ 3,627	- \$ 4,422
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0
Operating Income:	= \$ 47,310	= \$ 49,221	= \$ 51,210	= \$ 56,540	= \$ 68,922	= \$ 84,015
EXPENSES						
Property Taxes:	\$ 3,250	\$ 3,381	\$ 3,518	\$ 3,884	\$ 4,735	\$ 5,771
Insurance:	+ \$ 750	+ \$ 780	+ \$ 812	+ \$ 896	+ \$ 1,093	+ \$ 1,332
Property Management:	+ \$ 3,785	+ \$ 3,938	+ \$ 4,097	+ \$ 4,523	+ \$ 5,514	+ \$ 6,721
Maintenance:	+ \$ 3,984	+ \$ 4,145	+ \$ 4,312	+ \$ 4,761	+ \$ 5,804	+ \$ 7,075
Capital Reserves:	+ \$ 996	+ \$ 1,036	+ \$ 1,078	+ \$ 1,190	+ \$ 1,451	+ \$ 1,769
Common Utilities:	+ \$ 900	+ \$ 936	+ \$ 974	+ \$ 1,076	+ \$ 1,311	+ \$ 1,598
Landscaping:	+ \$ 600	+ \$ 624	+ \$ 649	+ \$ 717	+ \$ 874	+ \$ 1,066
Operating Expenses:	= \$ 14,265	= \$ 14,840	= \$ 15,440	= \$ 17,047	= \$ 20,782	= \$ 25,332
CASH FLOW						
Operating Income:	\$ 47,310	\$ 49,221	\$ 51,210	\$ 56,540	\$ 68,922	\$ 84,015
Operating Expenses:	- \$ 14,265	- \$ 14,840	- \$ 15,440	- \$ 17,047	- \$ 20,782	- \$ 25,332
Net Operating Income:	= \$ 33,045	= \$ 34,381	= \$ 35,770	= \$ 39,493	= \$ 48,140	= \$ 58,683
Loan Payments:	- \$ 28,395	- \$ 28,395	- \$ 28,395	- \$ 28,395	- \$ 28,395	- \$ 28,395
Cash Flow:	= \$ 4,650	= \$ 5,986	= \$ 7,375	= \$ 11,098	= \$ 19,745	= \$ 30,288
Cash Flow Per Unit:	\$ 2,325	\$ 2,993	\$ 3,688	\$ 5,549	\$ 9,873	\$ 15,144
TAX BENEFITS & DEDUCTIONS						
Operating Expenses:	\$ 14,265	\$ 14,840	\$ 15,440	\$ 17,047	\$ 20,782	\$ 25,332
Loan Interest:	+ \$ 20,286	+ \$ 19,568	+ \$ 18,786	+ \$ 16,515	+ \$ 10,238	+ \$ 643
Depreciation:	+ \$ 10,996	+ \$ 10,996	+ \$ 10,996	+ \$ 10,996	+ \$ 10,996	+ \$ 0
Total Deductions:	= \$ 45,547	= \$ 45,404	= \$ 45,222	= \$ 44,559	= \$ 42,016	= \$ 25,975
EQUITY ACCUMULATION						
Property Value:	\$ 618,000	\$ 655,636	\$ 695,564	\$ 806,350	\$ 1,083,667	\$ 1,456,357
Loan Balance:	- \$ 472,891	- \$ 455,603	- \$ 436,785	- \$ 382,122	- \$ 230,993	- \$ 0
Total Equity:	= \$ 145,109	= \$ 200,033	= \$ 258,779	= \$ 424,228	= \$ 852,674	= \$ 1,456,357

	Year 1	Year 3	Year 5	Year 10	Year 20	Year 30
SALE ANALYSIS						
Equity:	\$ 145,109	\$ 200,033	\$ 258,779	\$ 424,228	\$ 852,674	\$ 1,456,357
Selling Costs (3%):	- \$ 18,540	- \$ 19,669	- \$ 20,867	- \$ 24,191	- \$ 32,510	- \$ 43,691
Sale Proceeds:	= \$ 126,569	= \$ 180,363	= \$ 237,912	= \$ 400,038	= \$ 820,164	= \$ 1,412,666
Cumulative Cash Flow:	+ \$ 4,650	+ \$ 15,947	+ \$ 29,995	+ \$ 77,888	+ \$ 235,012	+ \$ 488,734
Total Cash Invested:	- \$ 28,412	- \$ 28,412	- \$ 28,412	- \$ 28,412	- \$ 28,412	- \$ 28,412
Total Profit:	= \$ 102,807	= \$ 167,898	= \$ 239,495	= \$ 449,514	= \$ 1,026,764	= \$ 1,872,988
INVESTMENT RETURNS						
Cap Rate (Purchase Price):	7.3%	7.6%	7.9%	8.8%	10.7%	13%
Cap Rate (Market Value):	5.3%	5.2%	5.1%	4.9%	4.4%	4%
Cash on Cash Return:	16.4%	21.1%	26%	39.1%	69.5%	106.6%
Return on Equity:	3.2%	3%	2.8%	2.6%	2.3%	2.1%
Return on Investment:	361.8%	590.9%	842.9%	1,582.1%	3,613.8%	6,592.2%
Internal Rate of Return:	361.8%	90.5%	56.6%	32.6%	19.8%	15%
FINANCIAL RATIOS						
Rent to Value:	0.7%	0.7%	0.6%	0.6%	0.6%	0.5%
Gross Rent Multiplier:	12.41	12.65	12.9	13.55	14.94	16.47
Equity Multiple:	4.62	6.91	9.43	16.82	37.14	66.92
Break Even Ratio:	85.7%	83.4%	81.3%	76.4%	67.8%	60.8%
Debt Coverage Ratio:	1.16	1.21	1.26	1.39	1.7	2.07
Debt Yield:	7%	7.5%	8.2%	10.3%	20.8%	-

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Recent Comparable Rental Listings

Average Listed Rent

\$ 1,904 (\$ 1.59/sq.ft.)

\$ 1,175 - \$ 3,000

\$ 0.91/sq.ft. - \$ 2.01/sq.ft.



Estimated Rent Based on Average Rent/
Sq.Ft.

\$ 3,180

Property	Distance	Type	Beds	Baths	Sq.Ft.	Listed Rent	Listing Date
● Fischer Blvd Toms River, NJ 08753	0 mi	Multi-Family Built Sample Year Built	-	-	2,000	-	-
A 777 Garfield Ave Toms River, NJ 08753	0.16 mi	House	2	1	680	\$ 1,350 \$ 1.99/sq.ft.	06/28/2019
B 2528 Matso Dr Toms River, NJ 08753	0.18 mi	House	4	3	2,016	\$ 2,900 \$ 1.44/sq.ft.	08/08/2019
C 760 Tunney Point Dr Toms River, NJ 08753	0.21 mi	House	3	1	-	\$ 1,650	04/29/2019
D 788 Maplecrest Rd Toms River, NJ 08753	0.25 mi	House	5	3	-	\$ 3,000	02/28/2020
E 776 Tunney Point Dr Toms River, NJ 08753	0.23 mi	House	3	1.5	-	\$ 1,900	09/19/2019
F 629 Garfield Ave Toms River, NJ 08753	0.36 mi	House	2	1	-	\$ 1,200	02/28/2020

	Property	Distance	Type	Beds	Baths	Sq.Ft.	Listed Rent	Listing Date
G	1299 Bay Ave Toms River, NJ 08753	0.37 mi	House	3	1	-	\$ 1,655	11/09/2019
H	671 Ellicott Ave, Unit 3C Toms River, NJ 08753	0.37 mi	Condo	2	2	-	\$ 1,400	04/08/2019
I	617 Garfield Ave Toms River, NJ 08753	0.4 mi	House	3	2	-	\$ 1,995	06/26/2019
J	1237 Condor St Toms River, NJ 08753	0.42 mi	House	3	1.5	1,250	\$ 2,000 \$ 1.60/sq.ft.	07/16/2019
K	792 Warren St Toms River, NJ 08753	0.45 mi	House	3	1	-	\$ 1,400	08/09/2019
L	3135 Veeder Ave Toms River, NJ 08753	0.47 mi	House	3	1	-	\$ 2,100	04/21/2019
M	20 Barbados Ave Toms River, NJ 08753	0.5 mi	House	4	2	2,200	\$ 2,000 \$ 0.91/sq.ft.	10/17/2019
N	3138 Creek Rd Toms River, NJ 08753	0.52 mi	House	3	1	-	\$ 1,800	02/28/2020
O	1341 Bay Ave Toms River, NJ 08753	0.52 mi	House	2	1	748	\$ 1,500 \$ 2.01/sq.ft.	02/21/2020
P	1950 Red Cedar St Toms River, NJ 08753	0.62 mi	House	2	1	-	\$ 1,175	11/12/2019
Q	106 Hollyberry Dr Toms River, NJ 08753	0.66 mi	House	3	2	-	\$ 1,850	06/26/2019
R	2414 5th Ave Toms River, NJ 08753	0.68 mi	House	5	2	-	\$ 2,200	09/17/2019
S	879 Egret Dr Toms River, NJ 08753	0.68 mi	House	3	2	-	\$ 1,995	08/08/2019
T	1986 New St Toms River, NJ 08753	0.71 mi	House	4	3	-	\$ 3,000	04/21/2019

Purchase Criteria Analysis

CASH FLOW

- ✗ Fails 1% Rule
- ✗ Fails 2% Rule
- ✓ Passes 50% Rule

INVESTMENT RETURNS

- ✓ Cap Rate greater than 6%
- ✓ Cash on Cash Return greater than 8%
- ✗ Return on Equity less than 8%
- ✓ Return on Investment greater than 15%
- ✓ Internal Rate of Return greater than 8%

FINANCIAL RATIOS

- ✗ Rent to Value less than 1%
- ✗ Gross Rent Multiplier greater than 6
- ✓ Equity Multiple greater than 1.1
- ✗ Break Even Ratio greater than 80%
- ✗ Loan to Cost Ratio greater than 80%
- ✓ Loan to Value Ratio less than 80%
- ✗ Debt Coverage Ratio less than 1.2
- ✗ Debt Yield less than 10%

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Property Photos



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