

# Example: Flip Property

## Investment Property - Rehab & Flip

Fischer Blvd  
Toms River, NJ 08753

**\$ 450,000 Price · \$ 600,000 ARV**  
**\$ 57,838 Total Profit · 54.8% ROI · 164.4% Annualized ROI**

Prepared by:



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# Property Description

## ADDRESS

Fischer Blvd  
Toms River, NJ 08753

## UNIT MIX

1 Unit - 3 Beds, 2 Baths  
Square Footage: 1,000

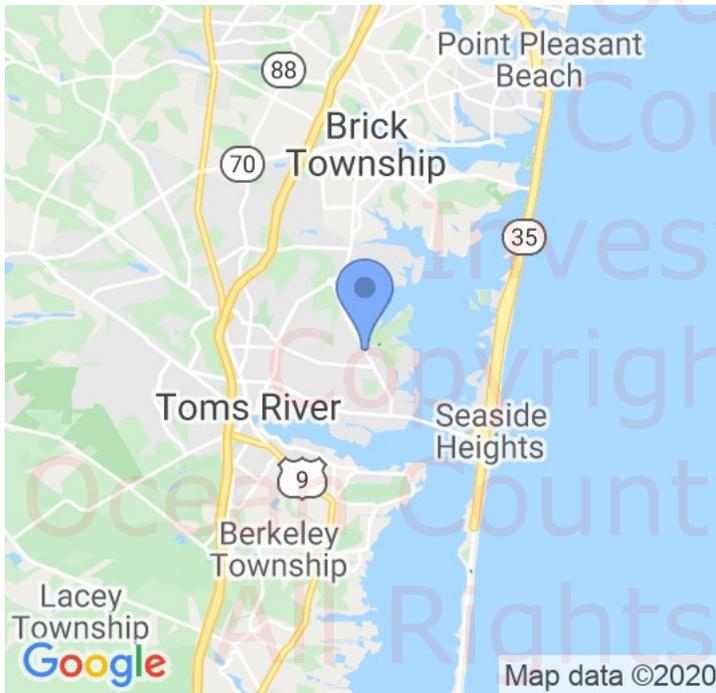
## DETAILS

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

## 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
<b>Down Payment:</b>	<b>=</b>	<b>\$ 90,000</b>
Purchase Costs:	+	\$ 2,400
<b>Total Cash Needed:</b>	<b>=</b>	<b>\$ 92,400</b>
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
<b>Total:</b>	<b>\$ 10,255</b>

### ASSUMPTIONS & PROJECTIONS

Holding Period:	4 Months
Rehab Cost Overrun:	10%

### HOLDING COSTS

Loan Payments:	\$ 11,350
Property Taxes:	\$ 1,083
Insurance:	\$ 250
Common Utilities:	\$ 300
Landscaping:	\$ 200
<b>Total:</b>	<b>\$ 13,183</b>
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%)
<b>Total:</b>	<b>\$ 32,725</b>

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## Sale Analysis & Returns

### SALE & PROFIT

After Repair Value:		\$ 600,000
Selling Costs:	-	\$ 36,000
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Sale Proceeds:	=	\$ 564,000
Loan Repayment:	-	\$ 400,580
Holding Costs:	-	\$ 13,183
Invested Cash:	-	\$ 92,400
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Total Profit:	=	\$ 57,838
Total Profit Per Unit:		\$ 28,919

### INVESTMENT RETURNS

Return on Investment:	54.8%
Annualized ROI:	164.4%

### SELLING COSTS

Total (6% of ARV):	\$ 36,000
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## Profit Projections

REHAB COSTS  
\$ 32,725

HOLDING PERIOD  
4 Months

LOAN PAYMENTS  
\$ 2,837 Per Month

HOLDING COSTS  
\$ 3,296 Per Month

Holding Period:      2 Months      3 Months      4 Months      5 Months      6 Months      7 Months      8 Months  
PROJECTED

### HOLDING COSTS

Loan Payments:	\$ 5,675	\$ 8,512	\$ 11,350	\$ 14,187	\$ 17,025	\$ 19,862	\$ 22,700
Property Taxes:	+ \$ 542	+ \$ 813	+ \$ 1,083	+ \$ 1,354	+ \$ 1,625	+ \$ 1,896	+ \$ 2,167
Insurance:	+ \$ 125	+ \$ 188	+ \$ 250	+ \$ 313	+ \$ 375	+ \$ 438	+ \$ 500
Common Utilities:	+ \$ 150	+ \$ 225	+ \$ 300	+ \$ 375	+ \$ 450	+ \$ 525	+ \$ 600
Landscaping:	+ \$ 100	+ \$ 150	+ \$ 200	+ \$ 250	+ \$ 300	+ \$ 350	+ \$ 400
<b>Total:</b>	<b>= \$ 6,592</b>	<b>= \$ 9,888</b>	<b>= \$ 13,183</b>	<b>= \$ 16,479</b>	<b>= \$ 19,775</b>	<b>= \$ 23,071</b>	<b>= \$ 26,367</b>

### SALE & PROFIT

After Repair Value:	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000
Selling Costs:	- \$ 36,000	- \$ 36,000	- \$ 36,000	- \$ 36,000	- \$ 36,000	- \$ 36,000	- \$ 36,000
<b>Sale Proceeds:</b>	<b>= \$ 564,000</b>						
Loan Repayment:	- \$ 400,580	- \$ 400,580	- \$ 400,580	- \$ 400,580	- \$ 400,580	- \$ 400,580	- \$ 400,580
Holding Costs:	- \$ 6,592	- \$ 9,888	- \$ 13,183	- \$ 16,479	- \$ 19,775	- \$ 23,071	- \$ 26,367
Invested Cash:	- \$ 92,400	- \$ 92,400	- \$ 92,400	- \$ 92,400	- \$ 92,400	- \$ 92,400	- \$ 92,400
<b>Total Profit:</b>	<b>= \$ 64,429</b>	<b>= \$ 61,132</b>	<b>= \$ 57,838</b>	<b>= \$ 54,541</b>	<b>= \$ 51,246</b>	<b>= \$ 47,949</b>	<b>= \$ 44,654</b>
Total Profit Per Unit:	\$ 32,215	\$ 30,566	\$ 28,919	\$ 27,271	\$ 25,623	\$ 23,975	\$ 22,327

### INVESTMENT RETURNS

Return on Investment:	65.1%	59.8%	54.8%	50.1%	45.7%	41.5%	37.6%
Annualized ROI:	390.6%	239.2%	164.4%	120.2%	91.4%	71.1%	56.4%

## Purchase Criteria Analysis

### VALUATION

- ✘ Fails 65% Rule
- ✘ Fails 70% Rule

### INVESTMENT RETURNS

- ✔ Return on Investment greater than 15%
- ✔ Annualized ROI greater than 80%

### FINANCIAL RATIOS

- ✔ Loan to Cost Ratio less than 90%
- ✔ Loan to Value Ratio less than 75%

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## Property Photos



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