

Quick Snapshot Analysis Formula

Use this Quick Value Equation to help you run the numbers and get to your maximum allowable offer:

Unit Mix x Market Rental Rate = Gross Potential Rent

Gross Potential Rent x Expense Ratio (50%) = Quick NOI

Quick NOI / Cap Rate (10%) = Maximum Cost Basis

Max Cost Basis - Renovations = Maximum Allowable Offer

All In < 70% of ARV

GOAL: Never be in an investment property for more than 75% of the stabilized value!