

Rental Property Valuation

Amount to Invest \$ _____ X Anticipated rate of return _____ % = Target Income \$ _____ / yr

1. Neighborhood rental rate range:

Low: \$ _____ /mo for #___ bedrooms, #___ baths, _____ sq foot

High: \$ _____ /mo for #___ bedrooms, #___ baths, _____ sq foot

PROJECTED RENTAL RATE /INCOME \$ _____ X 11 mo = \$ _____ /yr

2. Projected budget:

Maintenance / Cash-flow \$ _____ /mo x 12 months= \$ _____ /yr

Water / Sewer \$ _____ /qtr x 4 qtrs = \$ _____ /yr

Property taxes: \$ _____ SEV X _____ mil = \$ _____ /yr

Insurance annual premium \$ _____ /yr

TOTAL ANNUALIZED BUDGET \$ _____ /yr

4. Projected Improvements to make it Rental Ready:

Kitchen \$ _____ Baths \$ _____ Walls \$ _____ Flooring \$ _____

Exterior \$ _____ Roof \$ _____ HVAC \$ _____ Trim \$ _____

Other \$ _____

TOTAL IMPROVEMENT BUDGET \$ _____

4. Property value:

Projected annual income \$ _____

Less annualized budget \$ _____

Equals annual profit \$ _____

Divide by Rate of Return _____ %

Equals Target Value of Property \$ _____

Less Improvement Budget \$ _____

Equals TRIGGER PRICE \$ _____