The Deal Analysis Worksheet

The Chapter 4 vetting system plus the Chapter 11 MAO formula. A few focused minutes per lead.

Step 1 — Calculate the ARV

Find two to five solid comps (closer to five is ideal) showing what a fully rehabbed property in that area actually sells for. A solid comp is:

- Sold in the last 6–12 months
- Within half a mile (or the same subdivision)
- Within 20% of your subject property's square footage
- Similar style and condition to your planned finished product
- Same beds and baths, or very close

Study the comps' level of upgrades — the finishes the market expects become your rehab guide. Then calculate ARV two ways and **take the LOWER number**: (1) average price per square foot × your square footage, and (2) the average total sale price of the comps.

In a non-disclosure state: use PropStream's MLS-level data, pay a local agent a small fee for a comp report, or ask experienced local investors.

The second yardstick — rent multiples

In plenty of markets, investors value a property by nothing more than the rent it can collect. Jesse's offers often land between 30–60× monthly rent ($1,000/month rent → $30,000–$60,000 offer) — but that range comes from a depressed market. Learn what investors in YOUR market actually pay relative to rent.

Step 2 — Rough repair estimate

- Major systems: roof, HVAC, plumbing, electrical
- Cosmetics: paint, flooring, cabinets, bathrooms, fixtures
- Structural issues or signs of neglect

While you're new: be extremely conservative; ask an experienced local investor for ballparks; or price materials yourself, get labor-only quotes, and multiply the total by at least 1.5 as a safety buffer.

Square-footage shortcut, at your own risk (these will be way off in many markets): $10–15/sq ft light cosmetics · $20–30 medium updates · $35–70+ full gut.

Step 3 — Check public records

- Tax status
- Liens
- Code violations
- Mortgage balance
- Ownership details (who can actually sign?)

A problem you uncover isn't a dead deal — it's usually negotiation ammunition.

The MAO formula (a starting point, not the bible)

MAO = (ARV × 70%) – **repairs** – **your fee.** Example: $100,000 ARV, $15,000 repairs, $10,000 fee → $70,000 – $15,000 – $10,000 = $45,000 maximum offer. Offer more than that and somebody in the chain — probably you — doesn't get paid.

Worksheet

Property address: ____

ARV by $/sq ft: $____________ ARV by avg sale price: $____________

Working ARV (the LOWER): $____________

Estimated rent: $__________/mo × 30–60 = $____________ to $____________

Rough repairs: $____________ Liens / back taxes: $____________

MAO: (ARV × 0.70) – repairs – fee = $____________

My offer: $____________ Seller's situation / motivation: ______________________