

Quick Offer Worksheet

Once you've found a home that you've successfully identified as a potential deal, you will need to know what type of offer you would like to submit to the owner. Below is a simple exercise to quickly calculate an offer that you plan to submit to the owner.

| PROPERTY DETAILS | | | | | |
|------------------|--|-------|--|--------|--|
| Street Address: | | | | | |
| City/State/Zip: | | | | | |
| Property Type: | | | | | |
| Square Feet: | | Beds: | | Baths: | |

STEP #1: Find your COMPs

The first step is to **figure out the value potential of the home**. In order to figure this out, we must analyze what's going on in the marketplace. Using the information above, let's figure out what comparable homes have sold for in the area.

Directions:

1. Visit a Real Estate Search Engine (i.e. Zillow, or Trulia)
 - a. **Note:** If you have access to MLS, use it!
2. Enter the City and State into the search (**Note:** Use Map View)
3. Filter the Search by inputting the Bed Count, Bath Count and Square Footage (reference the table below)
4. Find (3) homes that are similar...
 - a. First priority is location. Find a home within a 1-mile radius of the source property
(**Note:** If no homes match, try extending to 2-miles. The closer the better)
 - b. Next priority is date sold. Find something sold within the last 3-months
(**Note:** if no match, try extending it to 6-months. The more recent the better)

| SEARCH CRITERIA | | | | |
|----------------------|-----------------------------|----------------|-----------------|------------------|
| Location | Date Sold | Size | | |
| Within 1-mile radius | Closed within last 3-months | Same Bed Count | Same Bath Count | Sqft +/- 200sqft |

STEP #2: Enter your COMPs

Now that you've identified your Comparable properties, enter the details of each property below.

| COMP #1 | | | | | |
|----------------|--|-------|--|--------|--|
| Street Address | | | | | |
| City/State/Zip | | | | | |
| Property Type: | | | | | |
| Square Feet: | | Beds: | | Baths: | |
| SALE PRICE #1: | | | | | |
| SALE DATE: | | | | | |

| COMP #2 | | | | | |
|----------------|--|-------|--|--------|--|
| Street Address | | | | | |
| City/State/Zip | | | | | |
| Property Type: | | | | | |
| Square Feet: | | Beds: | | Baths: | |
| SALE PRICE #2: | | | | | |
| SALE DATE: | | | | | |

| COMP #3 | | | | | |
|----------------|--|-------|--|--------|--|
| Street Address | | | | | |
| City/State/Zip | | | | | |
| Property Type: | | | | | |
| Square Feet: | | Beds: | | Baths: | |
| SALE PRICE #3: | | | | | |
| SALE DATE: | | | | | |

STEP #3: Calculate the ARV

Next we must calculate the maximum After Repair Value (ARV) of the home. To do this, we must use the sale prices we found in Step #1.

| Instructions: Add up each sale price amount to calculate the total | | | TOTAL |
|--------------------------------------------------------------------|---------------|---------------|-------|
| SALE PRICE #1 | SALE PRICE #1 | SALE PRICE #1 | |
| \$ | \$ | \$ | \$ |
| Divide the TOTAL by 3 write the calculation here> | | | \$ |

STEP #4: Estimate your Expenses

Now that we've calculated the ARV, we need to calculate how much it's going to cost to get the job done!

| PROJECT SUMMARY | | | | |
|--------------------|-----------------|----------|------------------|-------|
| Renovation Budget | \$250,000 | | | |
| Projected Timeline | 6 Months | | | |
| Holding Costs | Origination fee | 4 Points | Monthly Interest | 12% |
| | Utilities | \$100 | Insurance | \$300 |

CONSTRUCTION COST:

| | |
|-----------------------------|----|
| Estimated Renovation Budget | \$ |
|-----------------------------|----|

HOLDING COSTS:

| Estimated Project Duration | | |
|--------------------------------|------------------------|----------------|
| Construction Timeline (Months) | Sale Timeline (Months) | Total (Months) |
| | | |

| Holding Costs | | | |
|----------------------|----------------------------------------------------------------------------------------------------------|-----------------------|----|
| Monthly Interest (%) | | Monthly Interest (\$) | \$ |
| | Utilities | \$ | |
| | Insurance | \$ | |
| | Total Amount Per Month | \$ | |
| | Total Holding Cost Multiply cost per month by the Project Duration. Enter the total here >> | \$ | |

ESTIMATED FEES:

| Additional Fees | |
|------------------------|-------------------------|
| Origination Points (%) | Origination Fee (\$) \$ |
| Down Payment | \$ |
| Realtor Fees | \$ |
| Legal Fees | \$ |
| Total Fees | \$ |

TARGET PROFIT:

| | |
|-----------------------------|----|
| What is your target profit? | \$ |
|-----------------------------|----|

STEP #5: Estimate your Offer

Finally, we have all our estimates, so it's time to calculate your offer price.

| | |
|-------------------------------|----|
| ARV | \$ |
| (minus) Construction Estimate | \$ |
| (minus) Holding Cost Estimate | \$ |
| (minus) Fee Estimate | |
| (minus) Target Profit | \$ |
| OFFER PRICE: | |

STEP #6: Deal or No-Deal?

Below are a series of questions to ask yourselves based on your numbers...

1. **Does this offer seem realistic?**
 - a. Is there an existing asking price?
 - b. How steep is the competition?
2. **Is the profit-to-time ratio worth it?**
3. **Is there room for negotiation?**

Note: If the answer is no to any of these questions, the opportunity may be a “No-Deal” scenario or worth reevaluating.