

Understanding After-Repair Value

Presented By:



Beginner Level



Rules of Engagement

1. We are going to cover a lot of material
2. We only have 1 hour of time
3. If you have any questions, please type them in the comments or email to:
md@fstreetgroup.com
4. We will be sending out this material after the workshop for you to reference
5. If you would like to discuss this material or a project you have, please visit our website and submit our [Request a Contact](#) form





We invest to make money.

It is imperative that you understand the value of a property and the market conditions of the area to maximize your profit potential.

What is After-Repair Value?



- The after-repair value (ARV) is the value of a property after it's been improved, renovated, or fixed up. It's the estimated future value of the property after repair.
- It is not a fixed number, but rather an opinion of value based on available market data and valuation experience.

You want to know how much money you can make on a property... understanding your ARV is imperative.

What does ARV mean to you?



Profit Maximization

Risk Mitigation

Wealth Opportunity

...and so much more



Purpose of Finding the ARV



- ARV helps investors make educated decisions on whether they should pursue an investment property and how much to offer
- ARV helps to mitigate risk
- ARV is most used with rehabbers, but should be used for any investment property where repairs would add value

This is your key to becoming a successful investor and maximizing your profit potential.

How to Determine ARV



You can find the ARV by looking at comparable property data. You want to use comparable properties (“Comps”) that are as similar as possible to the subject property (keeping your potential improvements in mind), including the:

- **Condition** of the property (upgrades, finishes, features, etc.)
- **Age** of the property (ideally no more than 5 to 10-year difference in age)
- **Size** of the property (square footage should ideally be within 250 square feet of the subject property) and lot acreage.
- Similar **features** (bedrooms, bathrooms, garage spaces, finished basement, etc.)
- Construction and **style** of property (ranch, bungalow, colonial, brick, etc.)
- **Location** (typically within one mile or less, but ideally in the same neighborhood or subdivision, demising lines, etc.) *The closer the comp, the better the comp.*

Where to Find Comps



- **MLS (Best Data Source)**
- Realtor
- Appraiser
- Property Listing Websites
 - Zillow
 - Redfin
 - Trulia
 - PropStream
 - Realtor.com
 - Propelio

“Run the Comps” – This means doing a Comparative Market Analysis (CMA) on the subject property

MHM Pro Tips



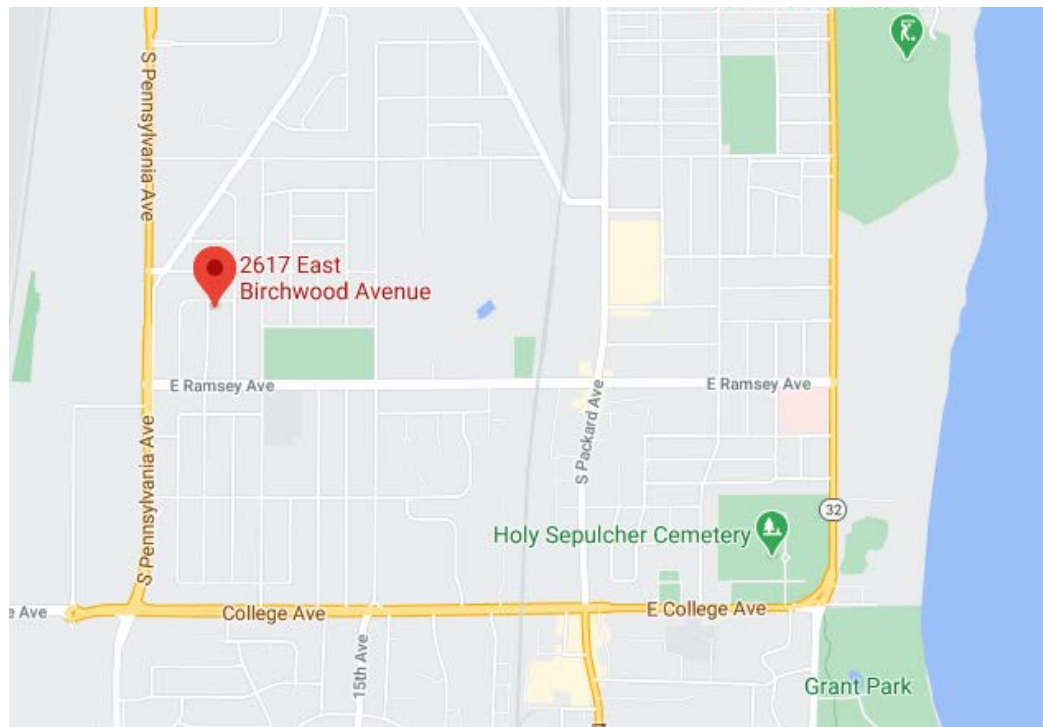
- It is good practice to find **3 to 6 comps** that sold no more than 12 months prior – but the more recent a comp has sold, the better. Also, the closer the comp, the better.
- Look at the Days on Market (DOM) for the sold comparable properties. **Low average DOM** indicates a “seller’s market” or “hot location”.
- If you can’t find any comps, **don’t just guess ARV**. *This may be an indicator that this area is too risky.*
- Your comps should rely solely on **Sold** data. Not “Active” or “Pending” sales.
- Time + Distance = The Better the Comp Value

Comps in Cudahy

2617 E Birchwood Ave

We are purchasing this property tomorrow.

As we go through, what would you pay?



WIREDATA CORPORATION

Full Report

Property Location : 2617 E Birchwood Ave

View: Full Report View

Report Options
Print Report
Search Criteria
Search Results
Modify Search

Taxed by: City Of Cudahy

Owner: Culver Helen & Patrick
2617 E Birchwood Ave
Cudahy, WI 53110

Taxkey # 6760140000

Owner Occupied: Yes

Property Address:
2617 E Birchwood Ave
Cudahy, WI 53110-2420

ID Walk Down
ID Walk Up

Record 1 of 1 selected records
County: Milwaukee
Taxed by: City Of Cudahy
Taxkey # 6760140000

Assessments

Assessment Year	Property Class	Land Assessment	Improvement Assessment	Total Assessment	Percent Of Change	Acres	Ratio
2019	Residential	\$ 65,500	\$ 104,800	\$ 170,300	10.013 #	0.227	0.984777785
2018	Residential	\$ 65,500	\$ 89,300	\$ 154,800	3.545 #	0.227	0.987908794
2017	Residential	\$ 65,500	\$ 84,000	\$ 149,500	0.000-	0.227	0.994290044
2016	Residential	\$ 65,500	\$ 84,000	\$ 149,500	0.000-	0.227	1.020904930
2015	Residential	\$ 65,500	\$ 84,000	\$ 149,500	-14.278 #	0.227	1.017726346
2014	Residential	\$ 65,500	\$ 108,900	\$ 174,400	0.000-	0.227	1.037706320
2013	Residential	\$ 65,500	\$ 108,900	\$ 174,400	0.000-	0.227	1.091473717
2012	Residential	\$ 65,500	\$ 108,900	\$ 174,400	0.000-	0.227	1.047784564
2011	Residential	\$ 65,500	\$ 108,900	\$ 174,400	0.000-	0.227	1.033481146

Taxes

Tax Year	Total Tax	First Dollar	Lottery Credit	Net Tax	Special Taxes	Special Assessment	Special Charges	Full Pay Amount	Ratio
2019	\$4,458.06	\$73.12	\$202.87	\$4,182.07		\$125.00		\$4,307.07	0.984777785
2018	\$4,195.26	\$77.60	\$188.46	\$3,929.20		\$125.00		\$4,054.20	0.987908794
2017	\$4,098.36	\$78.14	\$136.74	\$3,883.48		\$125.00		\$4,008.48	0.994290044
2016	\$4,090.47	\$80.40	\$151.20	\$3,858.87		\$101.00		\$3,959.87	1.020904930
2015	\$4,181.39	\$82.61	\$133.45	\$3,965.33		\$101.00		\$4,066.33	1.017726346
2014	\$4,368.25	\$72.17	\$122.13	\$4,173.95		\$101.00		\$4,274.95	1.037706320
2013	\$4,387.70	\$74.01	\$126.04	\$4,187.65		\$101.00		\$4,288.65	1.091473717
2012	\$4,348.63	\$72.07	\$100.46	\$4,176.10		\$101.00		\$4,277.10	1.047784564
2011	\$4,267.90	\$72.96	\$96.56	\$4,098.38		\$101.00		\$4,199.38	1.033481146

Assessor

Building Square Feet : 1272	Year Built : 1964	Township :
Bedrooms : 3	Year Remodeled :	Range :
Full Baths : 1	Effective Year Built : 1979	Section :
Half Baths : 1	Air Conditioning : Yes	Quarter :
Total Rooms : 6	Fireplace :	Pool :
Number of Stories : 1.00	Number of Units :	Attic :
Building Type : Ranch		Basement : Full Basement
Exterior Wall : Aluminum/vinyl/steel		Heat : Warm Air
Exterior Condition :		Garage : Detached Frame Garage
Land Use : 160 Residential-Single Family		School District : 1253 Cudahy
Zoning : RS-2 Single-Family Residential		Historic Designation :

Legal Description

Nicholson Meadows Lot 5 Blk 11

Sales

Information is supplied by third parties and has not been verified (2020)

Parcel Information

This information is pulled from the City of Cudahy and is publicly available when requested. Every municipality has this information available.

Start thinking about what you would pay and put your amount in the comments when you're ready.



Parcel #: 676-0140-000

10/06/2020 12:08 PM

PAGE 1 OF 1

Alt. Parcel #:

211 - CITY OF CUDAHY
MILWAUKEE COUNTY, WISCONSIN

Tax Address: CULVER, PATRICK & HELEN		Owner(s): O = Current Owner, C = Current Co-Owner O - CULVER, PATRICK & HELEN	
2817 E BIRCHWOOD AVE CUDAHY WI 53110		Property Address(es): * = Primary * 2817 E BIRCHWOOD AVE	
Districts: SC = School SP = Special			
Type	Dist #	Description	
SC	1253	CUDAHY SCHOOLS SALES TAX CREDIT	
SP	5020	MMSD	
Abbreviated Description: (See recorded documents for a complete legal description.) NICHOLSON MEADOWS LOT 5 BLK 11		Acres:	0.227
		Parcel History:	
	Date	Doc #	Vol/Page
			Type
Plat:	* = Primary	Tract:	(S-T-R 40% 160% GL) Block/Condo Bldg:

2019 SUMMARY

Bill #:
223902

Fair Market Value:
172,900

Valuations:

Last Changed: 11/19/2019

Description	Class	Acres	Land	Improve	Total
RESIDENTIAL	G1	0.227	65,500	104,800	170,300
Totals for 2019:					
	General Property	0.227	65,500	104,800	170,300
	Woodland	0.000	0	0	0
Totals for 2018:					
	General Property	0.227	65,500	89,300	154,800
	Woodland	0.000	0	0	0

Lottery Credit: Claim Count: 1

View Results: 18

Property Type of Single Family

MLS #, address or map overlay [Browse »](#)

Shape within Circle

County of Milwaukee

Municipality of Cudahy

Status of Active, Pending, Sold

Active
Delayed
Pending

Off Market Dates

Pending Date = 10/6/2019 to 10/6/2030

Sold Date = 4/06/2020 to 09/08/2030

Expiration Date = 10/6/2019 to 10/6/2030

[Hide Date Ranges](#)

Architecture of (and) Ranch

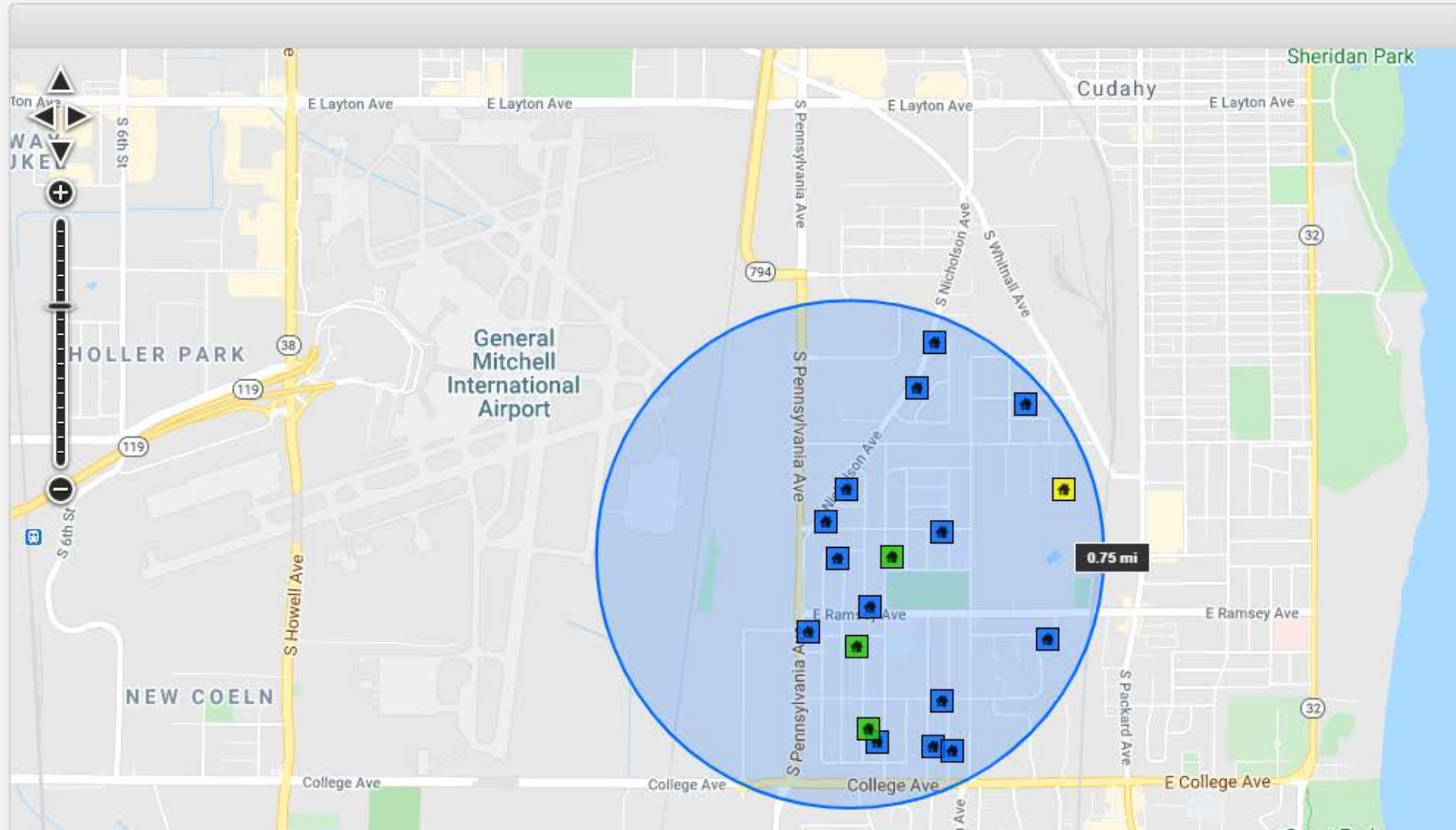
+ Add a field to the search

- Additional Search Options

Pictures

Videos

Documents



Setting Comparable Criteria

We found enough ranch comps to begin analysis

	MLS #	Status	Address	▲Price	Sold Date	Est Fin AboveGr SqFt	Est. Total Sq. Ft.	Bedrooms	Full Baths	Half Baths	G Garage Type	Est. Year Built	Est. Acreage	Architecture
<input type="checkbox"/>	1672492	Sold	3365 E Henry Ave	\$122,750	06/08/2020		1,148	4	1	1	2.5 D	1970	0.19	Ranch
<input type="checkbox"/>	1673205	Sold	5610 S Nicholson Ave	\$127,500	05/22/2020		1,392	3	1	1	2 A	1966	0.26	Ranch
<input type="checkbox"/>	1678644	Sold	3025 E Hammond Ave	\$155,000	04/10/2020	1,064	1,064	3	1	0	1.5 A	1959	0.27	Ranch
<input type="checkbox"/>	1704111	Active C	5762 S Illinois Ave	\$164,900			1,084	3	1	1	1.5 D	1965	0.19	Ranch
<input type="checkbox"/>	1698446	Sold	5354 S Nicholson Ave	\$175,000	08/13/2020		1,102	3	1	0	1.5 D	1958	0.17	Ranch
<input type="checkbox"/>	1676275	Pending	5612 S Buckhorn Ave	\$179,900			1,449	2	1	1	2 A	1978	0.21	Ranch
<input type="checkbox"/>	1686709	Sold	5938 S Pennsylvania Ave	\$183,000	06/08/2020		1,011	3	1	0	2 D	1962	0.17	Ranch
<input type="checkbox"/>	1680165	Sold	6107 S Elaine Ave	\$183,400	05/07/2020		1,120	3	1	1	2.5 D	1977	0.2	Ranch
<input type="checkbox"/>	1682313	Sold	5765 S Delaware Ave	\$185,000	05/05/2020		1,137	3	1	1	2 D	1965	0.19	Ranch
<input type="checkbox"/>	1706239	Sold	3037 E Dale Ave	\$185,000	09/29/2020		968	3	1	0	2.5 D	1962	0.21	Ranch
<input type="checkbox"/>	1704073	Sold	3327 E Mallory Ave	\$191,000	09/25/2020		928	3	1	0	1.5 D	1955	0.19	Ranch
<input type="checkbox"/>	1684733	Sold	6210 S Robert Ave	\$191,500	05/15/2020	1,196	1,700	3	1	1	2.5 A	1969	0.19	Ranch
<input type="checkbox"/>	1697234	Sold	2504 E Dale Ave	\$198,000	08/11/2020		1,232	3	1	1	3 D	1964	0.17	Ranch
<input type="checkbox"/>	1710268	Active C	6162 S Indiana Ave	\$200,000			1,316	3	1	1	2.5 D	1969	0.19	Ranch
<input type="checkbox"/>	1697545	Sold	6203 S Illinois Ave	\$216,000	08/07/2020		1,232	3	1	1	2 D	1972	0.2	Ranch
<input checked="" type="checkbox"/>	1709961	Active C	5971 S Indiana Ave	\$224,900		1,178	1,468	3	1	1	2 D	1968	0.21	Ranch
<input checked="" type="checkbox"/>	1708602	Sold	2710 E Ramsey Ave	\$233,000	09/29/2020	2,033	1,321	3	1	1	2.7 D	1968	0.17	Ranch
<input type="checkbox"/>	1689887	Sold	6220 S Elaine Ave	\$247,500	07/10/2020		1,458	3	2	0	2 A	2003	0.18	Ranch

After initial review, we had 2 comps we considered valid. We needed to **expand search to 12 months** in order to find like properties and properly access value. *But why?*

Sold: \$122,750 (REO)

Remarks: 4 bedroom, 1.5 bath ranch style home with slate exterior is ready for your decorating ideas. This is a good property for buyer looking to earn sweat equity. Conveniently located close to public transportation and shopping. This is a Fannie Mae HomePath property.
Sold Price: \$122,750 Closing Date: 05/08/2020 Pending Date: 03/17/2020 Transaction Type: REO or Foreclosure
Listing Office: Whitton Realty, sblhs LO License #: 835075-91



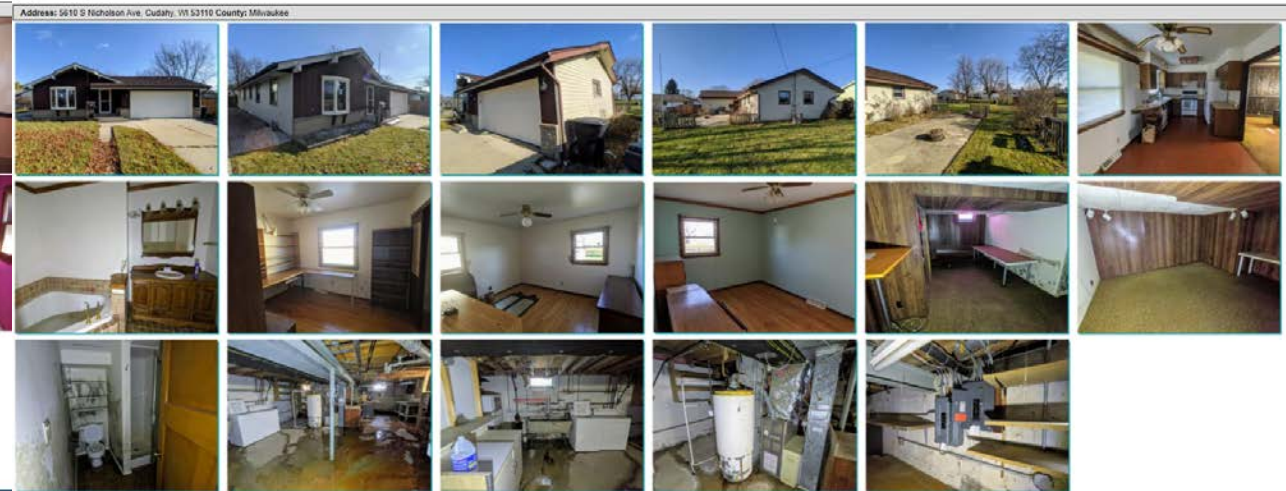
Address: 3365 E Henry Ave., Cudahy, WI 53110 County: Milwaukee
Remarks: Start Here! This three bedroom ranch has been well maintained by it's owner of 55 years! Sunny kitchen with dinette (appliances included), hardwood floors throughout, neutral decor, full basement, and large corner lot. Easy access to the interstate makes it ideal for commuters. It's the perfect place to call home!
Inclusions: Oven/range, refrigerator, dishwasher, microwave, washer and dryer
Exclusions: seller's personal property
Sold Price: \$155,000 Closing Date: 04/10/2020 Pending Date: 02/29/2020
Listing Office: Legacy Realty Group LLC, c25769 LO License #: 832930-61



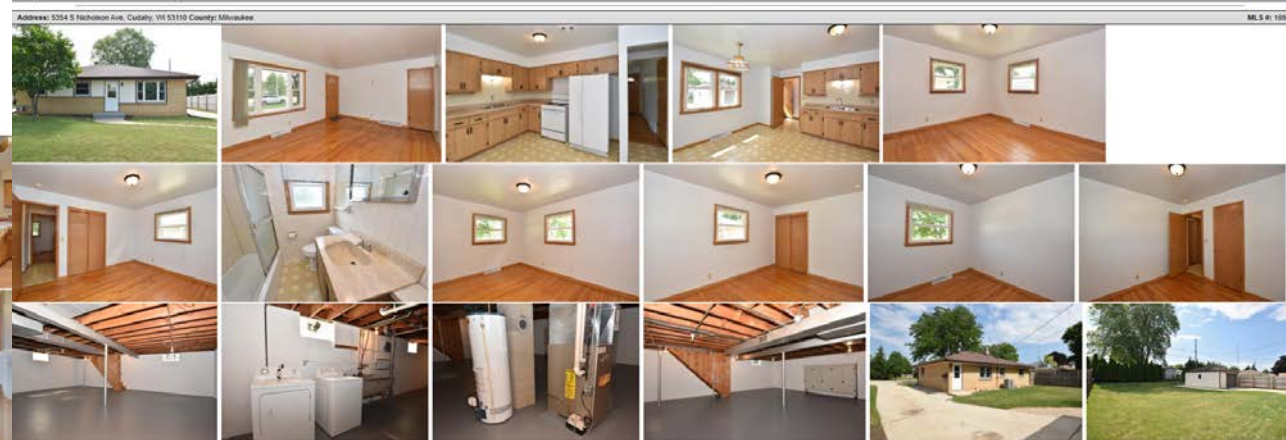
Sold: \$155,000 (Longtime Owner, Needs Updating)

Sold: \$127,500 (Need Complete Rehab)

Remarks: Almost 1400 sq foot ranch with 3 bedrooms and 1.5 baths on the main, 2 car attached garage and over a 1/4 acre lot. Home has had water intrusion in the basement and is in need of complete rehab.
Sold Price: \$127,500 Closing Date: 05/22/2020 Pending Date: 05/01/2020 Transaction Type: REO or Foreclosure
Listing Office: Exit Realty Horizons, exit LO License #: 937402-91



Address: 9610 S Nicholson Ave., Cudahy, WI 53110 County: Milwaukee
Remarks: Well cared for 3 bedroom ranch nestled in a quiet residential part of Cudahy, close to parks, Lake Michigan, and conveniences. Hardwood floors in sunlit living room & all 3 bedrooms. Eat-in kitchen overlooking a picturesque backyard. Entertain family and friends in park-like fenced back yard. Wide open basement ready to be finished. 2020 new garage door, opener & sump pump installed. Roof 2017. Fence 2017. Furnace, A/C & Water heater 2011.
Inclusions: refrigerator, oven/range, washer, dryer, dehumidifier, blinds/window treatments
Exclusions: seller's personal property
Sold Price: \$175,000 Closing Date: 06/13/2020 Pending Date: 07/11/2020
Listing Office: Cobwell Banker HomeSale Realty - Franklin, huas3 LO License #: 834764-91



Sold: \$175,000 (Needs Updating, Unfinished Basement)

Sold: \$183,000 (Average Condition, 1 Bath, Less Sq. Ft.)

Remarks: Cute and cozy describes this Cudahy ranch located close to everything! This three bedroom, one bath home has a great fenced in yard and deck accessed through the updated kitchen with tiled floor that has a double for eating that over looks yard and deck. The main level has hardwood floors in the living room and bedroom and newer carpet in two bedrooms. The lower level is partially finished with a large rec room and bonus room that can be used for an office or craft. The 2-car detached garage has room for all your tools and some toys. Purchase with confidence knowing seller has recently updated many windows, furnace, central AC unit and appliances.
 Inclusions: oven/range, refrigerator, dishwasher, microwave
 Exclusions: Seller's personal property
 Concession Remarks: \$1500 seller credit
 Sold Price: \$183,000
 Closing Date: 06/08/2020
 Pending Date: 05/06/2020
 Transaction Type: Arms Length
 Listing Office: Keller Williams Realty Fox Cities, Sellers
 LO License #: 937763-91



Address: 3035 S Pennsylvania Ave, Cudahy, WI 53110 County: Milwaukee
 MLS #: 18
 Remarks: You'll feel right at home in this well-maintained and conveniently located ranch-style home! This lovely 3 BR, 1.5 BA home offers a very spacious floor plan with sunlit living room and large eat-in kitchen. Kick off your shoes in the renovated mud room! All bedrooms are good sizes and offer plenty of closet storage space. Entertain in your huge rec room with bar, or enjoy the outdoor private patio! Parking is not a problem with the longer driveway and 2 car garage. Other features this home offers: bonus office/room in the lower level, new flooring, hardwood floors, and all appliances included. Walk to Cudahy Park! Home Warranty included! Move right in - Must see!
 Inclusions: Oven/range, refrigerator, washer, dryer, microwave, dishwasher, disposal.
 Exclusions: Seller's Personal Property
 Concession Remarks: 1000.00 closing cost credit
 Sold Price: \$185,000
 Closing Date: 05/05/2020
 Pending Date: 03/26/2020
 Transaction Type: Arms Length
 Listing Office: RE/MAX Service First LLC, d44000
 LO License #: 937852-91



Address: 3037 E Cain Ave, Cudahy, WI 53110 County: Milwaukee
 MLS #: 18
 Remarks: 3 bedroom ranch house on great fenced in lot is ready for its next owner! Kitchen with newer stainless appliances has convenient eat-in area. Appealing rec room space in lower level with can lights and additional play area. Washer/dryer included, sump pump, newer water heater (2015) furnace/air (2015), insulated attic and basement (2015) for great energy efficiency. Vinyl windows, newer dimensional roof on house and garage, new door and EDO (2018) on 2.5 car garage with driveway access. 1 year home warranty included. View! Call today!
 Concession Remarks: 33000 Closing Cost Credit
 Sold Price: \$185,000
 Closing Date: 09/29/2020
 Pending Date: 09/29/2020
 Transaction Type: Arms Length
 Listing Office: Shorewest Realtors - South Metro, sw452
 LO License #: 7771-91

Sold: \$185,000 (Average Condition, Finished Basement)

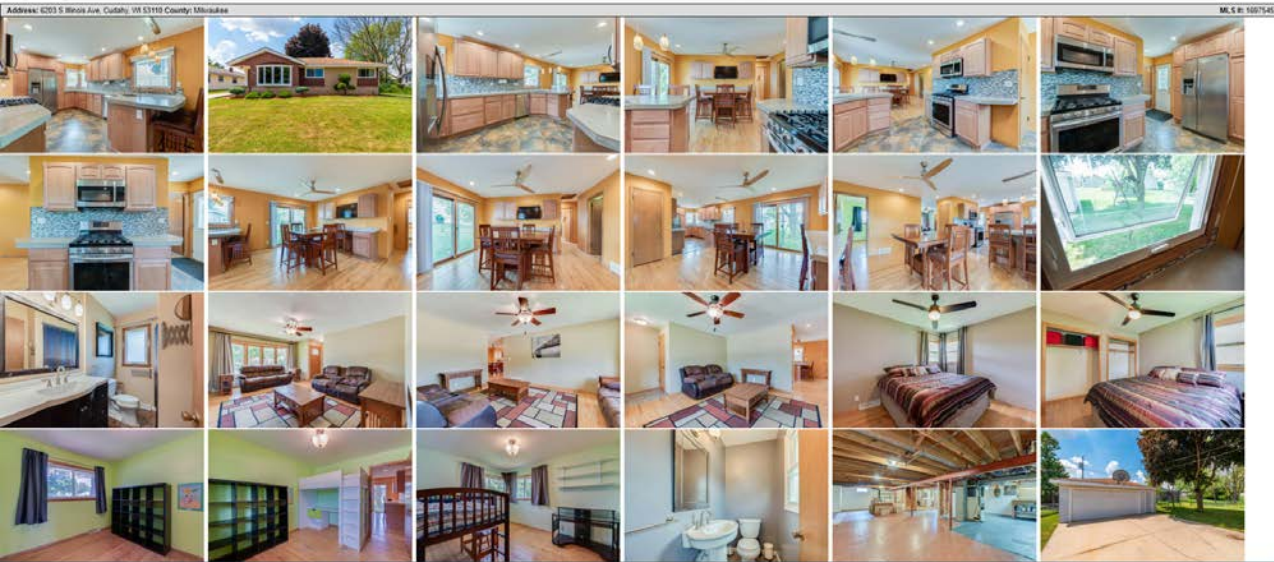
Sold: \$185,000 (Average Condition, Finished Basement)

Sold: \$191,000 (Remodeled, 300 Sq. Ft. Less, 1 Bath, 1.5 Garage)

Remarks: Beautifully updated Cudaly ranch, move right in! Completely new kitchen features white cabinets, tiled subway backsplash, stainless steel appliances, modern countertop and flooring. All new bath includes marble vanity, modern tiled floor, shower and glass door. Refinished hardwood floors and 6-panel doors throughout entire home. Monthly new large windows bring in tons of natural light. New furnace, A/C, roof, shed, water heater, lighting fixtures with ceiling fans and glass block. Priced for a quick sale!
 Inclusions: Refrigerator, Stove/Oven, Microwave, Washer and Dryer. Work bench in basement
 Exclusions: Seller's Personal Property
 Sold Price: \$191,000
 Listing Office: Capital Cross Realty, Inc. - oconomowoc
 Closing Date: 09/25/2020
 Pending Date: 09/13/2020
 LO License #: 937508-91



Remarks: This beautiful ranch offers amazing updates and stunning appeal. Very large updated kitchen with high-end Thomasville solid maple cabinetry, custom concrete counters, modern fixtures, peninsula, canned lighting, stainless steel appliances and tons of storage. HWFs throughout and gorgeous designer beveled glass windows. Modern bathrooms with updated cabinetry, flooring and fixtures. Big yard with nice shade tree. This home is move-in ready and conveniently located. Enjoy local access to Cudaly, Grant and Sheridan parks, shopping, dining, many other entertainment venues, and very easy access to downtown and the entire Milwaukee area.
 Inclusions: Oven/Range, Dishwasher, Refrigerator, Disposal, Microwave, Washer, Dryer
 Exclusions: Seller's Personal Property
 Sold Price: \$213,000
 Listing Office: Keller Williams Realty-Milwaukee North Shore - kellef4
 Closing Date: 08/07/2020
 Pending Date: 07/19/2020
 Transaction Type: Arms Length
 LO License #: 937508-91



Sold: \$216,000 (Good Condition, Unfinished Basement)

Sold: \$191,500 (Average Condition, Finished Basement)

Remarks: Well maintained, maintenance free Brick/Aluminum Ranch. Home has been updated including new tear-off roof and rebuilt chimney in 2015, new water heater in 2019, remodeled full bath with walk-in shower stall. Nice open floor plan. Attached 2.5 car garage with 3 season room. Lower level rec rm with bar, includes bar stools. Fenced yard.
 Inclusions: Stove, Refrigerator, Microwave and Stand, Window Treatments, Basement Refrigerator, Bar Stools, Washer and Dryer
 Exclusions: Seller's Personal Property
 Sold Price: \$191,500
 Listing Office: Nicholson Realty Inc. - msn
 Closing Date: 05/15/2020
 Pending Date: 04/14/2020
 LO License #: 31336-91



Remarks: Well-kept ranch living in a desirable location. Home features a large 3-car garage with plenty of extra parking, 3 bedrooms, large living room, open kitchen/dining room floor, nice size bedrooms, partial finished basement, bonus room in basement and much more. Go see today!
 Inclusions: Oven/Range, refrigerator, microwave, washer/dryer
 Exclusions: Seller's personal property
 Commission Remarks: \$2,500 Closing Credit
 Sold Price: \$198,000
 Listing Office: Keller Williams Realty-Milwaukee North Shore - kellef4
 Closing Date: 08/11/2020
 Pending Date: 07/05/2020
 Transaction Type: Arms Length
 LO License #: 937508-91



Sold: \$198,000 (Finished Basement, 3 Car Garage, Needs Kitchen Upd.)

Sold: \$220,000 (Remodeled, 200 Sq. Ft. Less, Finished Basement)

Sold: \$233,000 (Well-Maintained, Finished Basement)

Remarks: Welcome home to this move-in ready, Cuddey brick beauty. This well maintained home features a spacious living room with hardwood floors and natural fireplace. Kitchen fully remodeled in 2013 with granite countertops, modern maple cabinets with 2 lazy susans. Stainless steel appliances all included. Three nicely sized bedrooms with beautiful hardwood floors and plenty of closet space. Master with access to dual entry half bath. Amazing expansive lower level rec room with additional fireplace, recessed lighting, laundry area, and lots of storage. Youth love entertaining on the deck and patio overlooking nicely landscaped yard with storage shed, 2 car garage, and garden spaces. Roof & furnace replaced in 2013. Great neighborhood & quiet street, walkable to schools & Cuddey Park. Don't miss out!

Inclusions: Refrigerator, overrange microwave, dishwasher, window blinds, EDO w/1 remote

Exclusions: Seller's personal property, washer, dryer, chest freezer, curtain rods & curtains, raspberry bushes adjacent to north neighbor's garage, gooseberry bush along east fence

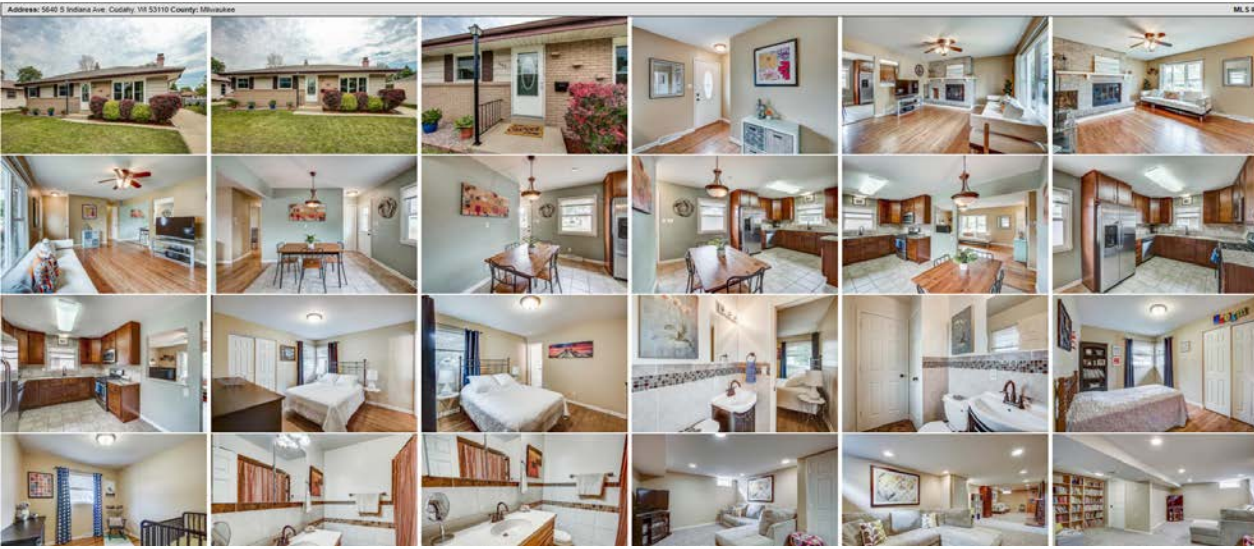
Concession Remarks: 1500 CCC

Sold Price: \$220,000

Closing Date: 09/30/2019

Pending Date: 07/26/2019

LO License #: 937913-81



Remarks: A house that truly feels like home. The moment you step inside. Cozy living room with large front windows flows into open and airy dining room and updated kitchen with modern backsplash and accent lighting. Beautifully remodeled full bathroom with the surround. Nicely sized bedrooms with new 2 panel doors. Master features double closets. All new lower level rec room is perfect for entertaining and includes a kitchenette with stainless steel appliances. Your outside oasis features a large deck, patio with wood pergola, attractive shed and beautiful landscaping. Brand new heated garage is already set up for the car enthusiast and there's an extra paved parking space. The current owners have landscaping right next to Cuddey Park & walking distance to schools. This home is an absolute gem!

Inclusions: Refrigerator, overrange microwave, lower level appliances (refrigerator, overrange, microwave), all window blinds, curtain rods, curtains valued as closet doors. Spray booth in garage is a negotiable potential inclusion.

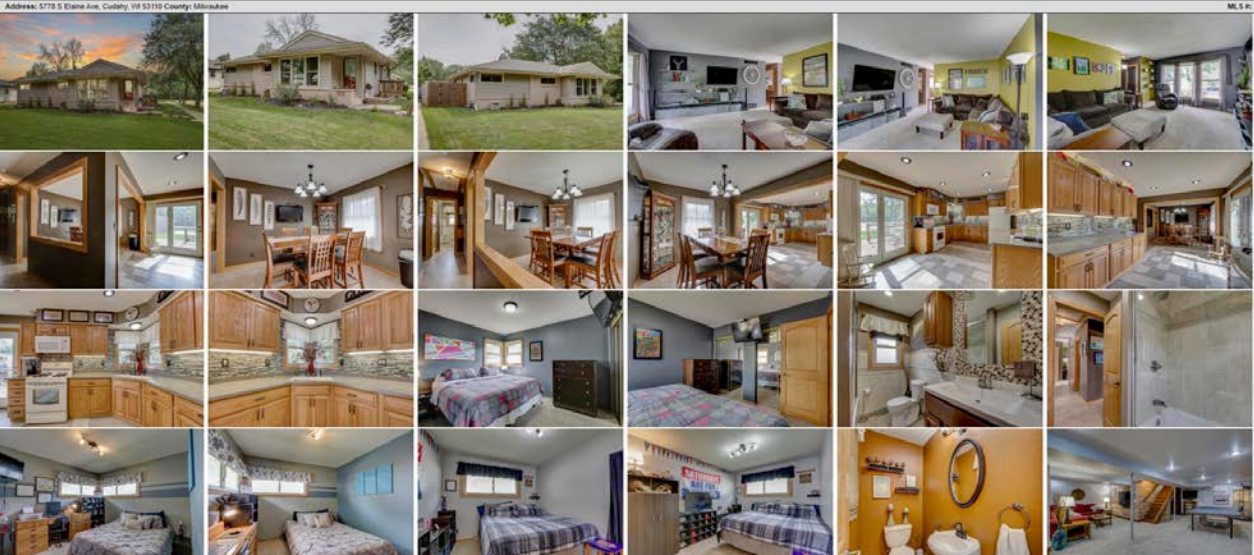
Exclusions: Seller's personal property, tv mounting brackets, tvs, washer, dryer

Sold Price: \$221,000

Closing Date: 06/13/2019

Pending Date: 08/14/2019

LO License #: 937613-81



Remarks: Here is the home of your dreams, move in ready & updated! Clean and WELL MAINTAINED in & out. Outside you'll love the private fenced in yard with a large garden area and a great vegetable garden area for your tomatoes, cucumbers & squash to thrive. The garage is HUGE & clean for your cars, toys & extra storage. Inside you'll enjoy all the spaces to live and live in the heart of the home. The kitchen is beautifully updated with newer quality cabinets, quartz counter, newer flooring, sink and more. Check out the dining area which opens to the KT and features a command center for home schooling or your work at home days. LR is spacious & offers a large bay window, new ceiling fan, plush carpet, LL FR, rec room & den plus laundry & storage space. See update list in documents tab.

Inclusions: Range, refrigerator, dishwasher, microwave, washer, dryer, garage door opener, blinds/shades, garage shelves, surround sound speakers and sofa sleeper in basement

Exclusions: Seller's personal property, drapes/curtains, rug, doorbells, dehumidifier, wooden balls, a few plantings

Concession Remarks: \$100000

Sold Price: \$233,000

Closing Date: 09/29/2020

Pending Date: 09/12/2020

LO License #: 833983-81



Remarks: This is the home of your dreams, move in ready & updated! Clean and WELL MAINTAINED in & out. Outside you'll love the private fenced in yard with a large garden area and a great vegetable garden area for your tomatoes, cucumbers & squash to thrive. The garage is HUGE & clean for your cars, toys & extra storage. Inside you'll enjoy all the spaces to live and live in the heart of the home. The kitchen is beautifully updated with newer quality cabinets, quartz counter, newer flooring, sink and more. Check out the dining area which opens to the KT and features a command center for home schooling or your work at home days. LR is spacious & offers a large bay window, new ceiling fan, plush carpet, LL FR, rec room & den plus laundry & storage space. See update list in documents tab.

Inclusions: Range, refrigerator, dishwasher, microwave, washer, dryer, garage door opener, blinds/shades, garage shelves, surround sound speakers and sofa sleeper in basement

Exclusions: Seller's personal property, drapes/curtains, rug, doorbells, dehumidifier, wooden balls, a few plantings

Concession Remarks: \$100000

Sold Price: \$233,000

Closing Date: 09/29/2020

Pending Date: 09/12/2020

LO License #: 833983-81

Sold: \$231,000 (Corner Lot, Updated)

Remarks: Honey stop the car! Don't miss this 3 bedroom, 2 full bath, brick and vinyl ranch with side-by drive, 2.5 car garage, fenced yard beautifully landscaped w/spacious patio. This home is in a great neighborhood on a quiet, tree lined street, walk-able to schools and Cudahy park. Custom kitchen features maple cabinets, granite counter tops, newer SS appliances, 2 skylights and accent lighting. Stone fireplace with granite hearth invites you to spend chilly evenings in front of a crackling fire. Master bedroom with updated en suite, updated 2nd full bathroom. An extra bedroom, den and rec room w/entertainment center on the lower level rounds out this gem of a home. Nothing else to do except to start packing... Call today!
Inclusions: cooktop, double oven, microwave, refrigerator, dishwasher, washer, dryer, blinds, curtains, fire wood in garage, 2 tv mounts (one in living room and one in m-bedroom), entertainment cabinet with tv in rec room.
Exclusions: ring security system and sellers personal property.

Sold Price: \$239,000

Closing Date: 12/13/2019

Pending Date: 10/07/2019



TOP COMP Sold: \$239,000 (Corner Lot, Updated, Finished Basement)

Why Some and Not Others?



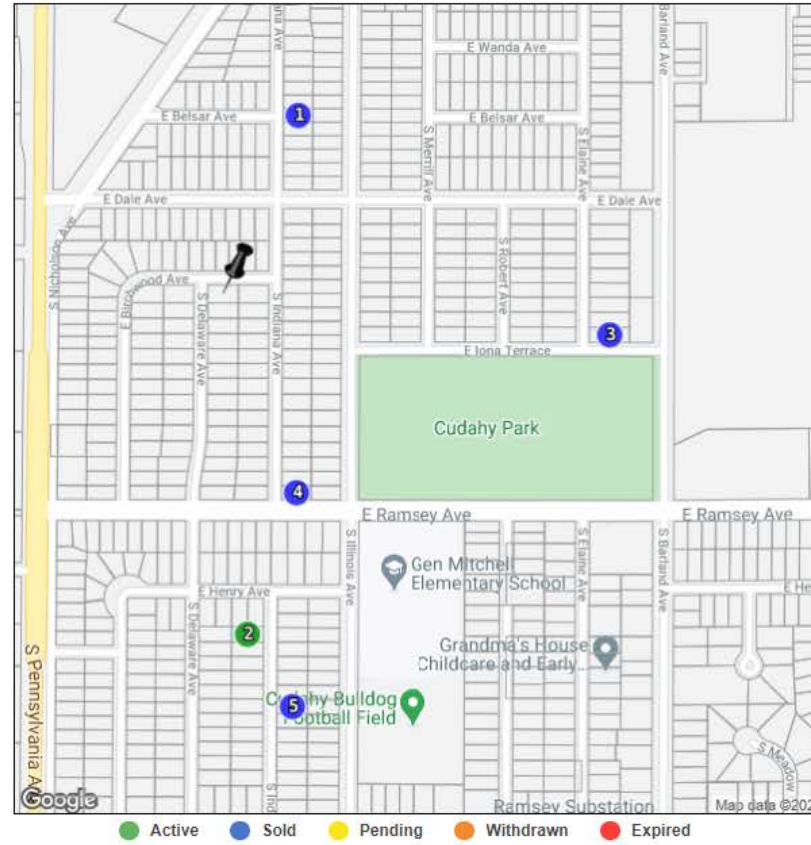
GOOD

- Built in same timeframe
- Updated rooms and design
- Finished basement
- Corner lot
- Matching features based on our future improvements

BAD

- Outdated rooms and design
- Unfinished basement
- Year built not close
- Non-corner lot
- Size or features not similar enough
- Other structural or cosmetic issues

Map of Subject And Comparable Properties



	Address	MLS #	Status	Distance from Subject
Subject	2617 E Birchwood Ave , Cudahy WI 53110			
1	5640 S Indiana Ave , Cudahy WI 53110	1649547	Sold	0.16m
2	5971 S Indiana Ave , Cudahy WI 53110	1709961	Active	0.28m
3	5778 S Elaine Ave , Cudahy WI 53110	1653717	Sold	0.31m
4	2710 E Ramsey Ave , Cudahy WI 53110	1708602	Sold	0.17m
5	6024 S Indiana Ave , Cudahy WI 53110	1662398	Sold	0.34m

MLS #	Status	Address	▲Price	Sold Date	Est Fin AboveGr SqFt	Est. Total Sq. Ft.	Bedrooms	Full Baths	Half Baths	G Spaces	Garage Type	Est. Year Built	Est. Acreage	Architecture
1649547	Sold	5640 S Indiana Ave	\$220,000	09/30/2019	1,070	1,616	3	1	1	2	D	1964	0.17	Ranch
1709961	Active C	5971 S Indiana Ave	\$224,900		1,178	1,468	3	1	1	2	D	1968	0.21	Ranch
1653717	Sold	5778 S Elaine Ave	\$231,000	09/13/2019	1,260	2,072	3	1	1	2.5	D	1966	0.25	Ranch
1708602	Sold	2710 E Ramsey Ave	\$233,000	09/29/2020	2,033	1,321	3	1	1	2.7	D	1968	0.17	Ranch
1662398	Sold	6024 S Indiana Ave	\$239,000	12/13/2019	1,111	1,944	3	2	0	2.5	D	1968	0.18	Ranch

Summary of Active Listings

MLS #	Address	Orig. List Price	DOM	CDOM	List Price	Total Adjustments	Adjusted Price
1709961	5971 S Indiana Ave, Cudahy WI	\$224,900	21	54	\$224,900	-	\$224,900

Summary of Sold Listings

MLS #	Address	List Price	DOM	CDOM	Sold Date	Sold Price	Total Adjustments	Adjusted Price
1649547	5640 S Indiana Ave, Cudahy WI	\$209,900	2	2	09/30/2019	\$220,000	-	\$220,000
1653717	5778 S Elaine Ave, Cudahy WI	\$219,900	2	2	09/13/2019	\$231,000	-	\$231,000
1708602	2710 E Ramsey Ave, Cudahy WI	\$224,900	5	5	09/29/2020	\$233,000	-	\$233,000
1662398	6024 S Indiana Ave, Cudahy WI	\$238,900	4	4	12/13/2019	\$239,000	-	\$239,000

Low, Average, Median, and High Comparisons

	Active	Sold	Overall
Low	\$224,900	\$220,000	\$220,000
Average	\$224,900	\$230,750	\$229,580
Median	\$224,900	\$232,000	\$231,000
High	\$224,900	\$239,000	\$239,000

Overall Market Analysis (Unadjusted)

Status	#	List Vol.	Avg. List Price	Sold Vol.	Avg. Sold Price	Avg. Sale/List Price	Avg. Est. Total Sq. Ft.	Avg. List \$/Est. Total Sq. Ft.	Avg. Sold \$/Est. Total Sq. Ft.	Avg. DOM	Avg. CDOM
Active	1	224,900	224,900	0	0	0.00	1,468	153.20	0.00	21	54
Sold	4	893,600	223,400	923,000	230,750	1.03	1,738	132.29	136.74	3	3
Overall	5	1,118,500	223,700	923,000	230,750	1.03	1,684	136.47	136.74	7	13

Final Comparable Results

Calculating ARV



- After-repair value is calculated by averaging the sales price of comparable properties.
- In our example, we had 5 comps that we used:
 - House 1 = \$220,000
 - ~~House 2 = \$224,900~~ (removed because of being Active with Contingency)
 - House 3 = \$231,000
 - House 4 = \$233,000
 - House 5 = \$239,000

$$\text{ARV} = (\$220,000 + \$231,000 + \$233,000 + \$239,000) / 4 = \mathbf{\$230,750}$$

MHM Pro Tip



To get a more precise ARV, you can determine the ***Average Price Per Sq. Ft.***

Calculation Formula:

- Total Sales Price / Total Sq. Ft. of Property = Avg. Price Per Sq. Ft.
- Avg. Price Per Sq. Ft. x Sq. Ft. of Subject Property = ARV

In our example, we established that our comparable properties had a Avg. Price Per Sq. Ft. of \$193.83 for above ground space, and our Subject Property has 1,272 Sq. Ft., **making the ARV \$246,551** (*\$15,801 higher than our average value*).

The ARV Formula



When evaluating potential investments, investors commonly use the following formula to assess an offer price on a property:

70% of the ARV – Estimated Repair Cost = Maximum Allowable Offer (MAO)

For example, we'll use the standard after-repair value of \$230,750 and the estimated repair costs are \$75,000 (based on our estimates and scope of work), which comes to:

$$\begin{array}{r} (\$230,750 \times .7) \text{ (ARV)} \\ - \$75,000 \text{ (Estimated Repair Cost)} \\ \hline \$86,525 \text{ (Maximum Allowable Offer)} \end{array}$$

How much would you be willing to pay?

As a point of reference, Milwaukee Hard Money lends up to 65% of the After-Repair Value, so in this instance, **we would lend up to \$150,000**. (Loan amount = 90% of Purchase Price + 100% of Repairs)

Leverage Our Cash

With a property like this, or any investment property, we've shown how you could use a loan from Milwaukee Hard Money to quickly close on this property, fund 100% of your repairs, and give yourself the resources needed to start building toward financial freedom without needing to use your own cash.



Estimating Repairs is Essential



Investors should account for every expense relating to the renovation project, including:

- Cosmetic improvements
- Structural improvements
- Holding costs

Be strategic with your repairs and renovations to achieve higher ARV without over-improving the property.

If you aren't comfortable with calculating repair costs, get quotes before making an offer.

The Deal

- Purchase Price = \$77,000
- Repair Budget = \$75,000
- Est. Holding Costs = \$3,000
- Est. Resale Costs = \$12,000
- Est. Financing Costs = \$15,000
- ARV / List Price = \$240,000

Total Profit Potential = \$58,000



WOW!

Submitted Questions



- How do you ensure your project gets done timely to avoid penalties or additional fees?
- What resources should be used to get the most accurate ARV and repair costs?
- Do you have a specific proforma format you wish to have applicants use with loan application submissions?

Please visit
www.milwaukeehardmoney.com
or contact us with any questions.

Thank you.

