

CASE STUDY

REHAB LOAN FIX AND FLIP FINANCING



SINGLE FAMILY HOME
NORTH MIAMI - FLORIDA

THE PROPERTY

PHYSICAL DEPRECIATION OVER 20 YEARS
DUE TO LACK OF UPGRADES & MAINTENANCE

2 BEDS, 1 BATHS

BUILT 1944

992 SQFT LIVING SPACE / 4,185 SQFT LOT

Purchase price	\$315,000
Rehab budget	\$160,000
Soft costs	\$20,000
Value after repairs	\$800,000



THE CLIENTS BORROWERS

REAL ESTATE INVESTORS

Purchased under corporate name
Group international buyers
No social security or income in USA

LOAN PROGRAM

REHAB FIX AND FLIP

PURCHASE PRICE + BUDGET	\$475,000
Loan Amount 80%	\$380,000
Down Payment 20%	\$95,000
Interest rate	10.75%

12 MONTH TERM

INTEREST ONLY MONTHLY PAYMENTS



INVESTMENT FROM BUYER

DOWN PAYMENT	\$ 95,000
SOFT COSTS	\$ 20,000
CLOSING COSTS	\$ 21,900
HOME INSURANCE	\$ 5,000
PROPERTY TAXES	\$ 3,900
INTEREST PAYMENT	\$ 32,000
INVESTMENT IN 1 YEAR	\$ 177,800

EXPECTED PROCEEDS

SALES PRICE BASED ON AFTER REPAIR VALUE	\$ 800,000
INVESTMENT IN 1 YEAR	\$ (177,800)
LOAN RE-PAYMENT	\$ (380,000)
GROSS GAIN	\$ 242,200

CASH ON CASH EXPECTED RETURN

$$\$242,200 - \$177,800 = \$ 64,400$$

$$\$64,400 / \$177,800 = 36.22\%$$



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