



# Chicagoland2to4Flats.info

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## INVESTMENT ANALYSIS PROPERTY REPORT

MLS #	Address:	# Units / # Rms / # Beds / # Bath:	Date:

**1. Work Needed.** How would you assess the property's condition? For older 2-4 Flats, based on the chart that follows, 50K or less over the next 5-7 years is "little or no work", 100K is "some work;" 150K up is "Gut Rehab."

Yrs 1-3	10-20K	<i>Immediate safety and building 'stabilization' issues</i> (i.e., the building inspection list of short-term, important repairs).
Yrs 1-3	10-30K	<i>Duplexing or enlarging.</i> Is it possible through some work to the building to enhance the rental or resale potential?
Yrs 3-5	10-20K	<i>Mid-range necessary building repairs</i> (i.e., things that don't have to be done immediately—but will need addressing soon)
Yrs 4-6	10-40K	<i>Updating/upgrading the 'bones'</i> (windows, heat, electric, plumbing, etc. <u>few</u> multi-unit will need no work on any of the mechanicals).
Yrs 5-7	10-40K	<i>Modernizing</i> (kitchens/baths, etc.) will probably be needed unless the future of this building is to deconvert or condo'ize.
<i>And then there is the PORCH.' Virtually NO porch built before 2007 meets the new code—and there is no grandfather provision. The city can't ask EVERYONE to rebuild their porch—but they will be ask some to!</i>		

Little / No Work	Some Work	Gut Rehab

**2. "Hot/Warm/Cold Analysis."** There are four main factors in multi-unit real estate: Location, Size, Condition, and Price. On balance, how would you rate this property?

H O T	W A R M	C O L D
(This property is, in our opinion, HOT and priced such that we think there could be a QUICK sale.)	(We think there is at least a 50/50 chance of it selling SOON –with no need for a huge price cut.)	(We do NOT expect this property to sell any time soon, at least not at this asking price.)

**3. "Exit Strategy."** How long will you have to hold the property? Can you rehab and flip it? Are prices and rents rapidly rising? How soon will the area support higher end use (owner-occ vs. rental or condo conversion)? On the other hand, if you see NO quick 'exit strategy,' you must be prepared to hold the building for some time.

Q U I C K	S L O W E R	S L O W
(Can you duplex to enlarge apartments or better manage the building to improve the rent and therefore create your own 'exit strategy'?)	(Lots of development is happening in the area—within 5 years, you thing property prices will increase a lot on their own or you think it may go from rental to owner-occ or condo conversion.)	(You see NO factors that promise a large increase in the property's value in the near future; if you buy the property, you must be prepared to hold it.)