Buy and Hold

* 70% rule
  + Purchase price + rehab cost can only equal 70% of the ARV
  + Example-ARV is $250,000
    - Purchase: $75,000
    - Rehab: $75,000
    - Total: $150,000
      * 70% of $250,000 would be $170,000 so in this example this property works!
* How to calculate if a buy and hold will hit their net monthly income

Rental Income for all units

-Monthly Mortgage

-Monthly expenses (gas, electric, water, trash etc)

-10% management fee

=Net Income

Example-

$2,800 rental income

-$1,067 mortgage

-$500 expenses

-$280 management fee

=$953 net income