Property Analysis — Sample 3BR SFH, Pittsburgh MSA (15215)

Section 8 SFH proforma · interactive analyzer output

Recommendation: [CONSIDER] at $130,000

- Recommended Max Bid: **not achievable** at current assumptions
- Stretch Ceiling: $136,017 (CONSIDER ceiling)
- Do Not Cross: $136,697

3 of 5 thresholds passed at the offered price.

> *Max bid 'not achievable' means no price clears all BUY thresholds at the current assumption stack. The deal can still clear at CONSIDER level. The model applies institutional defaults (CapEx reserve, expense escalation, full cost of sale) that are more conservative than a back-of-the-envelope underwrite — read this as 'where the deal needs to bend,' not 'the deal is bad.'*

Scenario Snapshot

Scenario	Price	Verdict	IRR	DSCR	Cash-on-Cash	Cap Rate	Binding
Max Bid	n/a	—	—	—	—	—	none
Stretch Bid	$136,017	**CONSIDER**	15.0%	1.23x	9.3%	9.3%	Cash-on-Cash (Y1), DSCR (min observed), Levered IRR
Do Not Cross	$136,697	**PASS**	14.9%	1.23x	9.3%	9.3%	Cash-on-Cash (Y1), DSCR (min observed), Levered IRR

Rent Stack

Source	Monthly Rent	Use
HUD SAFMR / FMR (underwriting)	$2,500	Section 8 paid rent
RentCast (market estimate)	$1,525	Open-market sanity check
Variance	+63.9%	**HIGH**

> Underwriting rent is 63.9% above market. High variance means Section 8 status is load-bearing for the deal — every downstream metric depends on continued voucher status.

Key Metrics

Metric	Value
Total Cash Invested	$192,800
Year 1 NOI	$18,551
Cap Rate (Y1 / Cash)	9.62%
Cap Rate (Y1 / Purchase)	14.27%
Cash-on-Cash (Y1)	9.62%
Cash-on-Cash (Y2 stabilized)	9.91%
DSCR (Year 1)	n/a
DSCR (min observed)	1.23x
Levered IRR (10-yr)	15.93%
Unlevered IRR	13.46%
Equity Multiple	2.01x
Year 10 Exit Value	$292,939
Net Sale Proceeds	$120,282
Price / ARV	51.0%

Decision Breakdown

Metric	Value	Threshold	Status	Magnitude
Cap Rate (Y1)	9.62%	>= 8.0%	**PASS**	—
Cash-on-Cash (Y1)	9.62%	>= 10.0%	**FAIL**	0.4 pp short
DSCR (min observed)	1.23x	>= 1.25x	**FAIL**	0.02x short
Levered IRR	15.93%	>= 15.0%	**PASS**	—
Price-to-ARV	50.98%	<= 75.0%	**PASS**	—

Sensitivity

Each row holds all other inputs fixed and perturbs one assumption. Bold rows are deal-flippers: the verdict changes versus the base.

Scenario	Change	IRR	IRR delta (bps)	DSCR	Cap	Verdict
Base case	Inputs as supplied	15.9%	—	1.23x	9.6%	**CONSIDER**
Rent -10%	Monthly rent reduced by 10%	12.6%	-334	1.08x	8.4%	**PASS**
Rehab +20%	Rehab cost increased by 20%	14.4%	-156	1.23x	9.1%	**PASS**
Tax +20%	Annual property tax increased by 20%	15.0%	-89	1.18x	9.3%	**CONSIDER**
Exit cap +100 bps	Exit cap rate raised by 1.0 percentage point	14.8%	-118	1.23x	9.6%	**PASS**
Interest rate +100 bps	Interest rate raised by 1.0 percentage point	15.0%	-88	1.12x	9.6%	**CONSIDER**
Price +5%	Purchase price up 5%	14.9%	-99	1.23x	9.3%	**PASS**
Price -5%	Purchase price down 5%	17.0%	+105	1.23x	10.0%	**CONSIDER**
Price +10%	Purchase price up 10%	14.0%	-193	1.23x	9.0%	**PASS**
Price -10%	Purchase price down 10%	18.1%	+218	1.23x	10.4%	**CONSIDER**

What would change the recommendation

- **Rent -10%** flips the verdict from CONSIDER to PASS. Failing at that point: Cash-on-Cash (Y1), DSCR (min observed), Levered IRR.
- **Rehab +20%** flips the verdict from CONSIDER to PASS. Failing at that point: Cash-on-Cash (Y1), DSCR (min observed), Levered IRR.
- **Exit cap +100 bps** flips the verdict from CONSIDER to PASS. Failing at that point: Cash-on-Cash (Y1), DSCR (min observed), Levered IRR.
- **Price +5%** flips the verdict from CONSIDER to PASS. Failing at that point: Cash-on-Cash (Y1), DSCR (min observed), Levered IRR.
- **Price +10%** flips the verdict from CONSIDER to PASS. Failing at that point: Cash-on-Cash (Y1), DSCR (min observed), Levered IRR.

Diligence Questions

Generated from rules tied to the model state. Each item shows the trigger so it can be challenged.

Rent

- Confirm Section 8 voucher status and current Payment Standard for the property's ZIP and bedroom count. **[MUST ASK]** *Trigger:* HUD underwriting rent is 64% above the RentCast market estimate. Section 8 status is load-bearing for the underwriting.
- Confirm whether the tenant has an active voucher and the housing authority that issued it. **[MUST ASK]** *Trigger:* High rent dependency on Section 8 program continuity.
- What is the current lease rent, lease expiration, and whether the tenant pays utilities (or owner)? **[MUST ASK]** *Trigger:* Lease terms drive year-1 cash flow before any rent reset.

Rehab

- Obtain a written contractor scope and 2-3 line-item bids (structural, mechanical, finish). Add 10-15% contingency. **[MUST ASK]** *Trigger:* Rehab $55,000 is 42% of purchase — heavy.

Financing

- Confirm lender DSCR threshold and whether the deal still qualifies if rent or expenses come in less favorably. **[MUST ASK]** *Trigger:* Minimum observed DSCR is 1.23x — close to typical 1.25x lender floor.
- Confirm refi feasibility at year 3: ARV support, debt service ratio at the refi LTV, and lender appetite at that time. *[Watch] Trigger:* Refi at Y3 at 75% LTV is load-bearing for the returns.

Threshold

- What inputs would have to change to clear the Cash-on-Cash (Y1) threshold? Test the assumption you would need to revisit. **[MUST ASK]** *Trigger:* Cash-on-Cash (Y1) fails at the offered price.

- What inputs would have to change to clear the DSCR (min observed) threshold? Test the assumption you would need to revisit. **[MUST ASK]** *Trigger:* DSCR (min observed) fails at the offered price.

Assumptions

Input	Value	Source
Address	Sample 3BR SFH, Pittsburgh MSA (15215)	sample
ZIP	15215	parsed_from_address
Bedrooms	3	manual input
Purchase Price	$130,000	manual input
ARV	$255,000	manual input
Rehab	$55,000	manual input
Monthly Rent	$2,500	manual override (HUD SAFMR baseline $1,670; investor override $2,500 reflects voucher Payment Standard)
Property Tax (annual)	$3,249	manual override (verified against public record)
Insurance (annual)	$1,000	model default
Vacancy	4.0%	model default
Down Payment	100.0%	manual input (cash purchase, refi at Y3)
Interest Rate	8.50%	manual input
Refi Year	3	manual input
Refi LTV (post-refi)	75.0%	manual input
Hold Period	10 years	model default
Exit Cap Rate	8.00%	model default

Cashflow Summary (10-Year)

Year	Gross Rent	NOI	Debt Service	DSCR	Net Cash Flow
1	$30,000	$18,551	$0	n/a	$18,551
2	$30,900	$19,108	$0	n/a	$19,108
3	$31,827	$19,681	-$16,047	1.23x	$187,234
4	$32,782	$20,271	-$16,047	1.26x	$4,224
5	$33,765	$20,879	-$16,047	1.30x	$4,832
6	$34,778	$21,506	-$16,047	1.34x	$5,459
7	$35,822	$22,151	-$16,047	1.38x	$6,104
8	$36,896	$22,815	-$16,047	1.42x	$6,768
9	$38,003	$23,500	-$16,047	1.46x	$7,453
10	$39,143	$24,205	-$16,047	1.51x	$128,440

Refinance — Year 3

At year 3, the property refinances at 75.0% LTV against the ARV of $255,000, producing $191,250 in loan proceeds. After paying off the original loan and refi closing costs, **$183,600** returns to the investor.

Equity remaining in the deal after refi: **$9,200** (was $192,800 at acquisition).

About this artifact

This sample is the output of an interactive property underwriting analyzer. The user supplies a small number of inputs (address, purchase price, ARV, rehab, bedroom count), and the model produces a single recommendation, the three-scenario bid ladder, decision thresholds, sensitivity table, and a triggered diligence question list. The model is built so that every load-bearing number carries provenance (where the value came from and how confident the model is in it), the verdict is suppressed when any input is missing, and the same inputs always produce the same output. The analytical logic is the same regardless of which property is being underwritten.

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