



DOORCOUNT DEAL MEMO · SAMPLE REPORT

Sample Property · 48 Units

Fictional garden-style apartments · built 1988 · asking \$3,600,000 · prepared October 2026

TARGET PRICE

\$3,220,000

Ask \$3,600,000

CASH IN

\$1,158,600

Loan case, incl. closing + capex

YEAR 1 NOI

\$233,530

Our conservative build

DSCR

1.30x

70% loan-to-value (LTV) · 7.0% · 30-yr

CASH-ON-CASH

4.6%

Year 1, loan case

BALLOON

\$2,317,000

Seller-finance case, year 5

BOTTOM LINE

On our numbers the property earns **\$233,530** in Year 1, a **6.49%** cap rate on the asking price. The seller's figure is \$288,000; the gap is mostly re-assessed taxes and realistic vacancy. At a target of **\$3,220,000**, a standard 70% loan covers its payments **1.30x**. Seller financing needs less cash but leaves a balloon that conservative refinance proceeds do not fully cover, so it only works with an extension option.

WHAT HAS TO GO RIGHT · WHAT COULD BREAK IT

- ✓ Rents hold near the current \$950 average
- ✓ Vacancy stays at or below 10%
- ✓ Inspection finds no major roof, plumbing or HVAC surprises
- ! Tax re-assessment lands above our 2.0% estimate
- ! Insurance quote comes in above \$700/unit
- ! Balloon arrives before a refinance can cover it

PLAIN-ENGLISH KEY

NOI	Net operating income: rent collected minus operating costs, before any loan payment.
Cap rate	NOI divided by price. A quick yield measure if you paid all cash.
DSCR	Debt service coverage: NOI divided by yearly loan payments. Lenders usually want 1.20x to 1.25x or more.
Cash-on-cash	Yearly cash flow after loan payments, divided by the cash you put in.
Balloon	The loan balance still owed when a short-term note comes due, usually paid by refinancing.
Offer band	Open, target and walk-away prices where our conservative numbers still work. Not an appraisal.

NOI BUILD · YEAR 1 · ALL ASSUMPTIONS SHOWN

Line	Annual
Gross potential rent (48 units × \$950/mo, current rent roll)	\$547,200
Other income (laundry, fees)	\$14,400
Less vacancy & credit loss (10% of rent, our floor)	(\$54,720)
Effective gross income	\$506,880
Property taxes (re-assessed at asking price, 2.0% rate)	(\$72,000)
Insurance (\$700/unit)	(\$33,600)
Management (8% of collected income)	(\$40,550)
Repairs & maintenance (\$750/unit)	(\$36,000)
Utilities: water, sewer, trash, common (\$900/unit)	(\$43,200)
Payroll & turnover (\$500/unit)	(\$24,000)
Admin, marketing, legal (\$200/unit)	(\$9,600)
Replacement reserves (\$300/unit)	(\$14,400)
Total operating costs (53.9% of income; our floor is 50%)	(\$273,350)
Net operating income (NOI)	\$233,530

Rent upside (listing claims \$1,025 "market" rents) is left out of the numbers. Taxes are held at the asking-price re-assessment in every band, which is conservative at lower prices.

OFFER BAND VS. ASKING PRICE

Band	Price	Cap on our NOI	vs. ask	%
Asking	\$3,600,000	6.49%	–	–
Open	\$3,010,000	7.75%	–\$590,000	-16.4%
Target	\$3,220,000	7.25%	–\$380,000	-10.6%
Walk-away	\$3,460,000	6.75%	–\$140,000	-3.9%

Band prices are where our conservative NOI meets 7.75% / 7.25% / 6.75% cap rates, rounded. They are not a valuation and not a recommendation to offer.

SELLER'S NUMBERS VS. OURS

Item	Seller	Doorcount	Why different
Vacancy	5%	10%	Our floor; area listings suggest 9–11%
Property taxes	\$49,000	\$72,000	Re-assessed at purchase price on sale
Operating cost ratio	41%	53.9%	Adds management, reserves, realistic repairs
NOI	\$288,000	\$233,530	\$54,470 lower on our numbers

Our underwriting is conservative. Underwrite from multiple sources before you decide. Doorcount takes no responsibility for decisions made and is not responsible for accuracy in individual markets. All figures are estimates. Property, numbers and sources are invented for illustration.

DEAL STRUCTURES COMPARED · AT TARGET PRICE \$3,220,000

Structure	Cash in	DSCR	Cash-on-cash	Notes
A Bank / DSCR loan 70% LTV · 7.0% · 30-yr	\$1,158,600	1.30x	4.6%	Clears the 1.25x lender screen; fixed payments
B Seller financing 20% down · 6.0% · 25-yr amort · 5-yr balloon	\$804,400	1.17x	4.3%	Thin coverage; needs a balloon extension option
C Master lease + option \$16,500/mo · option \$3,300,000 · 24 mo	\$125,000	n/a	28.4%	Control without title; depends on seller performance
D All cash No debt	\$3,380,400	n/a	6.9%	No loan payments; ties up the most cash

Structures shown side by side for comparison; the order is not a ranking. Cash in includes closing costs and a \$96,000 capex reserve (\$2,000/unit). Math only, not a recommendation.

SELLER FINANCING · BALLOON CHECK

SELLER NOTE \$2,576,000 6.0% · 25-yr amortization	YEARLY PAYMENTS \$199,166 DSCR 1.17x	BALLOON, YEAR 5 \$2,317,000 Balance still owed	REFI MAX (CONSERVATIVE) \$2,254,000 Lower of 70% LTV or 1.25x DSCR at 7.0%	SHORTFALL \$63,000 Cash needed at refinance
--	---	---	---	--

With NOI held flat, a year-5 refinance is limited by value (\$3,220,000 at a 7.25% cap) and by coverage. The balloon is about **\$63,000** larger than conservative refinance proceeds. Ask for a two-year extension option, no prepayment penalty, and the right to assign the note.

MASTER LEASE WITH PURCHASE OPTION

Lease the whole property for \$16,500/month net (\$198,000/yr) with an option to buy at \$3,300,000 within 24 months. On our NOI the lease leaves \$35,530/yr of cash flow on about \$125,000 of option consideration and working capital. The return is high because you don't own the property: you carry operating risk without title, and the option is lost if terms are breached. Record a memorandum of the option and get a title commitment before signing.

COUNTEROFFER FRAMING

Open at \$3,010,000 with the seller's own T-12 and the tax re-assessment as the documented reasons. Trade price for terms: a higher price is defensible only if the seller carries paper at 6.0% or less with an extension option.

FINANCING COMPARED · SAME PROPERTY, THREE WAYS TO PAY

At target price \$3,220,000	A · DSCR loan, 70% of price	B · DSCR loan, 50% of price	C · All cash
Loan amount	\$2,254,000	\$1,610,000	None
Down payment / equity	\$966,000	\$1,610,000	\$3,220,000
Estimated closing costs 2% of price + 1.5% of loan (points, fees)	\$98,210	\$88,550	\$64,400
Capex reserve at closing	\$96,000	\$96,000	\$96,000
Total cash to close	\$1,160,210	\$1,794,550	\$3,380,400
Debt service, monthly	\$14,996	\$10,711	\$0
Debt service, annual	\$179,951	\$128,536	\$0
Year 1 NOI (same for all)	\$233,530	\$233,530	\$233,530
Annual cash flow after debt service	\$53,579	\$104,994	\$233,530
Debt coverage (DSCR) NOI ÷ annual debt service	1.30x at or above 1.25x	1.82x at or above 1.25x	n/a no loan
Cash-on-cash return Cash flow ÷ total cash to close	4.6%	5.9%	6.9%
Cap rate (same for all) NOI ÷ price	7.25%	7.25%	7.25%
Break-even occupancy (Costs + debt service) ÷ income if 100% full	80.7%	71.6%	48.7%
If the rate is 1 point higher (8.0%)	Payments \$198,469/yr DSCR 1.18x · cash flow \$35,061/yr	Payments \$141,763/yr DSCR 1.65x · cash flow \$91,767/yr	No loan: no change
If vacancy is 5 points higher (15%) NOI \$208,358	DSCR 1.16x cash flow \$28,407/yr	DSCR 1.62x cash flow \$79,822/yr	Cash flow \$208,358/yr cash-on-cash 6.2%

FINANCING INPUTS · CHANGE ANY OF THESE

Input	Setting used	Input	Setting used
Price used	\$3,220,000, target price	Lender + third-party fees	0.5% of the loan (appraisal, underwriting, legal)
Interest rate	7.00% fixed, both loan options	Closing costs, all options	2% of price (title, escrow, legal, recording)
Amortization	30 years	Capex reserve	\$96,000, funded at closing
Loan term	30 years, no balloon	Typical lender DSCR minimum	1.25x (many look for 1.20x to 1.25x)
Loan points	1% of the loan	Stress tests	rate + 1 point; vacancy + 5 points

Side-by-side math only; the column order is not a ranking, and nothing here says which option to use. Financing terms are illustrative assumptions, not loan quotes: a DSCR lender sizes the loan on the lower of price or its own appraisal and its own coverage test, so the loan offered may be smaller. Closing costs are itemized here, so the 70% column can differ slightly from the deal structures table. Break-even occupancy holds costs at the Year 1 level.

PUBLIC RECORDS CHECK

Item	What the records show	Status
Assessed value	\$2,450,000 (current year), well below asking. Expect re-assessment on sale.	Watch
Owner of record	Matches the selling entity; held 11 years	OK
Recorded liens	One deed of trust; no tax or mechanic's liens found	OK
Building permits	Roof replaced 2019; 12 unit-interior permits since 2021	Watch
Code cases	None open in the last 3 years	OK

CONFLICTS FOUND BETWEEN SOURCES

Item	Source A	Source B	We used
Average rent	Listing: \$1,025 "market"	Rent roll: \$950 in place	\$950 (in place)
Renovated units	Listing: "all units updated"	Permits: 12 of 48	12; budget the rest as capex
Rentable sq ft	Listing: 38,400	Appraisal district: 37,950	37,950
Property taxes	Seller T-12: \$49,000	Re-assessed estimate: \$72,000	\$72,000

CONTRACT CONDITIONS TO CONSIDER

- 45-day due diligence period with a free walk
- Rent roll, T-12, leases and bank deposits within 5 days
- Tenant estoppels before closing
- Inspection and financing contingencies
- Seller note: extension option, no prepayment penalty

NEXT STEPS

1. Get a written lender quote at 70% LTV
2. Get an insurance quote for the actual building
3. Order a full inspection: roof, plumbing, HVAC, electrical
4. Check rents against at least 3 nearby listings
5. Ask a tax consultant to estimate the re-assessment

WHERE DEEPER ANALYSIS IS WORTH IT

A unit-by-unit capex scope for the 36 unrenovated units, a formal rent comparable survey, and a property tax protest estimate. Each could move the target price by more than the cost of the work.

SOURCES

1. Listing page and offering summary. Accessed Oct 2026. [link]
2. County appraisal district parcel record. Accessed Oct 2026. [link]
3. County tax office, current rate sheet. Accessed Oct 2026. [link]
4. Rent listings, 3 comparable properties within 1 mile. Accessed Oct 2026. [links]
5. Seller T-12 and rent roll (buyer-provided). Received Oct 2026.
6. City permit and code-case portal. Accessed Oct 2026. [link]

Please read. (1) We underwrite conservatively, on purpose; our numbers may look worse than the seller's. (2) Underwrite the deal yourself, from multiple independent sources, before deciding anything. (3) Doorcount takes no responsibility for decisions made, including any offer, bid, purchase or loan. (4) Doorcount is not responsible for accuracy in individual markets. All figures are estimates. This report is informational only and is not investment, legal, tax or financial advice.