

**BUY IT, RENT IT, PROFIT!**  
E D U C A T I O N

GUIDE 0007



# INVESTMENT, & OPERATIONS GUIDE <sup>TM</sup>

QUICKLY MASTER MULTIFAMILY INVESTING  
EVALUATION & UNDERWRITING

GUIDES DESIGNED TO HELP YOU EXCEL AT ACQUIRING AND OPERATING REAL ESTATE INVESTMENTS

# REAL STATE INVESTING IN OPERATIONS GUIDES

## Quickly Master Multifamily Investing Evaluation & Underwriting

When it comes to evaluating multifamily real estate investments, using objective criteria is key to determining their potential profitability. By mastering the underwriting process, real estate investors can gain a competitive advantage in the marketplace. Here are some of the most commonly used formulas to evaluate multifamily investments:

✓ **Internal rate of return (IRR):**

IRR is the expected rate of return on an investment, expressed as a percentage. This formula takes into account the time value of money and considers the present value of future cash flows. IRR is a key metric used to evaluate the potential profitability of a multifamily investment.

✓ **Cash on cash return (CoC):**

CoC is the annual return on an investment, expressed as a percentage of the initial investment. This formula is used to evaluate the income-generating potential of a multifamily investment.

✓ **Net present value (NPV):**

NPV is the present value of all future cash flows, minus the initial investment. This formula takes into account the time value of money and helps determine the profitability of a multifamily investment over the long term.

✓ **Cash multiple (CM):**

CM is the ratio of the total cash flows received to the initial investment. This formula helps determine the overall profitability of a multifamily investment.

Investors who want to master underwriting for multifamily investments can benefit from courses and resources offered by Buy it Rent it Profit™. Our Investors Workstation provides investors with the tools and resources they need to evaluate potential multifamily investments accurately. It includes underwriting templates, real-time market data, property management tools, and more.

In addition to the Investors Workstation, Buy it Rent it Profit Education™ offers courses on underwriting for multifamily investments. These courses cover key concepts such as property valuation, due diligence, and financial analysis. By mastering underwriting, real estate investors can make informed decisions and maximize their return on investment.

By using these formulas and taking advantage of the resources offered by Buy it Rent it Profit™, real estate investors can gain a competitive advantage in the marketplace and increase their chances of success. It's important to note that while these formulas are essential tools in evaluating an investment, other factors such as market conditions, local regulations, and property-specific factors should also be taken into account.