

# PENCIL THIS



*Does it pencil? Know before you offer.*

## Deal Partner Add-On — Sample Section

Section 15: Recommended Offer Progression · Maplewood Gardens, Gulf Coast metro · 56 Units

**SAMPLE** — illustrates the \$600 Deal Partner tier; anonymized, cleared for external use · **Anonymized sample** — cleared for external use; figures rounded

### 15. Recommended Offer Progression

**Market temperature: soft for this asset class.** the metro metro rents were down 1.2% year-over-year in January 2026, Class C absorption is negative, more than 80% of metro trades are Class C value-add (a buyer's pool, not a bidding war), and the property has sat with 7 advertised vacancies. A soft read widens the opening margin below the ceiling to ~15% per our methodology. There is no published ask — the seller markets “Market All Cash” — so every rung below is anchored to the seller's own T12 operating NOI (\$192,512), which is the number an all-cash buyer actually purchases.

Rung	Price	Per unit	Going-in cap (T12 NOI)	Rationale — what you say
Opening bid	\$2,255,000	\$40,268	8.5%	“We’re pricing your actual trailing income, all cash, quick close, no financing contingency. At ~79% economic occupancy with three evictions running, an 8.5% cap on actual NOI is a fair risk price.” Aggressive but defensible — leaves two full moves before your ceiling.
Counter range	\$2,400,000 – \$2,550,000	\$42,857– \$45,536	8.0% → 7.55%	Concede in \$70–\$80k steps, and trade each step for something: full access for unit walks, the delinquency/eviction docket, the county appraisal district/tax detail, boiler inspection, a shorter feasibility period. Movement inside this band prices the deal between an 8.0% and 7.55% cap on actual income — still a discount to the stabilized story, still fully supported.
Stretch ceiling (MAO)	\$2,655,000	\$47,411	7.25%	The walk-away ceiling from Section 9 — the most the deal supports under your ~\$3.0M cash after the \$229,460 capital budget, closing costs, and the \$75,000 turnaround reserve. Only reach it for a clean contract: as-is, tight inspection, no re-trade risk.
Walk-away	> \$2,655,000	—	< 7.25%	Above the MAO the purchase no longer fits your stated all-cash structure — you would need financing you told us you don't want, or to strip the capital budget and reserve the turnaround requires. Both break the plan. Walk.

#### How to run it

- **Lead with structure, not price.** Your edge is certainty: all cash, no financing contingency, proof of funds, close in 30–45 days. Put that in the LOI's first paragraph — it buys price tolerance from a seller who marketed “all cash” for a reason.
- **Anchor every number to the seller's own paper.** The T12 NOI, the single \$1,015 rent schedule, the \$995–\$1,015 live ads, the eviction roll — you never argue your model, you quote their documents (the pushback points in Section 14).

- **Expect the pro forma anchor.** The OM's \$376,926 pro forma implies a ~\$4.7M story at metro pro-forma caps. If the broker leads there, the response is one line: "We'll gladly pay for stabilized income — once someone stabilizes it. Today it earns \$192,512."
- **Discipline rule.** If the seller won't engage below ~\$3.0M, this is a pass at your structure — revisit in 60–90 days; a 1967 C-class asset with 7 advertised vacancies and an eviction docket gets more motivated, not less.

*Included with this tier: one revision round if terms change (seller counter, updated financials, new structure) and a 30-minute call to walk the progression before you send the LOI.*

---

*Pencil This Underwriting analyses are decision-support tools based on information provided by the client. They are not investment, legal, tax, or financial advice. The client is responsible for verifying all inputs and conducting independent due diligence before making any investment decision.*