

Massachusetts: build a defensible buyer NOI

Property / address: _____ Review date: _____

Examples below are hypothetical, not observed market rents, a quoted premium or a loan offer. Write your property values and evidence on the right. This sheet does not save inputs.

Annual budget or acquisition line	Example	Your figure / source / date
Purchase price	\$2,200,000	_____
Scheduled annual apartment rent	\$268,800	_____
Other annual income	\$3,200	_____
Vacancy / concessions / collection loss	\$16,000	_____
Buyer taxes	\$30,000	_____
Insurance	\$14,000	_____
Owner-paid utilities	\$16,000	_____
Recurring maintenance	\$18,000	_____
Management	\$17,000	_____
Administration	\$7,000	_____
Annual NOI before reserves / debt	\$154,000	_____
Loan principal	\$1,210,000	_____
Annual debt service	\$91,776	_____
Annual replacement reserve	\$6,400	_____
Closing costs	\$66,000	_____
Immediate capital work	\$140,000	_____
Total invested cash	\$1,196,000	_____

Example: 8 units x \$2,800 monthly x 12. Debt: 6.5% assumed, 30-year amortization. NOI \$154,000 ÷ price \$2,200,000 = 7.00% cap. Cash after debt and reserves \$55,824 ÷ invested cash \$1,196,000 = 4.67% cash-on-cash. DSCR 1.68 x before / 1.61 x after reserves. Verify the lender numerator.

Immediate work is capital outside NOI. Replacement reserve is deducted below NOI. Add any required initial lender reserve deposit to invested cash. Test the buyer tax treatment and a slower first turnover while lead and system work are completed. The \$140,000 capital budget requires actual bids.

Local evidence and property decisions

Municipal buyer taxes

Massachusetts property taxes are administered locally and may involve classification and exemptions. Confirm the parcel's current assessed value, classification and buyer eligibility. Do not retain a seller's residential exemption without verifying that it applies to the buyer.

Lead and capital work

Review Massachusetts lead-law guidance, inspection records and compliance documents. Obtain qualified bids and a lawful tenant-access plan; a generic per-unit renovation allowance cannot establish compliance.

A financing perspective

Arbor's small-multifamily report covers a national financed-loan universe. Its cap and debt metrics are not Massachusetts sale comparables. Use it to question leverage and lender coverage, then obtain a property-specific term sheet.

Comparable-sale audit

Sale / closing date	Location, units, vintage	NOI period / expense convention	Price / cap / adjustments
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Do not average incompatible rates. Identify asks, financed valuations and closed sales separately. Shared provider data is not independent confirmation.

Downside, exit and approval boundary

Value = annual NOI ÷ (cap percent ÷ 100). Total NOI growth is cumulative. Simple property value excludes debt payoff, sale costs, taxes and interim cash flows. Calculate net proceeds separately.

Scenario	NOI / exit cap	Gross value	Net proceeds after payoff / sale costs / tax
Compression	_____	_____	_____
Stable caps	_____	_____	_____
Expansion + lower NOI	_____	_____	_____

What evidence would invalidate my case? _____

Missing documents / responsible person / deadline: _____

Sources and dated coverage limits: vouchermatch.com/rentalcalcs/cap-rates/massachusetts#sources . Consult the report before treating a benchmark as current.