

New Jersey: 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	\$2,400,000	_____
Scheduled annual apartment rent	\$316,800	_____
Other annual income	\$4,800	_____
Vacancy / concessions / collection loss	\$16,000	_____
Buyer taxes	\$52,000	_____
Insurance	\$18,000	_____
Owner-paid utilities	\$17,000	_____
Recurring maintenance	\$21,000	_____
Management	\$20,000	_____
Administration	\$9,600	_____
Annual NOI before reserves / debt	\$168,000	_____
Loan principal	\$1,440,000	_____
Annual debt service	\$109,221	_____
Annual replacement reserve	\$7,200	_____
Closing costs	\$72,000	_____
Immediate capital work	\$120,000	_____
Total invested cash	\$1,152,000	_____

Example: 12 units x \$2,200 monthly x 12. Debt: 6.5% assumed, 30-year amortization. NOI \$168,000 ÷ price \$2,400,000 = 7.00% cap. Cash after debt and reserves \$51,579 ÷ invested cash \$1,152,000 = 4.48% cash-on-cash. DSCR 1.54 x before / 1.47 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. Replace the \$52,000 tax allowance with municipal/PILOT evidence. Test concession burn-off and lawful increases before adding rent upside; model NJ seller fees separately at exit.

Local evidence and property decisions

Taxes and exit costs

Get the municipal assessment, current rate and any PILOT or abatement agreement; verify transfer treatment. NJ's Realty Transfer Fee and Graduated Percent Fee guidance must be applied by property class and consideration. Do not assume the former buyer-paid 1% rule is the current closing rule. Budget the seller's applicable charges in the exit case.

Local rent rules and registration

DCA supplies landlord-tenant guidance and a rent-control survey. Obtain the actual municipal ordinance and building registration; the survey alone does not establish the parcel's exemption or permitted increase.

Insurance

DOBI explains that standard homeowners coverage excludes flood damage. An apartment buyer needs a commercial policy review, flood quote where relevant and the actual wind/flood deductibles. The example's premium is an assumption, not a quote.

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/new-jersey#sources . Consult the report before treating a benchmark as current.