

Investment Property Evaluation

Address: 22 E Richards Street, Summit Hill Borough, PA 18250



Phot Provided Courtesy of Neil Stark

Property Overview & Key Metrics

Type: 2-Unit Multifamily (Value-Add Opportunity) — On-Market Deal

Purchase Price: \$145,000 — **Price/Unit:** \$72,500 per unit

Upside Potential: Yes, Value-Add (minor repairs required; potential rent increases)

Total Monthly Rent (Current): \$1,700/month

Total Monthly Rent (Proforma): \$1,900/month (after stabilization)

Cash Flow (After Reserves):

- **Current:** \$306.42/month (\$3,676.99/year)
- **Proforma:** \$506.42/month (\$6,076.99/year)

Cap Rate:

- **Current:** 10.33%
- **Proforma:** 12%

Cash-on-Cash ROI:

- **Current:** 9.9%
- **Proforma:** 15.8%

Equity Upside: Potential property value increases from \$145,000 to \$217,500 if stabilized at a 7% cap rate.

Summary

This is a 2-unit multifamily property offering strong cash flow and upside potential through minor repairs and tenant stabilization. Both units feature tenant-paid utilities. With rents currently under market, increasing them post-repair will significantly enhance profitability and equity. The property has low operating costs and is in a stable rental market.

Disclosures

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Property Details

- **Property Type:** 2-Unit Multifamily (Side-by-Side Duplex)
 - **Square Footage:** 1,800 SF
 - **Lot Size:** 436 SF (0.01 acres)
 - **Year Built:** 1926
 - **Stories:** 2
 - **Zoning:** Residential
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Supporting Docs / Files

- **MLS Listing:** <https://portal.onehome.com/en-US/share/1024094P90974>
 - Shared with listing agent written permission
- **Evaluation / Tax Info / Supporting Docs:** [Google Drive Folder](#)
- **Photos, Videos:** [PHOTOS / VIDEO](#)

Due Diligence Checklist

1) Property On-Market or Off-Market?

- **Status:** On-Market (MLS# 749620)
- **Asking Price:** \$145,000
- **Days on Market (DOM):** 10

2) Property Condition

- **Unoccupied Unit:** Fully renovated. Floors slope slightly but do not require immediate correction.
- **Occupied Unit:** Requires minor repairs:
 - Tub drainage fix.
 - Water-damaged kitchen ceiling tiles.
 - Common entry repair to address water intrusion into the basement.

3) Tenant Status

- **Unit 1 (Occupied):** 2 Beds, 1 Bath — Rented at \$850/month (\$10,200/year)
- **Unit 2 (Vacant):** 2 Beds, 1 Bath — Renovated; market rent \$850/month (\$10,200/year)

4) Purchase Price & Terms

- **Purchase Price:** \$145,000
- **Loan:** \$116,000 (80% LTV)
- **Interest Rate:** 7%
- **Loan Term:** 30-Year Fixed
- **Monthly Payment (P&I):** \$771.75
- **Total Cash to Close:** \$37,292.50

5) Investor's Strategy

- **Strategy:** Buy & Hold with Value-Add Repairs
- **Cash Flow:**
 - **Current:** \$306.42/month (\$3,676.99/year)
 - **Proforma:** \$506.42/month (\$6,076.99/year)

6) Exit Strategy



- **Strategy:** Stabilize rents; hold for 5-7 years, then refinance or sell.
- **Equity Potential:** \$217,500 at a 7% cap rate.

Income & Expenses

See spreadsheet on Google Drive for full expense breakdown.

Category	Current	Proforma	Notes
Total Monthly Rent	\$1,700 (\$20,400/year)	\$1,900 (\$22,800/year)	Based on current and projected rents.
Property Taxes	\$113.50 (\$1,362/year)	\$113.50 (\$1,362/year)	Based on current tax assessment.
Insurance	\$83.33 (\$1,000/year)	\$83.33 (\$1,000/year)	Estimate provided by the listing agent.
Vacancy (5%)	\$85.00 (\$1,020/year)	\$95.00 (\$1,140/year)	Adjusted for market averages.
Maintenance/CapEx (5%)	\$85.00 (\$1,020/year)	\$95.00 (\$1,140/year)	Allocated for general upkeep.
Total Operating Expenses	\$451.83/month	\$481.83/month	Sum of all operating expenses.
Net Operating Income (NOI)	\$1,248.17/month	\$1,418.17/month	After subtracting operating expenses.

Cash Flow (After Debt Service)	\$306.42/month	\$506.42/month	Remaining after debt payments.
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Market Insights

- **Rental Market Growth:** Summit Hill is experiencing steady rent growth due to high demand and low vacancy rates.
- **Nearby Areas:** Close to Hazleton, Tamaqua, and Mahanoy City; 45 minutes from Allentown.
- **Cost of Living:** Low property taxes and affordable housing costs attract renters and investors alike.

Helpful Links:


- [Carbon County Housing Data](#)
- [Panther Valley School District](#)
- [Flood Zone Status \(FEMA\)](#)

Key Investment Highlights

- **Value-Add Opportunity:** Minor repairs required; increase rent post-repair.
- **Tenant-Paid Utilities:** All utilities metered separately.
- **High Cash Flow Potential:** Current \$306.42/month; Proforma \$506.42/month.
- **Equity Growth:** Stabilized property value estimated at \$217,500.

Let's Get to Work! Contact Us to Schedule a Showing

The Morrow Wargo Group

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Important Notice:

This deal contains multiple variables and must be analyzed individually. Investment returns are not guaranteed and should not be considered financial advice. Each investor is responsible for conducting their own due diligence. The data presented may be public or

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