DEAL SEEKER

Investment Property Analyzer

Printable User Guide

How every section works, what each metric means, and how to use the tool to evaluate a deal.

CAP RATE	CASH-ON-CASH	CASH FLOW	DSCR
Income yield	Return on cash	Money left each month	Debt coverage

Purpose of Deal Seeker

Deal Seeker is a screening and decision-support tool. It organizes purchase, income, operating expense, financing, and assumable-loan information into a consistent analysis. It does not replace lender underwriting, due diligence, inspections, tax review, insurance quotes, or legal advice.

Use the tool to answer three questions:

- Does the property itself produce enough income?
- Does the financing leave enough cash flow and return on invested cash?
- If the deal misses the target, is the problem the property, the price, or the financing?

How to Use This Guide

The sections below follow the same order as the Deal Seeker page. Start with the purchase terms, then enter income and expenses, review the summary, and use the assumable-loan module only when the property has an eligible existing loan you are analyzing.

Field	What it means / how to use it
1 - Top Dashboard & Deal Verdict	Fast read of the current deal.
2 - Property Purchase	Price, down payment, loan terms, closing costs, repairs, and mortgage insurance.
3 - Income	Unit rents and additional property income.
4 - Monthly Expenses	Operating costs, percentage reserves, the 50% rule comparison, and CapEx.
5 - Summary	NOI, cap rate, all-in cap rate, cash-on-cash return, DSCR, and cash flow.
6 - Assumable Loan Analysis	Compare conventional financing with an assumed loan plus any gap financing.
7 - Deal Verdict	How the current decision engine labels a deal.
8 - Reading a Deal Correctly	Common interpretation mistakes and a practical decision workflow.

Important

A metric is useful only when the inputs are realistic. A precise result from unrealistic rent, taxes, insurance, vacancy, repairs, or financing assumptions is still a bad analysis.

1. Top Dashboard & Screening Rules

The dark dashboard at the top is the fastest way to read the active scenario. It updates automatically as inputs change. If the Assumable Loan toggle is ON and the assumable structure is valid, the dashboard uses that financing path; otherwise it uses the conventional financing path.

Field	What it means / how to use it
Cap Rate	Annual NOI divided by purchase price. It evaluates the property before financing, so changing the down payment or interest rate does not change cap rate.
Cash-on-Cash	Annual investor cash flow divided by actual cash invested. Financing matters heavily here because both debt service and the amount of cash invested change the result.
Monthly Cashflow	Money left after operating expenses, the CapEx reserve, mortgage principal and interest, and monthly mortgage insurance.
1% Rule	A quick rent-to-price screen. Deal Seeker uses base rent only, not laundry or other ancillary income. Passing the rule is not the same as proving a deal is good.
DSCR	Debt Service Coverage Ratio. It compares NOI with annual principal-and-interest debt service. If there is no debt, DSCR is shown as N/A rather than a failure.
Deal Verdict	A plain-language interpretation of the active deal based mainly on cash flow, cash-on-cash return, and DSCR.

Cap Rate: `Annual NOI / Purchase Price`

Cash-on-Cash Return: `Annual Investor Cash Flow / Cash Invested`

DSCR: `Annual NOI / Annual P&I Debt Service`

Mortgage insurance and CapEx are handled outside standard P&I debt service in the current tool.

2. Property Purchase

This section establishes the acquisition price and the conventional financing baseline. The assumable-loan module later compares itself with these conventional terms.

Field	What it means / how to use it
Purchase Price	The agreed or asking price used to acquire the property.
Down Payment %	Percentage of the purchase price paid in cash. The tool constrains this between 0% and 100%.
Down Payment ($)	Automatically calculated dollar amount of the down payment.
Loan Amount (Mortgage)	Purchase price minus the down payment.
Closing Costs %	Estimated acquisition closing costs as a percentage of purchase price. Use a realistic estimate or confirmed closing-cost quote.
Closing Costs ($)	Automatically calculated closing-cost dollars.
Estimated Repairs	Up-front repair or renovation money expected shortly after purchase.
Total Capital Needed	Down payment + closing costs + estimated repairs. This becomes the conventional cash-invested denominator for cash-on-cash return.
Loan Term (Years)	Amortization period used for the conventional mortgage payment.
Interest Rate %	Annual note rate for the conventional loan being modeled.
Monthly Payment (P&I)	Calculated monthly principal-and-interest payment. This excludes taxes, property insurance, HOA, operating expenses, and mortgage insurance.
Monthly Mortgage Insurance (PMI/MIP)	Monthly financing-related insurance cost. It reduces cash flow but is kept separate from standard P&I debt service in the current DSCR calculation.

Down Payment ($): `Purchase Price x Down Payment %`

Loan Amount: `Purchase Price - Down Payment`

Total Capital Needed: `Down Payment + Closing Costs + Repairs`

Why this section matters

The same property can produce very different cash-on-cash returns under different financing. Cap rate measures the property. Cash-on-cash measures the property plus the financing structure.

3. Income

Income begins with rent from each unit. Deal Seeker lets you add or remove units, making the same calculator usable for a single-family rental or a small multi-unit property.

Field	What it means / how to use it
Unit Rent	Monthly scheduled rent for each unit. Add another unit when the property contains multiple rentable units.
Laundry Revenue / mo	Recurring monthly laundry income.
Other Revenue / mo	Other recurring income such as parking, storage, pet fees, or similar property revenue.
Gross Monthly Income	Total unit rents + laundry + other recurring revenue.
Gross Yearly Income	Gross monthly income multiplied by 12.

Gross Monthly Income: `Base Rent + Laundry + Other Revenue`

1% Rule detail

The 1% Rule in Deal Seeker intentionally uses base rent only. Laundry and other ancillary income still improve NOI and cash flow, but they do not make the 1% screening badge pass.

4. Monthly Expenses

This section is where optimistic analyses usually fail. Enter what the property is likely to cost to operate - not what you hope it will cost.

Field	What it means / how to use it
Taxes	Monthly property-tax cost. Convert an annual tax bill to a monthly number when necessary.
Insurance	Monthly property insurance premium.
Trash	Owner-paid trash collection.
Gas / Electric	Utilities paid by the owner.
Internet	Owner-paid internet service, if applicable.
HOA	Monthly homeowners or condominium association dues.
Water / Sewer	Owner-paid water and sewer.
Heat	Separate heating expense when applicable.
Lawn / Snow	Landscaping, lawn care, or snow-removal expense.
Phone Bill	Property-related phone service if applicable.
Extra	Other recurring monthly operating expense not captured above.

Percentage-Based Operating Assumptions

Field	What it means / how to use it
Maintenance %	Routine repair and maintenance reserve as a percentage of base rent.
Vacancy %	Allowance for lost rent from vacancy or turnover as a percentage of base rent.
Management %	Property-management allowance as a percentage of base rent. Use it even when self-managing if you want to evaluate the property as an investment independent of your own labor.
Expense Ratio	Total modeled operating expenses divided by gross income. CapEx and debt service are excluded from this ratio in the current model.

50% Rule Comparison

Deal Seeker does not treat the 50% rule as a pass/fail test. It shows an estimate equal to 50% of gross income and compares it with the operating expenses you actually entered. A large difference in either direction deserves investigation.

Field	What it means / how to use it
50% Rule Estimate	Half of gross monthly income. A rough screening benchmark, not an underwriting result.

Your Entered Expenses	The operating expenses calculated from the actual entries in the expense section.
Difference	Entered operating expenses minus the 50% estimate. A negative difference means modeled operating expenses are below the rough rule; a positive difference means they are above it.

Capital Expenditure Reserve (CapEx)

CapEx is intentionally separated from standard NOI. It represents money reserved for larger replacements such as roofs, HVAC systems, water heaters, appliances, and major building components.

Field	What it means / how to use it
CapEx Reserve %	Reserve percentage applied to base rent.
CapEx Reserve ($/mo)	Dollar amount set aside each month. It does not reduce standard NOI or cap rate in Deal Seeker, but it does reduce investor cash flow and cash-on-cash return.

Operating Expenses: `Fixed Expenses + Maintenance + Vacancy + Management`

CapEx Reserve: `Base Rent x CapEx %`

5. Summary

The Summary section separates property performance from investor performance. This distinction is critical: NOI and cap rate describe the asset; cash-on-cash and monthly cash flow describe what the financing leaves for the investor.

Field	What it means / how to use it
Monthly NOI	Gross monthly income minus operating expenses. CapEx, mortgage payments, and mortgage insurance are excluded.
Yearly NOI	Monthly NOI multiplied by 12.
Cap Rate (on purchase price)	Annual NOI divided by purchase price.
All-In Cap Rate	Annual NOI divided by purchase price + repairs + closing costs. This is useful when acquisition and rehabilitation costs materially change the actual basis.
Cash-on-Cash Return	Annual investor cash flow divided by cash invested in the active financing path.
DSCR	Annual NOI divided by annual principal-and-interest debt service. It measures how much NOI covers debt payments.
Monthly Cashflow	NOI minus CapEx reserve minus the active financing payment minus applicable mortgage insurance.
Yearly Cashflow	Monthly cash flow multiplied by 12.

NOI: `Gross Income - Operating Expenses`

Investor Cash Flow: `NOI - CapEx Reserve - P&I - Mortgage Insurance`

All-In Cap Rate: `Annual NOI / (Purchase Price + Repairs + Closing Costs)`

Do not confuse NOI and cash flow

A property can have a healthy NOI and cap rate but poor investor cash flow because the financing is expensive. Conversely, unusually favorable financing can improve cash-on-cash return without changing the underlying cap rate.

6. Assumable Loan Analysis

Use this module only when you want to model taking over an existing loan instead of using the conventional financing entered in Property Purchase. When the toggle is OFF, the normal conventional path drives the dashboard and Summary. When ON, a valid assumable structure can become the active financing path.

Field	What it means / how to use it
Is this loan assumable?	Turns the assumable-financing scenario on or off.
Assumed Loan Type (reference)	Reference label for VA, FHA, or USDA. The current tool does not automatically change the calculation merely because a different type is selected.
Remaining Assumed Balance	Principal balance of the existing loan that would be taken over.
Assumed Interest Rate %	Interest rate attached to the existing loan.
Remaining Term (Years)	Remaining amortization period on the assumed balance.
Assumed Loan Payment (P&I)	Calculated P&I payment for the remaining balance, assumed rate, and remaining term.
Assumption / Processing Fee	Cash fee associated with processing the assumption. Confirm the actual amount with the servicer.
Assumed-Loan Monthly MI	Monthly mortgage insurance on the assumed loan, if applicable.
Total Equity Gap	Purchase price minus the assumed loan balance.
Cash Applied to Gap	Cash used to pay part or all of the seller-equity gap. The tool prevents this number from exceeding the actual gap.
Gap Financed with 2nd Loan	Remaining equity gap after cash applied to the gap.
Gap Financing Rate %	Interest rate on the second loan or other debt used to finance the remaining gap.
Gap Financing Term	Amortization period for the gap loan.
Gap Loan Payment (P&I)	Calculated payment for the financed gap.
Total Assumable P&I	Assumed-loan P&I + gap-loan P&I.
Weighted Average Note Rate	Balance-weighted average of the two note rates. It is not a true effective financing rate when the two loans have different amortization schedules.
Total Cash Needed (assumable path)	Cash applied to gap + closing costs + repairs + assumption fee.
Monthly Payment Savings	Difference between conventional monthly financing cost and the assumable path, including the respective monthly mortgage-insurance entries.

Conventional vs. Assumable Table

The comparison table shows both financing structures side by side so that payment savings do not hide a large difference in required cash or leverage.

Field	What it means / how to use it

Cash Required	Total initial cash required by each financing path.
Debt (Primary + Gap)	Total modeled debt for each structure.
Monthly P&I	Principal-and-interest payment for each path.
Monthly Cashflow	Investor cash flow after operating expenses, CapEx, financing, and mortgage insurance.
Cash-on-Cash Return	Annual cash flow divided by cash required for that financing path.
DSCR	NOI divided by annual P&I debt service for that path.

Important assumption warning

An assumable loan with a low rate is not automatically the better deal. A large seller-equity gap can require substantial cash or expensive second-lien financing. Compare cash required, cash-on-cash return, and DSCR - not just the interest rate.

7. Deal Verdict

The Deal Verdict converts the current numbers into a plain-language signal. It does not replace analysis; it summarizes the active financing path using the current built-in thresholds.

Field	What it means / how to use it
Strong Deal	Positive monthly cash flow, cash-on-cash return of at least 8%, and - when debt exists - DSCR of at least 1.25x.
Workable Deal	Positive monthly cash flow, cash-on-cash return of at least 5%, and - when debt exists - DSCR of at least 1.20x.
Needs Better Terms	Cash flow is still positive, but one or more return or debt-coverage thresholds are not strong enough. This often points toward negotiating price, improving financing, or verifying rent/expense assumptions.
Weak Deal	The active scenario fails the lower-level viability checks - for example, negative cash flow or debt coverage below 1.0x.
Not Enough Data	The tool does not yet have a valid purchase price, income, financing, or return calculation from which to form a verdict.

Current Warning Language

Field	What it means / how to use it
Monthly cash flow is thin	Triggered when cash flow is positive but below $200 per month.
Cash-on-cash return is below 5%	Return on actual cash invested is below the lower built-in target.
Cash-on-cash return is moderate	Cash-on-cash return is at least 5% but below 8%.
NOI does not fully cover debt service	DSCR is below 1.0x.
DSCR is below 1.20x	Debt coverage is above 1.0x but below the current lower threshold.
DSCR is adequate but below 1.25x	DSCR is at least 1.20x but below the current strong-deal threshold.

How to use the verdict

Use the verdict as a triage signal, then read the reasons beside it. A "Needs Better Terms" result is not the same as a bad property. It can mean the asking price or financing is the weak link.

8. Reading a Deal Correctly

A useful decision process separates the property, the financing, and the investor's objectives. Use the following sequence when reviewing a listing.

Field	What it means / how to use it
Step 1 - Verify income	Use realistic rent, not an optimistic future rent unless the analysis is intentionally a stabilized scenario.
Step 2 - Verify operating costs	Taxes, insurance, HOA, utilities, vacancy, maintenance, and management assumptions can change NOI quickly.
Step 3 - Read NOI and Cap Rate	This tells you how the property performs before financing.
Step 4 - Read DSCR	This tells you whether NOI comfortably covers the modeled debt service.
Step 5 - Read cash flow and CoC	This tells you what the specific financing structure leaves for the investor.
Step 6 - Check the verdict reasons	Identify exactly which metric is weak.
Step 7 - Change one assumption at a time	Test price, rent, down payment, interest rate, or assumable-gap structure separately so you know what is actually driving the result.
Step 8 - Verify before an offer	Replace estimates with tax records, insurance quotes, rent evidence, inspection findings, loan terms, servicer information, and actual closing-cost estimates.

Common Interpretation Mistakes

Field	What it means / how to use it
Passing the 1% Rule = good deal	False. It is only a quick screen. Expenses and financing still determine the actual investment result.
High Cap Rate = high cash flow	Not necessarily. Cap rate ignores financing.
Low interest rate = better deal	Not necessarily. An assumable loan may require a large equity-gap payment or second loan.
Positive cash flow = strong return	Not necessarily. A small positive monthly amount can represent a poor return on a very large cash investment.
Low expense ratio = automatically good	Not necessarily. It may also mean an expense was omitted or underestimated.
The calculator replaces due diligence	No. The calculator organizes the analysis; the quality of the decision still depends on the quality of the inputs.

Bottom line

Deal Seeker is strongest when it helps you identify WHY a deal works or fails. The goal is not only to produce a number; it is to show whether the property economics, financing structure, and required cash support the investment decision.

Quick Reference - Core Formulas

Field	What it means / how to use it
Gross Monthly Income	Base rents + laundry + other recurring revenue
Operating Expenses	Fixed operating costs + maintenance + vacancy + management
NOI	Gross income - operating expenses
Cap Rate	Annual NOI / purchase price
All-In Cap Rate	Annual NOI / (purchase price + repairs + closing costs)
Investor Cash Flow	NOI - CapEx reserve - P&I - mortgage insurance
Cash-on-Cash	Annual investor cash flow / cash invested
DSCR	Annual NOI / annual P&I debt service
1% Rule	Base monthly rent >= 1% of purchase price
Equity Gap	Purchase price - assumed loan balance
Gap Financed	Equity gap - cash applied to gap
Total Assumable P&I	Assumed-loan P&I + gap-loan P&I

SCREEN FIRST. VERIFY SECOND. DECIDE THIRD.

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