



FIVE TIPS FOR
MULTIFAMILY
INVESTING



INVESTMENT
PROPERTY
CASE STUDIES

RCN CAPITAL

**THE LEADING NATIONWIDE LENDER
FOR REAL ESTATE INVESTORS**

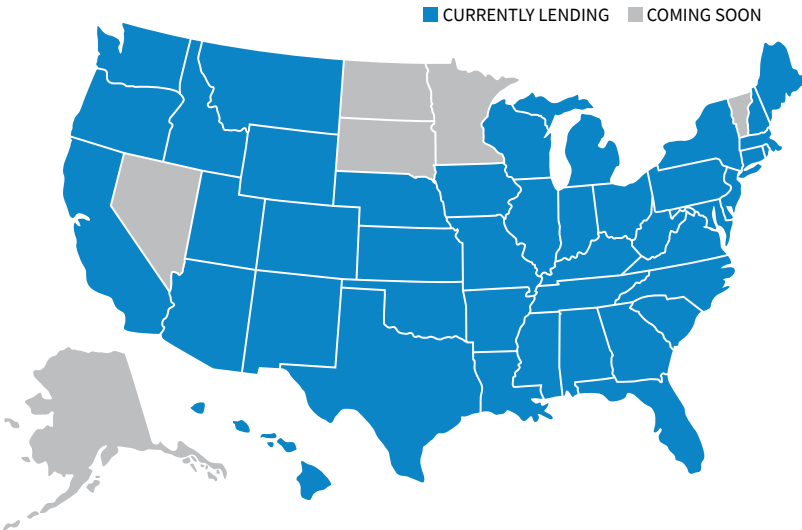
The Leading Nationwide Lender for Real Estate Investors

RCN CAPITAL IS A NATIONWIDE, DIRECT, PRIVATE LENDER.

We provide commercial loans for the purchase or refinance of non-owner-occupied single-family & multi-family properties.

We specialize in ground-up construction financing, short-term bridge loans, fix & flip financing as well as long-term rental financing for real estate investors. We lend to both new and experienced real estate professionals throughout the country.

As a direct, private lender, RCN Capital takes a common-sense approach to underwriting, with all approvals made in-house. We are dedicated to providing quick responses to time-sensitive loans, often times with the ability to close in as few as 10 business days. At RCN Capital, we value referrals and our brokers are protected. We are committed to the highest level of customer service, because our success lies in building relationships.



JEFFREY TESCH, Chief Executive Officer, is responsible for overseeing the operations of RCN Capital, including sales growth initiatives, underwriting review with compliance oversight and leadership of senior level strategic planning. Joining the Company in 2010 as Managing Director, Tesch led efforts to develop a national brand in private lending with the best practices and transparent products for a diverse customer base. Since RCN’s inception, Jeff has personally overseen over \$2 Billion in originations. Jeff’s previous real estate experience was as an investor in both commercial and residential properties, ranging from single family homes to commercial retail centers. Jeff currently serves as a member of the American Association of Private Lenders’ (AAPL) Ethics Advisory Committee and as an Advisory Council member for the National Private Lenders Association.

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DEBBIE ORDILLE, Chief Operating Officer, is responsible for the legal and servicing departments at RCN Capital and oversees the operations and processes of these departments. Debbie has over 25 years of experience in the mortgage industry and has handled all aspects of the loan process as an originator, processor, underwriter, closer and operations manager. Joining RCN in the fall of 2017, Debbie's mission is to streamline the process to ensure our loans close quickly and efficiently and help develop corporate and individual goals. Debbie holds a B.S. in business administration from Stockton University.



MARK BLAKE, Chief Technology Officer, joined RCN Capital in 2014 and is responsible for customer Intake, RCN's CRM, telephony, technology integration and productivity enhancements. Mark is also responsible for vendor negotiations and management. His experience prior to joining RCN includes working as a product and implementation manager for CIGNA HealthCare & CIGNA Financial Services. Mark also spent a number of years as management consultant with the Boston Consulting Group (BCG) and Accenture. Mark holds a B.S. and MBA degree from Stanford University.



JUSTIN PARKER, Chief Financial Officer, joined RCN Capital in 2017. Since joining the company, Justin has taken over all Treasury and Capital Market functions. He is responsible for day-to-day loan funding, portfolio oversight, cash management, cash flow forecasting, and banking and funding relations. Justin also manages RCN's short and long term forecasting, loan sales to investors, credit facility relationships, and asset-based analytics in regards to liquidity, income generation, and portfolio performance. Justin has previously worked at Ally Financial, Inc. and Finance of America, both of which where he supported the Treasury and Capital Markets departments. Justin holds a B.S. in Finance and Accounting from Clemson University, and an M.B.A. from Queens University.



ERICA LACENTRA, Chief Marketing Officer, is responsible for planning, developing, and implementing RCN Capital's marketing plan as well as overseeing the company's marketing department. Joining RCN Capital in 2013, Erica led a strategic rebrand to position the company for nationwide expansion. Erica's ongoing efforts have rapidly expanded RCN's customer base and elevated the company to a national brand. Erica currently serves as a member of the American Association of Private Lenders' (AAPL) Education Advisory Committee, the Marketing & Communications Chair for AREAA Boston, and a member of the REI INK Editorial Board. Erica holds a B.S. in Advertising with a minor in Fine Arts from Suffolk University in Boston, MA.



**THE LEADING NATIONWIDE LENDER
FOR REAL ESTATE INVESTMENTS**



NEW CONSTRUCTION

18-Months

Financing Single Family Properties
Funding for Purchase + Refinance



FIX & FLIP

12 & 18-Months

Financing Single & Multi-Family Properties
Funding for Purchase + Renovation Costs



SHORT-TERM VACATION RENTAL

30-Years

Financing Single-Family Properties
Options for Purchase, Refinance, & Cash-Out



LONG-TERM RENTAL

30-Years

Financing Single & Multi-Family Properties
Options for Purchase, Refinance, & Cash-Out

Visit RCNCapital.com \ **Email** Info@RCNCapital.com \ **Call** 860.432.5858

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THE FACES OF RCN CAPITAL



FIX & FLIP CASE STUDY

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Experienced investor finds ideal flip to hold investment

PROPERTY LOCATION

Chelsea, MA

PROPERTY TYPE

3-Family Property

SQUARE FOOTAGE 3,248

ORIGINAL YEAR BUILT 1920

LOAN AMOUNT \$518,000

LTV 90% of Purchase +
100% of Rehab Costs

RATE 8.99%

LENGTH OF LOAN

12 Month Fix & Flip

CLIENT EXPERIENCE LEVEL

10 Verified Properties Owned





LONG-TERM RENTAL REFINANCE CASE STUDY

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LOAN AMOUNT \$666,000

LTV 75% of the As-Is Value Funded

LENGTH OF LOAN

30-Year, Fixed Rate

**ALL 3-UNITS CURRENTLY
LEASED FOR MARKET RENT**

PROJECT SUMMARY

A highly experienced investor with 700+ credit, excellent cash reserves and over 10 verified owned properties was looking to purchase the subject property, a triplex in Chelsea, MA, to rehab and then refinance. RCN Capital was able to provide a loan for 90% of the purchase price and 100% of the renovation costs. The investor completed about \$36k in renovations and got all three units leased prior to coming back to RCN Capital to refinance the property into a longer-term loan. RCN Capital was then able to provide a 30-year fixed-rate loan at 75% of the as-is value. The property is currently generating \$6,900/per month.



5 Tips for Multifamily Investing

INVESTORS CONTINUE TO CHOOSE MULTIFAMILY HOMES, and it is no surprise considering the many benefits that come with them. Everything from their higher income potential to their ease of financing mean that investing in these properties is a smart move. If you are considering purchasing a multifamily property for the first time, you might be wondering how to keep your investment profitable. You may also be struggling to find a property that fits your investment needs. But fear not, because we have compiled a list of tips to help you on your next real estate venture.



1 SET YOUR FINANCIAL GOALS BEFORE YOU BUY

One of the first things you should do before investing in real estate is decide what you want the financial outcome of the investment to be. Are you looking to turn a quick profit? Look into home flipping and fixer uppers. Do you want to hold the property for long-term passive income? Then find a home with units that can generate significant revenue. The idea is that certain homes will fit your investment goals better, and you will not know what to look for if you do not know your goals. Also, if it is your first foray into the world of multifamily investing, you should consider a smaller 2-4 unit home before moving up to bigger properties.



2 RESEARCH THE LOCAL MARKET

If you are planning to invest time and money in a real estate property, but you neglect to research the area's home market, you could be making a huge mistake. Knowing the average rent of homes in the same area as your property can help give you an idea of how much revenue it can generate. The same can be said for the selling prices if you are looking to flip the home. You will also want to ensure the property is in a neighborhood that is safe, and has access to quality schools and other establishments. If possible, you should see the property in person. Finally, you should look into strong multifamily markets, like those near large or up-and-coming cities.



3

CRUNCH THE NUMBERS

If you really want to know if your investment will be profitable, and you have already done the research, then you can always just crunch the numbers. There are a number of metrics you can use including ROI (Return on investment), NOI (Net Operating Income), and Cap Rate but you will have to decide which one to use for your purposes. The ROI will be useful for finding your actual returns, but you need to make sure you are using the correct numbers, especially when it comes to the renovation costs and fees associated with house flipping. NOI and Cap Rate will be useful for finding the profitability of a rental property, with a healthy Cap Rate falling in the 4-10% range. Anything outside this range will either not be very profitable or will be considered too risky of an investment for most investors.



4

RENOVATE TO INCREASE PROFITS

Want to increase the return on your investment even further? Then you should set aside some funds for renovating the property. This will lead to a higher market value on the home for flipping, but it is even more beneficial for rental properties since it means a higher monthly revenue. If you want to make the most of your renovations, look for cost-effective upgrades with broad appeal. Essentially, nothing that could put a potential buyer off because of personal preferences. You should also focus your renovations on high-traffic areas like the kitchen and bathrooms.



5

CONSIDER A HARD MONEY LOAN

Conventional loans may be useful for properties that you are planning to occupy, but they are not as good of a fit for investment real estate. While conventional lenders take your credit and employment status into consideration, a hard money lender will be more interested in the value of the property and whether it makes a good investment. This means you can be approved for a hard money loan even if you lack good credit, so long as your investment makes financial sense. The approval process for hard money loans is also much shorter, which is important for investment properties since we all know: time is money. If you are considering investing in real estate but are having a hard time getting approved for a loan, you should look into working with hard money lenders.

RCN Capital lends to real estate professionals, commercial contractors, developers & small business owners across the nation. We provide short-term fix & flip financing, long-term rental financing, and new construction financing for real estate investors. RCN Capital also has flexible and competitive loan options available. Connect with us today to discuss financing options for your next multifamily investment.

MULTI-FAMILY CASE STUDY

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Experienced investors find long-term rental opportunity in Rhode Island

Experienced investors were under contract to acquire a 6-unit multi-family property in Pawtucket, Rhode Island for \$600k and they intended to hold the property long-term. The investors reached out to RCN Capital for financing. Because of their excellent credit and experience, RCN was able to provide a 30-year loan for 75% LTV at a rate of 4.525%. The property is already 100% occupied and generating \$73,404 per year in rental income.

PROPERTY LOCATION

Pawtucket, RI

PROPERTY TYPE

6-Unit Multi-Family

SQUARE FOOTAGE 7,748

ORIGINAL YEAR BUILT 1930

LOAN AMOUNT \$450,000

LTV 75%

RATE 4.525%

LENGTH OF LOAN

30-Year Purchase

BORROWER CREDIT SCORE

High 700s

CLIENT EXPERIENCE LEVEL

4 Properties Owned



10 BEST PLACES TO INVEST IN RENTAL PROPERTIES

Based on Rental Occupancy, Cash Flow, & Low Tenant Default Rate

BOISE,
IDAHO

BIRMINGHAM,
ALABAMA

YOUNGSTOWN,
OHIO

ATLANTA,
GEORGIA

DETROIT,
MICHIGAN

DURHAM,
NORTH
CAROLINA

INDEPENDENCE,
MISSOURI

JACKSONVILLE,
FLORIDA

AUSTIN,
TEXAS

CHICAGO,
ILLINOIS



U.S. CITIES WITH THE BEST ROI ON RENOVATIONS



RCN MULTIFAMILY CAPITAL FINANCING



**With Our Trusted Team Ready to Guide You,
Set Off On Your Next Real Estate Investing Venture**

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