

THE BRRRR METHOD 101

Employ this strategy to create and grow a rental portfolio of homes

BUY A PROPERTY



Look for distressed or abandoned homes, or homes that need some TLC.

The mission of the BRRRR strategy is to find a property that will return a solid ROI once renovated. It all starts with a great deal. Without this, your efforts will be in vain.

REPAIR THE PROPERTY

Do the repairs yourself or better yet, find a reliable contractor that specializes in renovation work. Focus on the things that matter as this will be a rental.



PRO TIP: CRUNCH THE NUMBERS

- Know costs and important factors such as ARV
- Use the 70% Rule when calculating margins

RENT THE PROPERTY

Carefully screen and vet rental applicants.

Your objective at this stage is to rent out the property for the highest value to the best tenant.



REFINANCE THE PROPERTY

Using a cash-out refi will allow you to tap into the new found equity of the home after it's repaired and worth market value.

Be selective about the type of lender you use. There are many to choose from with different terms, rates, and lending specializations.



PRO TIP: FIND A LENDER YOU CAN USE FOR THE LONG TERM

REPEAT



REPEAT

Building a rental portfolio takes time. But keep at it! It is a powerful tool for generating passive income.

Cogo Capital ©2022

For more real estate investing content and to read this post in its entirety, [click to visit the Cogo Blog](#)