

Second Floor Housing Renovation

	Renovation Options for One BR-BA Unit			
	Minimal	Basic	Major	Upscale
1 Bathroom	\$9,689	\$12,918	\$28,918	\$38,165
Kitchen	\$13,446	\$17,928	\$54,241	\$107,973
1 Bedroom	\$15,043	\$20,057	\$44,073	\$64,130
Roof replacement	NA	\$14,276	\$19,485	\$24,693
Master Suite	NA		\$94,331	\$176,268
Exterior Walls	NA	\$9,134	\$11,142	\$13,149
Subtotal Renovation Cost	\$38,177	\$74,313	\$252,189	\$424,378
Current rents	\$325	\$325	\$520	\$595
Monthly PMT on Renovation Loan	\$222	\$431	\$1,463	\$2,462
Surplus (Deficit)	\$103	\$(106)	\$(943)	\$(1,867)

	Renovation Options for Two BR-BA unit			
	Minimal	Basic	Major	Upscale
2 Bathroom	\$19,377	\$25,836	\$57,836	\$76,330
Kitchen	\$13,446	\$17,928	\$54,241	\$107,973
2 Bedroom	\$30,086	\$40,114	\$88,146	\$128,260
Roof replacement	NA	\$14,276	\$19,485	\$24,693
Master Suite	NA		\$94,331	\$176,268
Exterior Walls	NA	\$9,134	\$11,142	\$13,149
Subtotal Renovation Cost	\$62,909	\$107,288	\$325,180	\$526,673
Current rents	\$475	\$475	\$626	\$1,200
Monthly PMT on Renovation Loan	\$365	\$622	\$1,887	\$3,056
Surplus (Deficit)	\$110	\$(147)	\$(1,261)	\$(1,856)

Renovation costs from <http://cgi.money.cnn.com/tools/renovation/renovation.html>

The estimates above do not include the cost of an elevator, which ranges from \$60,000 to \$75,000, but can be spread over a number of units.

Monthly PMT on elevator	\$348.12
5 units	\$69.62
10 units	\$34.81
15 units	\$23.21

Second floor renovation is potentially feasible as long as roof replacement and other exterior work is not required. The cash flow from a minimal renovation would provide thin margins for operations, maintenance and upkeep and may require the units to be priced higher than competing rentals.