Deal Underwriting Worksheet

A Complete Guide to IntelliTC's
Deal Underwriting Worksheet Tool

Deal Underwriting Guide

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intellitcsolutions.com

Free During Beta • No Signup Required

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Section

Welcome to the Deal Underwriting Worksheet

Master pre-offer analysis in a single structured workflow

The Deal Underwriting Worksheet is the most comprehensive analysis tool on the IntelliTC Solutions platform. While the individual investment calculators each excel at a specific task — Cap Rate, Cash Flow, BRRRR, Multifamily — the Underwriting Worksheet consolidates everything into one structured, professional workflow. Enter a property once. Walk out with NOI, DSCR, Cap Rate, Cash-on-Cash Return, risk flags, a deal grade, and a data-backed maximum offer price.

What is deal underwriting?

In real estate, underwriting means the systematic process of analyzing a property's financial performance to determine whether it justifies a specific purchase price. Banks do it before issuing loans. Institutional investors do it before writing checks. Now IntelliTC puts that same framework in the hands of individual investors, first-time buyers, and the agents who serve them.

Underwriting answers the three questions every investor must ask before making an offer:

- Does this property generate enough income to cover all expenses?
- Can it service the debt comfortably? (DSCR ≥ 1.25 is the lender standard)
- What is the maximum price I should pay to hit my return targets?

> ▯ The worksheet does not replace due diligence on physical condition, title, or local market rents. It is a financial underwriting tool — always pair it with a site inspection and comp analysis.

Why IntelliTC built this tool

Most investors analyze deals in pieces — a cap rate here, a cash flow estimate there. The problem is that isolated calculations can mislead. A strong cap rate on paper can collapse when actual expenses are factored in. A deal with a positive cash flow can still fail lender DSCR thresholds. The Underwriting Worksheet prevents fragmented analysis by forcing all inputs through a single, consistent model.

Who this guide is for

This guide is written for first-time investors who are preparing to make their first offer, experienced landlords expanding their portfolio, real estate agents who want to provide deeper financial support to their investor clients, and lenders and buyers who need to stress-test a deal before commitment.

How to access the tool

Navigate to intellitcsolutions.com, open the Investment Analysis calculator group, and click the "Underwriting Your Way to Ownership! Click Here" banner at the bottom of the group. The tool opens on its own dedicated page at /underwriting/ and features a hub overview followed by the full worksheet panel.

 The tool is free during the IntelliTC beta. No account, login, or credit card required. All calculations run locally in your browser — your data is never transmitted.

Section 1

Property Identification

Establish your deal's identity before any math begins

The first section of the worksheet captures the deal's identity. This information does not affect the calculations — but it anchors every metric to a specific, real property and ensures your exported PDF is a professional, addressable document rather than an anonymous spreadsheet.

Property ID Fields Explained

Field	What to Enter	Why It Matters
Property Address	Full street address, city, state, ZIP	Appears in all exported PDFs and CSV files
Deal / Property Name	Short nickname (e.g., 'Oak St 8-Plex')	Quick reference in your records
Property Type	SFR, Duplex, Triplex, Quad, 5–8 units, or 9+ units	Sets unit-level benchmarks
Number of Units	Total rentable units	Drives per-unit metrics and vacancy math
Year Built	Construction year	Helps calibrate CapEx allowance

Property Type and Unit Count

Select the property type that matches your deal. The type selection adjusts the contextual benchmarks shown next to certain expense fields. A single-family rental has different maintenance expectations than a 20-unit apartment complex. Accurate unit count is especially important — the worksheet uses it to calculate per-unit NOI, per-unit expenses, and Price per Unit, which are the institutional benchmarks most lenders and commercial appraisers rely on.

 If you are analyzing a mixed-use property with both residential and commercial units, enter the total number of rentable units. Enter only residential rent in the Income section and adjust the Other Income field for commercial lease revenue.

Section 2

Income Analysis

Build from gross rent to effective gross income

Gross Scheduled Rent (GSR)

Gross Scheduled Rent is the total rental income the property would generate if 100% occupied at market rate for the full year. The worksheet calculates it automatically from the monthly rent per unit and the number of units.

Enter the Monthly Rent per Unit using the current market rent — not what tenants are currently paying. Underwriting to below-market rents creates a false picture of the property's potential and may cause you to overpay. The GSR preview updates in real time beneath the field as you type.

Vacancy and Other Income

Vacancy Rate is the percentage of potential rental income lost to vacant units, turnover, and non-payment. The field defaults to 7%, which is the historical average for stabilized multifamily properties in most U.S. markets. Adjust this based on local market conditions:

- Strong rental market (low vacancy city): 3–5%
- Typical stabilized property: 5–8%
- Distressed or transitional asset: 10–15%+

Other Income captures all revenue beyond base rent: coin laundry, parking fees, storage unit rentals, pet fees, carport rent, and late fees. Enter the annualized total. Do not inflate this number — use actual figures from the T-12 (trailing 12-month income statement) when available.

Effective Gross Income (EGI)

EGI is the income the property is expected to collect after vacancy. The formula is:

EGI Formula
EGI = (GSR × (1 − Vacancy %)) + Other Income

 When underwriting a property with existing tenants, use market rent — not current lease rent — for GSR. If current rents are significantly below market, note the rent upside as a value-add opportunity. The EGI based on market rent gives you the investment's stabilized potential.

Section 3

Expense Analysis

The six expense categories every underwriter must master

Accurate expense analysis separates professional underwriters from amateurs. Most buyers who overpay do so because they underestimated expenses. The worksheet breaks expenses into six categories to ensure nothing is overlooked.

Fixed Expenses

Property Taxes: Enter the annual property tax bill. If the property is being reassessed upon sale (as is standard in most jurisdictions), use the post-sale assessed value multiplied by the local tax rate — not the current owner's tax bill. This is one of the most common underwriting errors buyers make.

Insurance: Enter the annual landlord policy premium. The worksheet shows benchmarks based on property type. A rule of thumb for multifamily properties is $500–$800 per unit per year, though this varies significantly by location, age, and coverage level.

Variable Expenses

Property Management: Enter as a percentage of Effective Gross Income. The field defaults to 8%, which is the industry standard for residential property management. Even if you plan to self-manage, always underwrite with a management fee — it tells you the deal's true return with professional management, and it protects you if your situation changes.

Maintenance: Annual maintenance per unit covers routine repairs — leaky faucets, appliance repairs, landscaping, pest control. The industry benchmark is $600–$1,500 per unit per year depending on property age and condition. The worksheet defaults to $1,200/unit/year.

CapEx (Capital Expenditures): This is your annual reserve for major capital items — roof replacement, HVAC systems, water heaters, windows, plumbing, and electrical. The field defaults to $1,000/unit/year. For older properties (pre-1980), increase this to $1,500–$2,000/unit/year.

 CapEx reserves are not optional. Skipping them makes your deal look better on paper but sets you up for a painful capital call when the roof fails in year 4. Treat CapEx as a non-negotiable expense.

Utilities and Other Costs

Utilities captures owner-paid water, sewer, trash, and common-area electric. In properties where tenants pay their own utilities, enter $0. For master-metered buildings, enter the annual cost from the T-12.

Other Expenses is a catch-all for HOA fees, legal and accounting costs, landscaping contracts, elevator maintenance, or any property-specific recurring cost not captured above.

The Expense Ratio Benchmark

The Expense Ratio — Total Operating Expenses as a percentage of EGI — is the most important high-level sanity check in underwriting:

Expense Ratio	What It Signals
< 35% of EGI	Very lean — typical for NNN leases or self-managed SFRs
35–50% of EGI	Normal range for stabilized multifamily (IDEAL)
50–60% of EGI	Above average — scrutinize management and CapEx
> 60% of EGI	Red flag — property is likely distressed or mismanaged

Section 4

Financing & Loan Terms

Structure your deal's debt for DSCR and cash flow accuracy

Down Payment and Closing Costs

Down Payment %: Enter the percentage of the purchase price you will put down. The worksheet shows common benchmarks — 20–30% is standard for investment properties. Note that DSCR-only loans may require 25–30% minimum down. The actual dollar amount is calculated automatically.

Closing Costs %: Enter estimated closing costs as a percentage of purchase price. The field defaults to 3%. For larger multifamily deals, closing costs often run 2–3.5% and include origination fees, title insurance, appraisal, environmental reports, and attorney fees.

Interest Rate and Amortization

Interest Rate: Enter the expected note rate, not the APR. Use the rate your lender has quoted or the current going rate for investment property loans. As of 2025–2026, conventional investment property rates have ranged from 6.5–8.5% depending on the loan type, LTV, and borrower profile.

Amortization Period: Most residential investment loans amortize over 30 years. Commercial multifamily loans may have 15, 20, or 25-year amortization schedules. The worksheet provides one-click benchmark buttons for 15, 20, 25, and 30-year terms. Shorter amortization means higher monthly payments and lower DSCR — always test multiple scenarios.

Loan Type

Loan Type	Best For	Key Feature
Conventional	1–4 unit properties, strong W-2 income	30-year fixed, lowest rate
DSCR Loan	Investors, no W-2 required, 1–8+ units	Qualifies on property income, not DTI
Commercial	5+ unit apartments, mixed-use	5/1 or 7/1 ARM, balloon typical
Portfolio Loan	High unit count, non-conforming properties	Lender holds loan, flexible terms
Hard Money	Short-term bridge, value-add acquisitions	High rate, fast close, short term

Understanding Debt Service

Annual Debt Service is the total principal and interest paid to the lender in a year. The worksheet calculates this automatically using the standard mortgage formula. Debt service is the denominator in the DSCR calculation — the most important metric for lender approval.

> DSCR = NOI ÷ Annual Debt Service. A DSCR of 1.25 means the property generates 25% more income than needed to cover the mortgage. Most lenders require DSCR ≥ 1.20–1.25 for investment property loans.

Section 5

Deal Targets

Set your benchmarks — the worksheet calculates your max offer

The Deal Targets section is where you tell the worksheet what return you need. The tool then works backward from your income and expense inputs to calculate the maximum purchase price that satisfies each target. This inverts the typical analysis — instead of asking "what will I earn at this price?" you ask "what is the most I should pay to earn my target?".

Target Cap Rate → Max Offer by Cap Rate

Enter the minimum cap rate your market requires. The field defaults to 8%. Cap rate requirements vary significantly by market and asset class:

Market Type	Typical Target Cap Rate
Primary gateway markets (NYC, SF, LA)	4–5% (lower cap = higher price)
Secondary markets (Phoenix, Nashville, Austin)	5–7%
Tertiary / Midwest markets	7–10%
Value-add / Distressed properties	8–12%+ (higher risk = higher target)

The formula: Max Offer (Cap Rate) = NOI ÷ Target Cap Rate. If the property's NOI is $52,000 and your target cap rate is 8%, the maximum you should pay is $52,000 ÷ 0.08 = $650,000.

Target DSCR → Max Offer by Cash-on-Cash

The Target Cash-on-Cash Return sets the minimum annual yield on your equity investment. The default is 8%. This target, combined with your financing terms, allows the worksheet to solve for the maximum price at which the deal still meets your equity return requirement. This is particularly useful when comparing deals with different financing structures.

The Target DSCR (default 1.25) sets the minimum debt-service coverage ratio. This is the lender's threshold — staying at or above 1.25 ensures the deal qualifies for conventional financing.

 Always compare both max offer figures. If Max Offer (Cap Rate) is $650K but Max Offer (CoC) is $580K, the more conservative figure is your real ceiling. The market is asking more than the deal can justify on both metrics — negotiate or walk.

Section 6

The 7 Auto-Metrics

What the worksheet calculates — and what each number means

After you click Run Full Underwriting Analysis, the worksheet instantly populates seven financial metrics. Together they paint a complete picture of the deal's performance. Here is what each metric means, how it is calculated, and what range signals a healthy investment.

Metric	Formula	Healthy Range	What It Means
NOI	EGI - Operating Expenses	Varies by market	Net Operating Income — the property's income before debt service. The foundation of all other metrics.
Cap Rate	NOI ÷ Purchase Price	≥ 7% (market-dependent)	Capitalization Rate. Measures yield as if bought all-cash. Allows apples-to-apples comparison across deals.
DSCR	NOI ÷ Annual Debt Service	≥ 1.25	Debt Service Coverage Ratio. The lender's primary qualifying metric. Below 1.0 = property can't service its own debt.
CoC Return	Pre-Tax CF ÷ Cash Invested	≥ 8%	Cash-on-Cash Return. Your annual yield on the equity you put in. Accounts for financing — unlike cap rate.
GRM	Purchase Price ÷ Annual GSR	4–8× (lower = better)	Gross Rent Multiplier. Quick screen to compare deals. Does not account for expenses or vacancy.
Break-Even	Operating Exp. ÷ GSR	< 70% (lower = better)	Break-Even Occupancy. The vacancy rate at which the property can no longer service its debt.
Price/Unit	Purchase Price ÷ # Units	Market-specific	Price per Unit. The institutional benchmark for multifamily valuation — comparable to price/sq ft for SFRs.

Reading the Metric Dashboard

The metrics appear in two places: in the colored metric cards at the top of the results panel, and in the detailed results breakdown below. Each card shows:

- The calculated value in large, bold type
- The metric name and formula as a subtitle
- A colored risk flag badge (green/yellow/red) based on the value's position relative to thresholds

Below the metric cards, the Full Results Breakdown table shows intermediate calculations: Gross Scheduled Rent, Vacancy Loss, Other Income, EGI, all individual expense line items, Total Operating

Expenses, NOI, Annual Debt Service, and NOI Per Unit. This level of detail is particularly useful when presenting to lenders or partners.

> 󰀀 The bar chart at the bottom of the results visualizes income vs. expenses as a proportion of EGI. The donut chart shows the expense breakdown by category. These visuals make it easy to identify which expense is your biggest drag — often management or taxes.

Section 7

Risk Flags

The green / yellow / red early-warning system

The risk flag system evaluates six key metrics against industry-standard thresholds and assigns each a color — green, yellow, or red. This is not a pass/fail system. A yellow flag on DSCR does not mean the deal is bad; it means you should dig deeper. Multiple red flags, however, are a strong signal to reconsider the price or walk away.

Metric	Green ▯	Yellow ▯	Red ▯
DSCR	≥ 1.25	1.0 – 1.24	< 1.0
Cap Rate	≥ 7%	5% – 6.9%	< 5%
Break-Even Occ.	< 70%	70% – 84%	≥ 85%
Cash-on-Cash	≥ 8%	4% – 7.9%	< 4%
Vacancy Rate	< 7%	7% – 12%	> 12%
Expense Ratio	< 45% EGI	45–55% EGI	> 55% EGI

What Each Flag Means in Practice

DSCR Flag

The DSCR flag is the most critical single indicator. A red DSCR flag (< 1.0) means the property cannot service its own debt — it is a candidate for negative cash flow. No conventional or DSCR lender will fund this deal at the current price and rate. A yellow DSCR (1.0–1.24) means you are close to the lender threshold but may qualify with some programs. A green DSCR (≥ 1.25) meets standard lending requirements.

Cap Rate Flag

The cap rate flag tells you how the property's yield compares to the general expectation for investment-grade real estate. A green cap rate does not mean the deal is perfect — it depends heavily on your market. In Manhattan, a 4% cap rate is normal; in Cincinnati, it signals an overpriced asset. Always compare to local market cap rates.

Break-Even Occupancy Flag

Break-even occupancy is the percentage of units that must be occupied for the property to cover all operating expenses AND debt service. A green flag (< 70%) means you can have 30% vacancy and still make your mortgage payment — excellent cushion. A red flag (≥ 85%) means any significant vacancy will create a cash shortfall.

How Flags Affect Your Deal Grade

Each red flag deducts points from the raw score before the deal grade is calculated. Yellow flags carry smaller deductions. This ensures that a deal with strong cap rate and DSCR but poor break-even occupancy cannot receive an A grade — the composite picture must be healthy.

Section 8

Deal Grade System

A through F — how the worksheet scores your deal

The Deal Grade distills all metrics, flags, and targets into a single letter grade. It is designed to give you an instant, defensible headline number for quick comparison — useful when screening multiple properties in parallel. The grade is not a substitute for reading the individual metrics; think of it as the executive summary.

Scoring Methodology

The scoring algorithm evaluates four primary dimensions, each weighted to reflect its importance in real-world investment performance:

Dimension	Weight	Primary Metric
Debt Coverage	30%	DSCR vs. target DSCR
Return on Equity	25%	Cash-on-Cash vs. target CoC
Asset Yield	25%	Cap Rate vs. target Cap Rate
Income Cushion	20%	Break-Even Occupancy

Red risk flags apply point deductions to the raw score. Each red flag deducts up to 8 points; each yellow flag deducts up to 3 points. A deal can score well on all four dimensions but still be downgraded if multiple risk flags fire simultaneously.

Grade Table: A Through F

Grade	Score Range	What It Signals	Recommended Action
A	90–100	Exceptional deal — all metrics strong	Strong buy. Move quickly.
B+	85–89	Very good deal, minimal risk flags	Buy — negotiate if possible.
B	75–84	Solid deal with minor weaknesses	Buy with eyes open on flags.
C+	65–74	Below average — needs improvement	Negotiate hard or walk.
C	55–64	Poor fundamentals	Avoid unless significant price reduction.
D	45–54	Seriously distressed metrics	Walk away.

F	< 45	Deal fails core thresholds	Do not proceed.

 A 'C+' deal is not necessarily a bad deal — it may be an excellent value-add opportunity where rent increases, expense reduction, or a lower purchase price can move it to a 'B'. Use the grade as a starting point for negotiation, not a final verdict.

Section 9

Max Offer Calculations

Data-backed answers to 'What should I pay?'

The two Max Offer calculations are the practical output of the entire underwriting process. They answer the investor's most important question with mathematical precision: given this property's income, expenses, and financing, what is the most I can pay and still hit my targets?

Max Offer by Target Cap Rate

Formula: Max Offer (Cap) = NOI ÷ Target Cap Rate

This calculation is entirely independent of your financing. It measures the property's value as an income-producing asset, the same way an institutional buyer or appraiser would. It answers: "at what price does this property earn my required cap rate?" Use this as your anchor — if the asking price exceeds this figure, the deal is overpriced relative to its income on a market basis.

Example: NOI = $48,000 / Target Cap Rate = 7.5% → Max Offer = $640,000. If the seller is asking $750,000, the deal is $110,000 above what the income justifies at your cap rate target.

Max Offer by Target Cash-on-Cash

Formula: Solved algebraically for price where CoC = Target CoC

The CoC-based max offer accounts for your specific financing structure. It calculates the purchase price at which your annual pre-tax cash flow divided by your total cash invested equals your target CoC. This is the financing-adjusted ceiling — more conservative and more personalized to your deal.

Which figure to use: Always take the lower of the two max offer numbers as your hard ceiling. The lower figure represents the binding constraint — either the market isn't paying enough for the income (cap rate constraint) or your equity return target can't be met at a higher price (CoC constraint).

Scenario	Max Cap	Max CoC	Your Ceiling
Both above asking price	$700K	$680K	$680K — CoC is binding
One below asking price	$620K	$650K	$620K — Cap Rate is binding
Both below asking price	$590K	$560K	$560K — offer $560K or less
Asking price below both	$700K	$720K	Asking = $650K → strong buy

 The 'Vs. Asking' line beneath each Max Offer card shows the exact dollar gap between the max you should pay and what the seller is asking. A green 'Under Asking' means the deal pencils. A red 'Over Asking' is your negotiation target — the number by which you need the price to drop.

Section 10

Exporting Your Analysis

Professional PDFs for your agent, lender, or records

Agent Personalization Panel

Before exporting, the worksheet offers an optional Agent Personalization panel. This panel appears automatically above the Calculate button and allows you — or your agent — to add professional branding to the exported document:

- Agent Name
- Brokerage Name
- Phone Number
- Email Address

When populated, this information appears in the header of the exported PDF — creating a client-ready document that your agent can deliver directly. Leave the panel blank if you prefer a clean investor-only export.

PDF Export

Click Export PDF in the results panel to download a professional PDF of your full analysis. The exported document includes:

- Property address in the header (from the Property ID section)
- All 7 auto-metrics with their values
- Full results breakdown table (EGI, NOI, debt service, all line items)
- Deal grade with score
- Max offer figures (by Cap Rate and by Cash-on-Cash)
- Agent branding if personalization panel was filled out

The PDF uses the IntelliTC platform branding — teal header, professional typography, and platform logo. It is suitable for sharing with lenders, partners, and clients.

CSV Export

Click Export CSV to download a spreadsheet-compatible file of all input values and calculated outputs. The CSV is useful for building your own portfolio tracking spreadsheet, comparing multiple deals side by side in Excel or Google Sheets, or archiving deal data.

Section

Working With Your Agent & Platform Access

The final step in your underwriting workflow

Working With Your Agent or Lender

The Deal Underwriting Worksheet is designed as a collaborative tool between investor, agent, and lender. Here is how each party benefits:

Role	How They Use the Worksheet
Investor	Screen deals before making offers. Use Max Offer as negotiation anchor. Compare multiple properties using the same methodology.
Real Estate Agent	Run analysis for investor clients. Export branded PDFs. Demonstrate financial competency. Justify offer price with data.
Mortgage Lender	Pre-screen DSCR. Verify that the deal meets coverage ratios before spending time on full underwriting.
Property Manager	Validate proposed rent rates. Review expense assumptions. Confirm management fee impact on returns.

A Note on Market Data

The worksheet calculations are only as accurate as the inputs you provide. For best results, source your data from verified records:

- Rental income: Current market rent analysis or T-12 provided by seller
- Property taxes: County assessor's website — use post-sale projected value
- Insurance: Quote from a licensed landlord insurance provider
- Expenses: Seller's operating statements — then add your own conservative buffer

Platform Access & Support

The Deal Underwriting Worksheet is available at intellitcsolutions.com as part of the full IntelliTC platform. During the beta period, all tools are free with no account required.

To reach the worksheet directly: open the Investment Analysis calculator group and click the "Underwriting Your Way to Ownership! Click Here" banner at the bottom of the group. The full worksheet is at intellitcsolutions.com/underwriting/.

Ready to underwrite your next deal?

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