



77 River Street Rutland, VT 05701
4 Unit Turnkey High Cash Flow + Value-add

77 River Street - Opportunity

High cash flow 4plex, updated and professionally managed, located in Rutland. Listed at close to a 10% cap and a Net Operating Income over \$31K, with significant upside from undermarket rents. This combination of value-add and high cash flow is rare to find. Perfect for a high cash flow investment or live in one unit for free while covering mortgage + expenses and enjoying additional cash flow. One Unit has been left open for showings or immediate owner occupancy.

The building has been professionally managed and renovated. The investment is projected to yield over a 13% year 1 cash on cash return based on current numbers, and cash returns can go to 23%+ per year if rents are brought to market. This allows the new owner to realize significant returns from cash flow vs speculation.

In addition to enjoying the tremendous cash flow, there is also significant upside to acquire real estate ahead of the historic multibillion dollar development occurring nearby at Killington, which, combined with rapidly falling rates, is already resulting in organic property appreciation and increased interest in the area from investors.

The property is available as a package with other buildings across VT for a buyer looking for a larger high cash flow turnkey multifamily portfolio.



77 River Street - Financials and Rent Roll

Annual Income	
Average Monthly Rent	\$1,106
Gross Potential Rent	\$53,100
- Vacancy	(\$1,859)
- Concessions, Loss to Lease, Bad Debt	\$0
Gross Potential Income	\$51,242
Other Income	\$0
Effective Gross Income	\$51,242
Annual Expenses	
Plowing/Landscaping	\$1,106
Fuel & Electric	\$5,242
Insurance	\$2,182
Real Estate Taxes	\$4,366
Trash Removal	\$1,704
Management Fee	\$3,074
Repairs and Maintenance	\$1,000
Water and Sewer	\$1,364
Total Expenses (Added)	\$20,039
Total Expenses	\$20,039
Net Operating Income (NOI)	\$31,203



Unit	BD/BA	Status	Sqft	Market Rent	Rent
77 River Street - 77 River St Rutland, VT 05701					
1	2/1.00	Current	700	1,500.00	1,200.00
2	1/1.00	Current	550	1,100.00	875.00
3	2/1.00	Vacant-Unrented	700	1,500.00	
4	1/1.00	Current	550	1,100.00	850.00
4 Units		75.0% Occupied	2,500	5,200.00	2,925.00

77 River Street - Acquisition Proforma and Returns

Acquisition	
Price	\$295,000
Purchase	\$295,000
# Units	4
Price Per Unit	\$73,750
Down payment %	25%
Down payment \$	\$73,750
Loan Balance	\$221,250
Repairs	\$0
Operating Reserves	\$10,000
Estimated closing costs	\$10,002
Total Acquisition Cost	\$305,002

Summary	
Debt Service	\$18,344
Interest Rate	6.75%
Amortization (Years)	25
Cash flow after debt service	\$12,859
Cap Rate (NOI/Sales Price)	10.58%
Debt Coverage Ratio	1.70

Projected Cash Flows and Returns	1	2	3	4	5	Return \$	Return %
Invested	\$93,752	\$93,752	\$93,752	\$93,752	\$93,752		
Cashflow	\$12,859	\$20,956	\$21,742	\$22,544	\$390,659	\$468,760	
Cash on Cash Return	13.72%	22.35%	23.19%	24.05%	416.69%		
Average Cash on Cash Return to Date	13.72%	18.03%	19.75%	20.83%	100.00%		
Net Proceeds/Profits from Refinance or Sale					\$91,511	\$91,511	
Average Annual Return to Date	13.72%	18.03%	19.75%	20.83%	119.52%		
Proceeds At Sale					\$93,752		
Total Return on Investment	\$12,859	\$20,956	\$21,742	\$22,544	\$482,170	\$560,271	597.61%
Average Annual Return							119.52%
IRR							32.74%
Average Cash on Cash Return							21.64%

- Proforma exit price is 10.5% cap vs 10% typical appraisal (lower exit price assumed)

77 River Street - Proforma

Income Year	1		2		3		4		5	
Average Monthly Rent	\$1,106		\$1,300		\$1,326		\$1,353		\$1,380	
Gross Potential Rent	\$53,100		\$62,400		\$63,648		\$64,921		\$66,219	
- Vacancy	(\$1,859) 3.50%		(\$2,184) 3.50%		(\$2,228) 3.50%		(\$2,272) 3.50%		(\$2,318) 3.50%	
- Concessions, Loss to Lease, Bad Debt	\$0		\$0		\$0		\$0		\$0	
Gross Potential Income	\$51,242		\$60,216		\$61,420		\$62,649		\$63,902	
Other Income	\$0		\$0		\$0		\$0		\$0	
Effective Gross Income	\$51,242		\$60,216		\$61,420		\$62,649		\$63,902	
EXPENSES										
Plowing/Landscaping	\$1,106 2.16%		\$1,128 1.87%		\$1,151 1.87%		\$1,174 1.87%		\$1,197 1.87%	
Fuel & Electric	\$5,242 10.23%		\$5,347 8.88%		\$5,454 8.88%		\$5,563 8.88%		\$5,674 8.88%	
Insurance	\$2,182 4.26%		\$2,226 3.70%		\$2,270 3.70%		\$2,316 3.70%		\$2,362 3.70%	
Real Estate Taxes	\$4,366 8.52%		\$4,453 7.40%		\$4,542 7.40%		\$4,633 7.40%		\$4,726 7.40%	
Trash Removal	\$1,704 3.33%		\$1,738 2.89%		\$1,773 2.89%		\$1,808 2.89%		\$1,844 2.89%	
Management Fee	\$3,074 6.00%		\$3,613 6.00%		\$3,685 6.00%		\$3,759 6.00%		\$3,834 6.00%	
Repairs and Maintenance	\$1,000 1.95%		\$1,020 1.69%		\$1,040 1.69%		\$1,061 1.69%		\$1,082 1.69%	
Water and Sewer	\$1,364 2.66%		\$1,391 2.31%		\$1,419 2.31%		\$1,447 2.31%		\$1,476 2.31%	
Total Expenses	\$20,039 39.11%		\$20,916 34.74%		\$21,335 34.74%		\$21,761 34.74%		\$22,197 34.74%	
Net Operating Income (NOI)	\$31,203		\$39,300		\$40,086		\$40,887		\$41,705	
Debt Service										
Principal	\$3,517		\$3,762		\$4,024		\$4,304		\$4,603	
Interest	\$14,827		\$14,582		\$14,320		\$14,040		\$13,740	
Total Debt Service	\$18,344		\$18,344		\$18,344		\$18,344		\$18,344	
Cash Flow	\$12,859		\$20,956		\$21,742		\$22,544		\$23,361	



Pictures

50-52 Gorham Bridge Road - Exterior



50-52 Gorham Bridge Road - Exterior



77 River St - Interior



50-52 Gorham Bridge Road - Basement



A dark, atmospheric photograph of a town, likely in the American West, featuring a prominent church with a tall, white steeple and a red brick building. The scene is set against a backdrop of mountains and a clear sky. The overall tone is moody and historical.

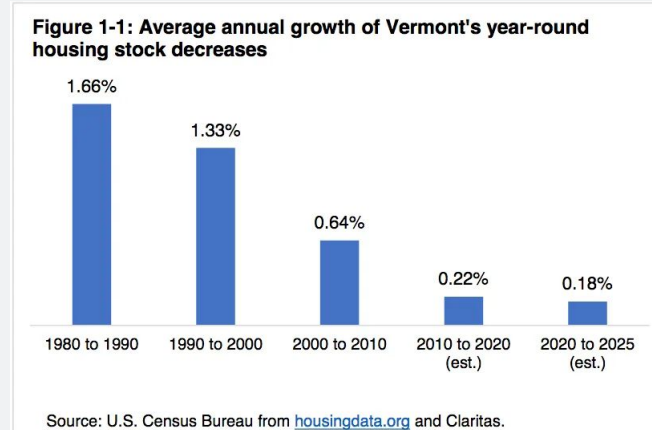
Market

Market - Historical Supply/Demand Imbalance

Unique historical factors and legislation have created the largest housing supply/demand imbalance in the nation

The state constitution, established 1791 guaranteed each town, no matter how small or large, one representative in the lower chamber of the Vermont legislature. Since the towns have all the power and were more concerned on local impact, changes that will have relatively larger benefits for the wider geographic community became difficult to execute.

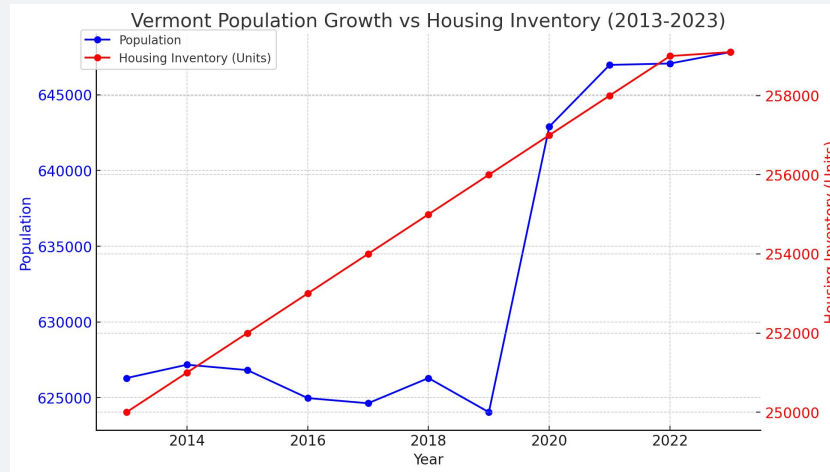
In 1970 Vermont enacted Act 250 to maintain the pastoral beauty of Vermont's landscape and which made it extraordinarily difficult to develop anything at scale. This process involves extensive reviews, public hearings, and compliance with ten specific criteria, ranging from water and air pollution to impacts on local schools and services.. Even regular regular way citizens can torpedo the development, for virtually any reason including for subjective aesthetic reasons. The legislation was highly successful in halting development, including regular way housing for the states residents. And the shortage has been made more acute by an increase historical net migration over the last 5 years



Market - Housing Shortage

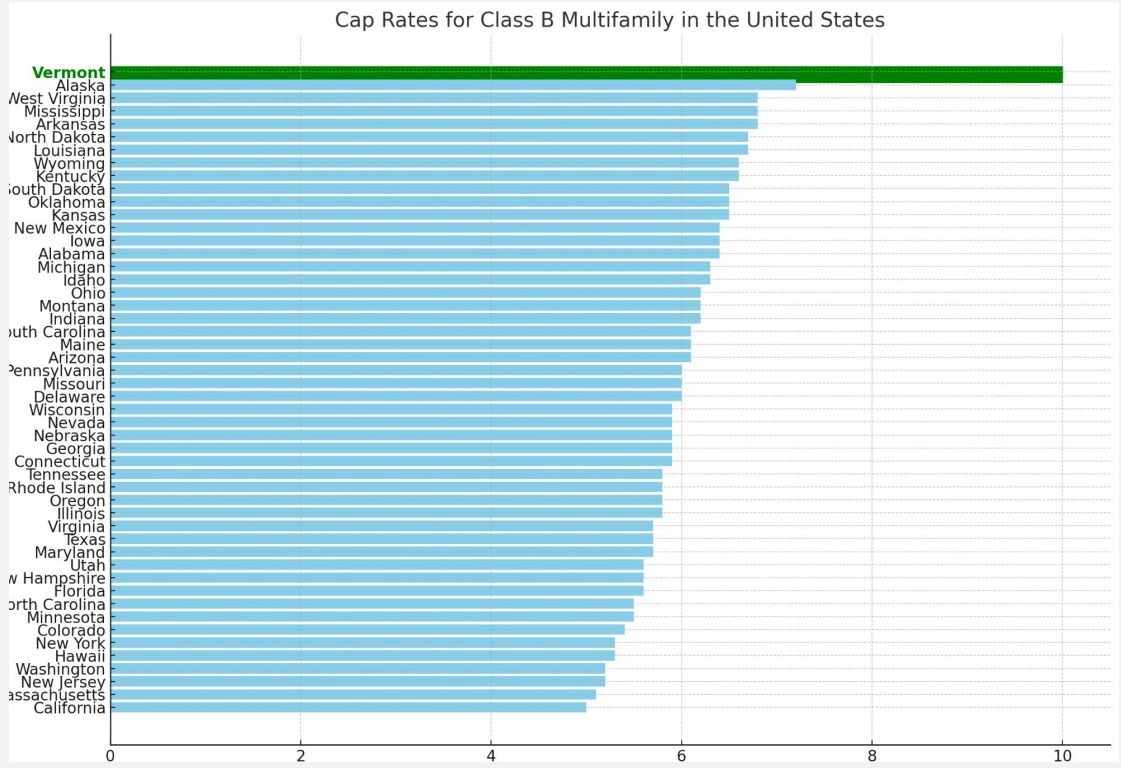
According to the Vermont Housing Finance Agency, Vermont has an estimated shortfall of over 10,000 housing units. This shortage is driven by a combination of factors including slow population growth, aging housing stock, and stringent zoning regulations that limit new construction. Furthermore, 60% of the state's housing stock was built before 1980, and the market has a shortage of developers renovating existing inventory leading to increased demand for the few properties that there are.

New housing permits have remained low, with only about 1,500 new units permitted annually over the past decade, far below the demand. This lack of new supply, coupled with growing demand, ensures high occupancy rates and the potential for rent growth in existing properties. The chart below illustrates the exacerbation of the problem amidst increased migration driven by quality of life considerations.



Market - Deep Value

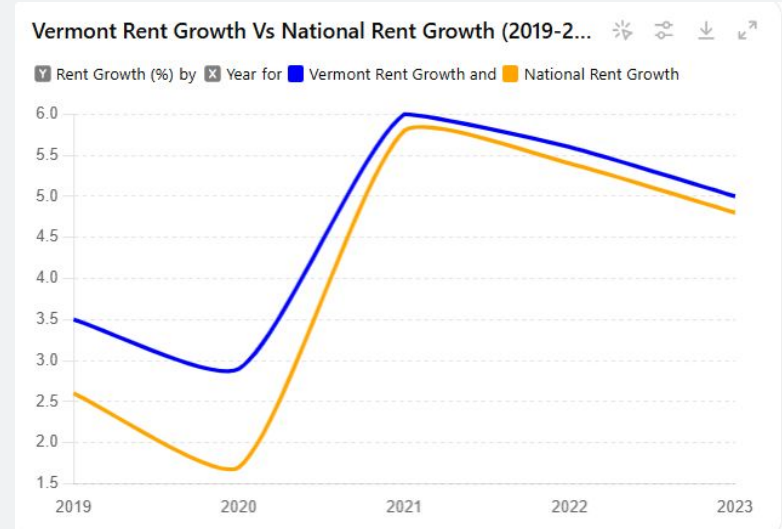
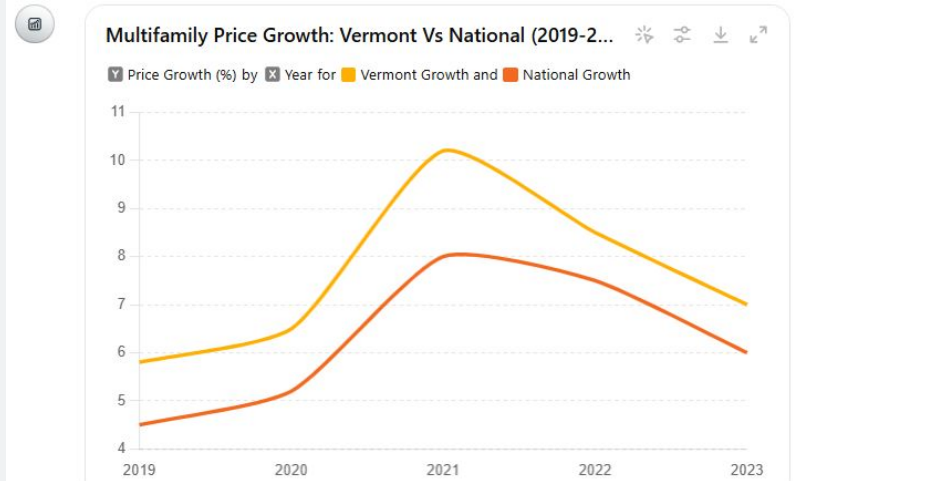
Vermont is not popular with investors due to low population size and rural environment without housing density. The lack of professional investors has created what we believe to be one of the greatest multifamily values in the nation. The cost to construct housing vs current market price valuations renders it unviable even if the legislative hurdles were overcome:



Sources:
Cap Rate Index
Yield PRO
Newmark Q1 2024 Multifamily Market Report
Local Vermont appraiser data for that state

Market - Rent, Population and Price Growth

Vermont has outperformed the rest of the nation in multifamily price and rent growth. The charts below illustrates the spread.

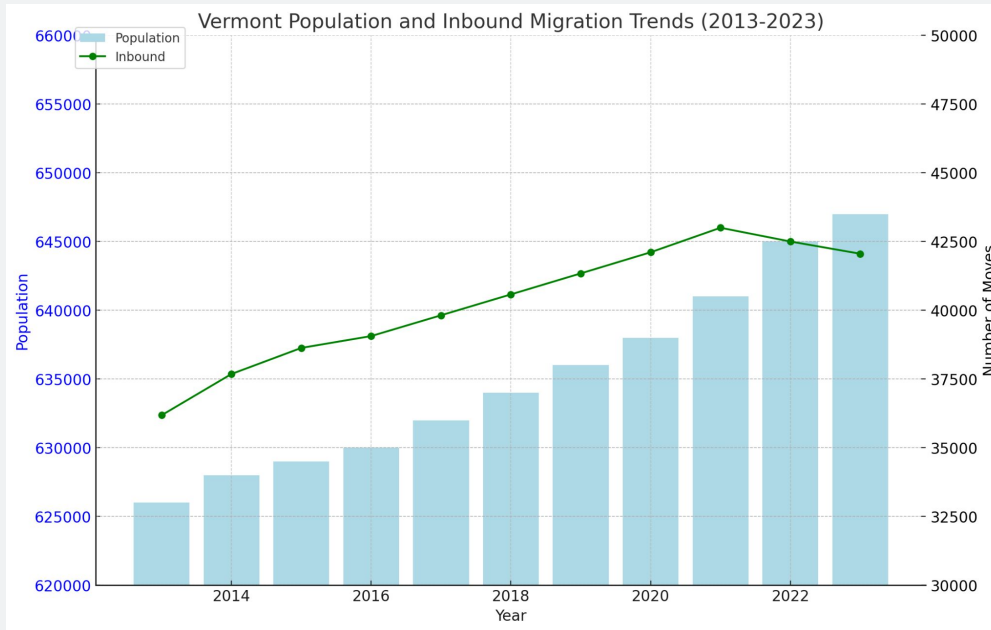


Multi-Housing News: [2023 Rent Growth](#)
Yardi Matrix: [Yardi Matrix Report](#)
Fannie Mae Multifamily: [2023 Mid-Year Multifamily Market Outlook](#)
Matthews: [End of Year Multifamily Market Report](#)

Market- Net Migration and Climate Change Resiliency

Vermont has seen a historic influx of netbound migration since Covid. In fact, some studies show Vermont as having the highest percent of net inbound movers in the nation (see e.g. 2023 [United Van Lines Survey](#))

The EPA has ranked Vermont [fourth](#) in a nationwide assessment of resilience to extreme weather events brought on by climate change. And authors of the [2014 state climate assessment](#) wrote that Vermont might be a “receiving state” for residents of cities up and down the Eastern seaboard dealing with sea level rise.



Market - Strength and Stability

The state has a diversified economy with key sectors such as healthcare, education, manufacturing, and tourism cFrom 2019 to 2023, Vermont's Gross Domestic Product (GDP) grew at an average annual rate of 1.8%, according to the U.S. Bureau of Economic Analysis.

Vermont's labor market has been a key driver of the state's economic stability. From 2019 to 2023, Vermont experienced steady employment growth, with an average annual job growth rate of 1.2%, according to the U.S. Bureau of Labor Statistics. The state's unemployment rate is consistently among the lowest in the nation at 2.4% in 2023, Additionally, Vermont's emphasis on high-quality education and workforce development has resulted in a well-educated labor force, with nearly 40% of adults holding a bachelor's degree or higher.

Vermont ranks highly in education, with a high school graduation rate of 88.6% and a college attainment rate of 38.2%, providing a well-educated workforce. The state's median household income is approximately \$63,000, which is close to the national average The state's commitment to sustainable development and green energy initiatives is evident in its goal to source 90% of its energy from renewable sources by 2050, positioning Vermont for long-term growth and attractiveness to environmentally conscious investors.



A dark, atmospheric photograph of a cityscape. In the center, a large, multi-story brick building with a prominent steeple is visible. To the left, another tall, white steeple rises against the sky. The background shows rolling hills or mountains under a dark, overcast sky. The overall scene is dimly lit, with the text overlaid in a bright, yellowish-gold color.

ABOUT 3GEN REAL ESTATE

CONTACT INFO AND ABOUT 3GEN REAL ESTATE



Managing Broker

Michael Gilman
3GEN Real Estate Inc
802-227-7327
mike@3genfam.com

3GEN Real Estate Inc is a real estate construction , property management and brokerage firm. Our specialty is renovating properties to a consistent quality and standard. Our mission is to help alleviate the home affordability crisis in America by providing quality affordable renovated properties to an undersupplied market.

One of the keys to our success is handling construction in-house. This allows us to deliver a consistent product at cost effective prices.

Capabilities at a glance:

- 12 Full Time Employees
- Over 50 Contractors covering:
 - Full Home Remodel including Gut Renovations
 - Full Suite of Property Maintenance
 - Demolition.
 - Electrical,
Plumbing, Heating/Cooling, Painting, Landscaping, Snow Plowing,
Flooring, Carpeting, Windows and more

