



Courtesy of North Star Real Estate Group
Brokered By Realty Group LLC
www.NorthStarRealtyGroupMN.com
612-688-0777

How to Estimate a Cash Offer for Your Home

When selling your home for cash, it's crucial to understand what to expect. Here's a straightforward way to break down the numbers:

Step 1: Calculate the After Repair Value (ARV)

The ARV is the estimated value of your home after all repairs and updates are completed.

Step 2: Subtract Costs

1. Calculate Closing Costs and Realtor Commissions

Multiply the ARV by 0.93 to cover closing costs and realtor commissions (approximately 7%).

2. Subtract Estimated Repair Costs

Refer to the general repair estimates below.

3. Subtract Desired Profit

This is the profit the investor aims to make.

4. Subtract Wholesale Fees

Often included in the buyer's offer.

Cash Offer Formula:

Cash Offer = $ARV \times 0.93$ - Repair Costs - Desired Profit - Wholesale Fee

Quick Alternative:

Look up the lowest sold homes in your area (preferably cash sales). They will typically offer less than that amount. Repairs don't matter in this case.

General Repair Estimates:

- **\$15 per sq ft:** Light touch-up (paint, carpet, etc.)
- **\$30 per sq ft:** Cosmetic updating (kitchen, bathroom, flooring)
- **\$50 per sq ft:** Full gut rehab (major repairs and renovations)