

702 Mcgowan Rd

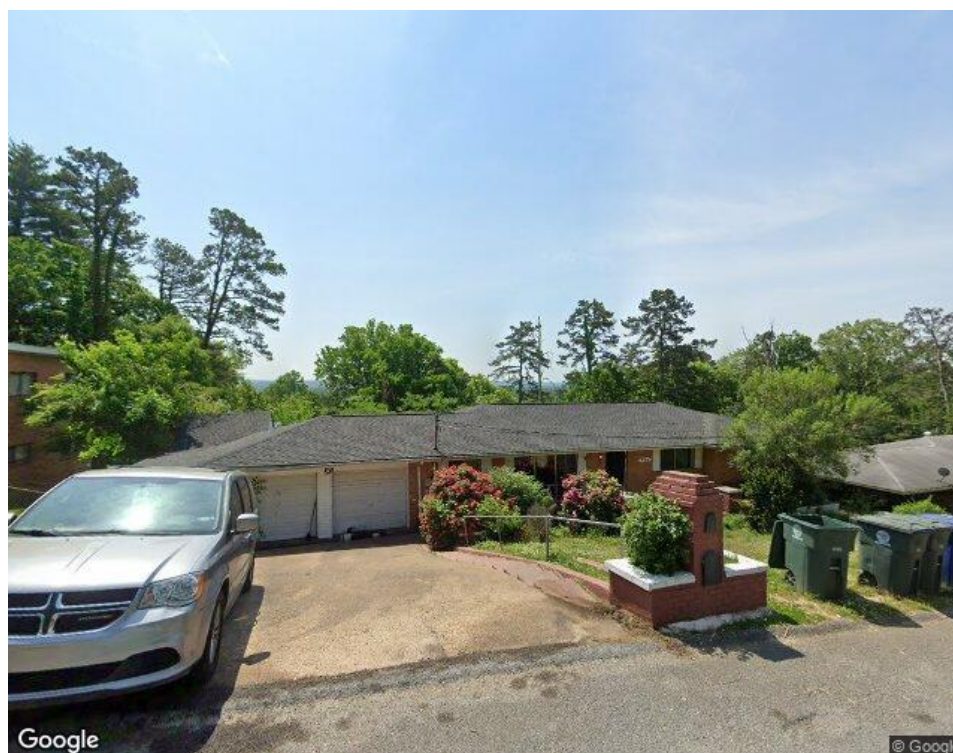
Investment Property - Buy & Hold

702 Mcgowan Rd, Chattanooga, TN 37411

House · 5 Beds · 3 Baths · 3,522 Sq.Ft.

\$ 378,000 Purchase Price · \$ 400,000 ARV

\$ 94,500 Cash Needed · \$ 1,005/mo Cash Flow · 8.9% Cap Rate · 12.8% COC



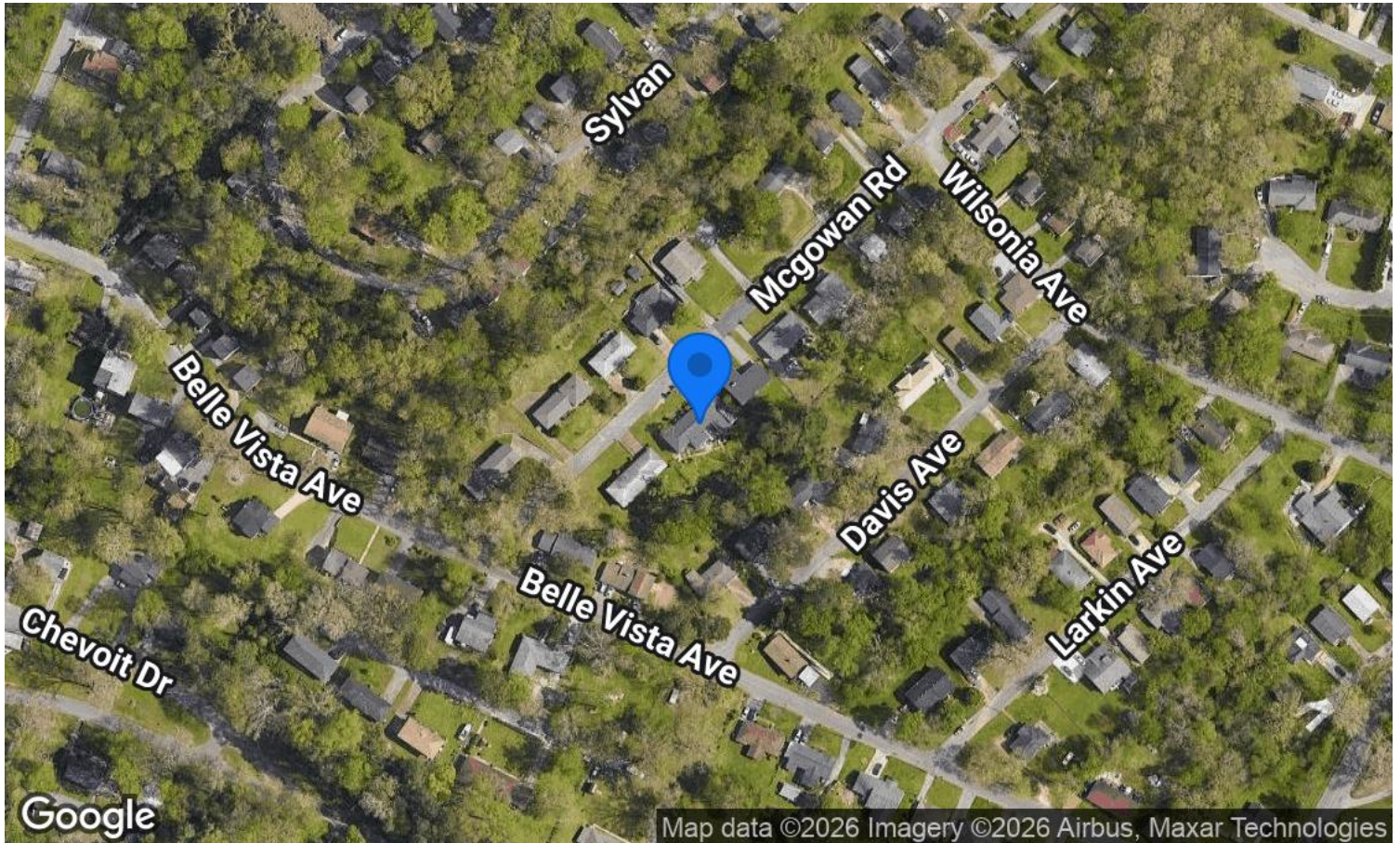
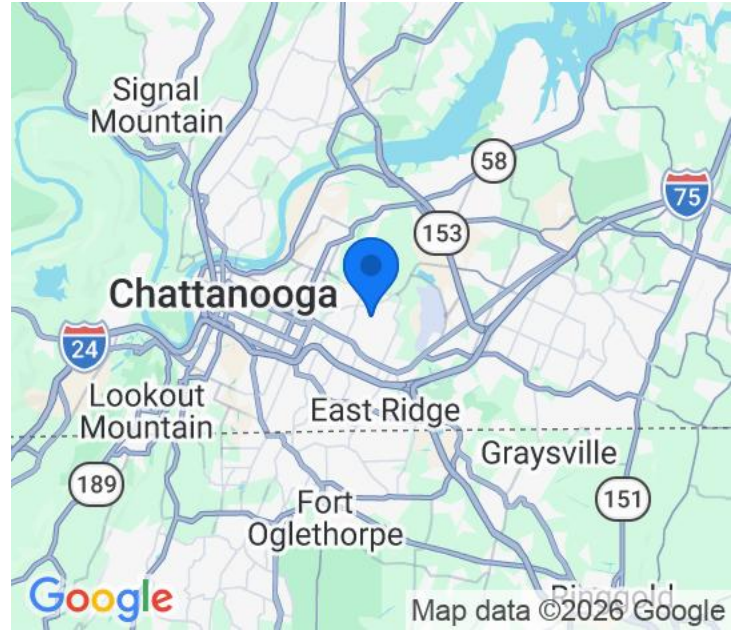
Property Description

ADDRESS

702 Mcgowan Rd
Chattanooga, TN 37411

DESCRIPTION

Property Type:	House
Beds / Baths:	5 BR / 3 BA
Square Footage:	3,522
Year Built:	1962
Parking:	Garage
Lot Size:	13,068 sq.ft.
Zoning:	R-1
MLS Number:	2732548



Purchase Analysis & Returns

PURCHASE & REHAB

Purchase Price:		\$ 378,000
Amount Financed:	-	\$ 283,500
Down Payment:	=	\$ 94,500
Purchase Costs:	+	\$ 0
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 94,500
After Repair Value:		\$ 400,000
ARV Per Square Foot:		\$ 113.6
Price Per Square Foot:		\$ 107.3

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	8.9% / 8.4%
Cash on Cash Return:	12.8%
Return on Equity:	9.2%
Return on Investment:	25.9%
Internal Rate of Return:	25.9%
Rent to Value:	0.9%
Gross Rent Multiplier:	9.69
Equity Multiple:	1.26
Break Even Ratio:	69.1%
Debt Coverage Ratio:	1.56
Debt Yield:	11.8%

PURCHASE COSTS

Total (0% of Price): \$ 0

FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	6.5%
Financing Of:	Price (75%)
Loan Amount:	\$ 283,500
LTC / LTV:	75% / 70.9%
Loan Payment:	\$ 1,792 Per Month \$ 21,503 Per Year

ASSUMPTIONS & PROJECTIONS

Rehab Cost Overrun:	0%
Vacancy Rate:	0%
Appreciation:	3% Per Year
Income Increase:	2% Per Year
Expense Increase:	2% Per Year
Selling Costs:	6% of Sales Price
Depreciation Period:	27.5 Years
Land Value:	\$ 0

REHAB COSTS

Rehab Costs:	\$ 0
Cost Overrun (0%):	\$ 0
Total:	\$ 0
Total Per Square Foot:	\$ 0

Cash Flow (Year 1)

	Monthly	Yearly
CASH FLOW		
Gross Rent:	\$ 3,250	\$ 39,000
Vacancy (-%):	-	\$ 0
Other Income:	+	\$ 0
Operating Income:	= \$ 3,250	\$ 39,000
Operating Expenses (13.9%):	-	\$ 453
Net Operating Income:	= \$ 2,797	\$ 33,561
Loan Payments:	-	\$ 21,503
Cash Flow:	= \$ 1,005	\$ 12,058

	Monthly	Yearly
OTHER INCOME		
Total:	\$ 0	\$ 0

	Monthly	Yearly
OPERATING EXPENSES		
Property Taxes:	\$ 101	\$ 1,209
Insurance:	\$ 125	\$ 1,500
Property Management:	\$ 0	\$ 0
Maintenance:	\$ 163	\$ 1,950
Capital Expenditures:	\$ 65	\$ 780
HOA Fees:	\$ 0	\$ 0
Utilities:	\$ 0	\$ 0
Landscaping:	\$ 0	\$ 0
Accounting & Legal Fees:	\$ 0	\$ 0
Total:	\$ 453	\$ 5,439

Buy & Hold Projections

	APPRECIATION 3% Per Year		INCOME INCREASE 2% Per Year			EXPENSE INCREASES 2% Per Year		SELLING COSTS 6% of Price	
	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30		
RENTAL INCOME									
Gross Rent:	\$ 39,000	\$ 39,780	\$ 40,576	\$ 42,215	\$ 46,609	\$ 56,816	\$ 69,258		
Vacancy:	- \$ 0	- \$ 0	- \$ 0	- \$ 0	- \$ 0	- \$ 0	- \$ 0		
Vacancy Rate:	0%	0%	0%	0%	0%	0%	0%		
Other Income:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0		
Operating Income:	= \$ 39,000	= \$ 39,780	= \$ 40,576	= \$ 42,215	= \$ 46,609	= \$ 56,816	= \$ 69,258		
Income Increase:	2%	2%	2%	2%	2%	2%	2%		
OPERATING EXPENSES									
Property Taxes:	\$ 1,209	\$ 1,233	\$ 1,258	\$ 1,309	\$ 1,445	\$ 1,761	\$ 2,147		
Insurance:	+ \$ 1,500	+ \$ 1,530	+ \$ 1,561	+ \$ 1,624	+ \$ 1,793	+ \$ 2,185	+ \$ 2,664		
Property Management:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0		
Maintenance:	+ \$ 1,950	+ \$ 1,989	+ \$ 2,029	+ \$ 2,111	+ \$ 2,330	+ \$ 2,841	+ \$ 3,463		
Capital Expenditures:	+ \$ 780	+ \$ 796	+ \$ 812	+ \$ 844	+ \$ 932	+ \$ 1,136	+ \$ 1,385		
HOA Fees:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0		
Utilities:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0		
Landscaping:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0		
Accounting & Legal Fees:	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0	+ \$ 0		
Operating Expenses:	= \$ 5,439	= \$ 5,548	= \$ 5,660	= \$ 5,888	= \$ 6,500	= \$ 7,923	= \$ 9,659		
Expense Increase:	2%	2%	2%	2%	2%	2%	2%		
CASH FLOW									
Operating Income:	\$ 39,000	\$ 39,780	\$ 40,576	\$ 42,215	\$ 46,609	\$ 56,816	\$ 69,258		
Operating Expenses:	- \$ 5,439	- \$ 5,548	- \$ 5,660	- \$ 5,888	- \$ 6,500	- \$ 7,923	- \$ 9,659		
Expense Ratio:	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%		
Net Operating Income:	= \$ 33,561	= \$ 34,232	= \$ 34,916	= \$ 36,327	= \$ 40,109	= \$ 48,893	= \$ 59,599		
Loan Payments:	- \$ 21,503	- \$ 21,503	- \$ 21,503	- \$ 21,503	- \$ 21,503	- \$ 21,503	- \$ 21,503		
Cash Flow:	= \$ 12,058	= \$ 12,729	= \$ 13,413	= \$ 14,824	= \$ 18,606	= \$ 27,390	= \$ 38,096		
TAX BENEFITS & DEDUCTIONS									
Operating Expenses:	\$ 5,439	\$ 5,548	\$ 5,660	\$ 5,888	\$ 6,500	\$ 7,923	\$ 9,659		
Loan Interest:	+ \$ 18,334	+ \$ 18,122	+ \$ 17,896	+ \$ 17,396	+ \$ 15,824	+ \$ 10,644	+ \$ 738		
Depreciation:	+ \$ 13,745	+ \$ 13,745	+ \$ 13,745	+ \$ 13,745	+ \$ 13,745	+ \$ 13,745	+ \$ 0		
Total Deductions:	= \$ 37,519	= \$ 37,415	= \$ 37,301	= \$ 37,030	= \$ 36,070	= \$ 32,312	= \$ 10,397		
EQUITY ACCUMULATION									

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Property Value:	\$ 412,000	\$ 424,360	\$ 437,091	\$ 463,710	\$ 537,567	\$ 722,444	\$ 970,905
Appreciation:	3%	3%	3%	3%	3%	3%	3%
Loan Balance:	- \$ 280,331	- \$ 276,950	- \$ 273,343	- \$ 265,387	- \$ 240,340	- \$ 157,811	- \$ 0
LTV Ratio:	68%	65.3%	62.5%	57.2%	44.7%	21.8%	-
Total Equity:	= \$ 131,669	= \$ 147,410	= \$ 163,748	= \$ 198,323	= \$ 297,227	= \$ 564,633	= \$ 970,905

SALE ANALYSIS

Equity:	\$ 131,669	\$ 147,410	\$ 163,748	\$ 198,323	\$ 297,227	\$ 564,633	\$ 970,905
Selling Costs (6%):	- \$ 24,720	- \$ 25,462	- \$ 26,225	- \$ 27,823	- \$ 32,254	- \$ 43,347	- \$ 58,254
Blue Proceeds:	= \$ 106,949	= \$ 121,948	= \$ 137,523	= \$ 170,500	= \$ 264,973	= \$ 521,286	= \$ 912,651
Cumulative Cash Flow:	+ \$ 12,058	+ \$ 24,787	+ \$ 38,200	+ \$ 67,136	+ \$ 152,452	+ \$ 385,387	+ \$ 716,419
Total Cash Invested:	- \$ 94,500	- \$ 94,500	- \$ 94,500	- \$ 94,500	- \$ 94,500	- \$ 94,500	- \$ 94,500
Total Profit:	= \$ 24,507	= \$ 52,235	= \$ 81,223	= \$ 143,136	= \$ 322,925	= \$ 812,173	= \$ 1,534,570

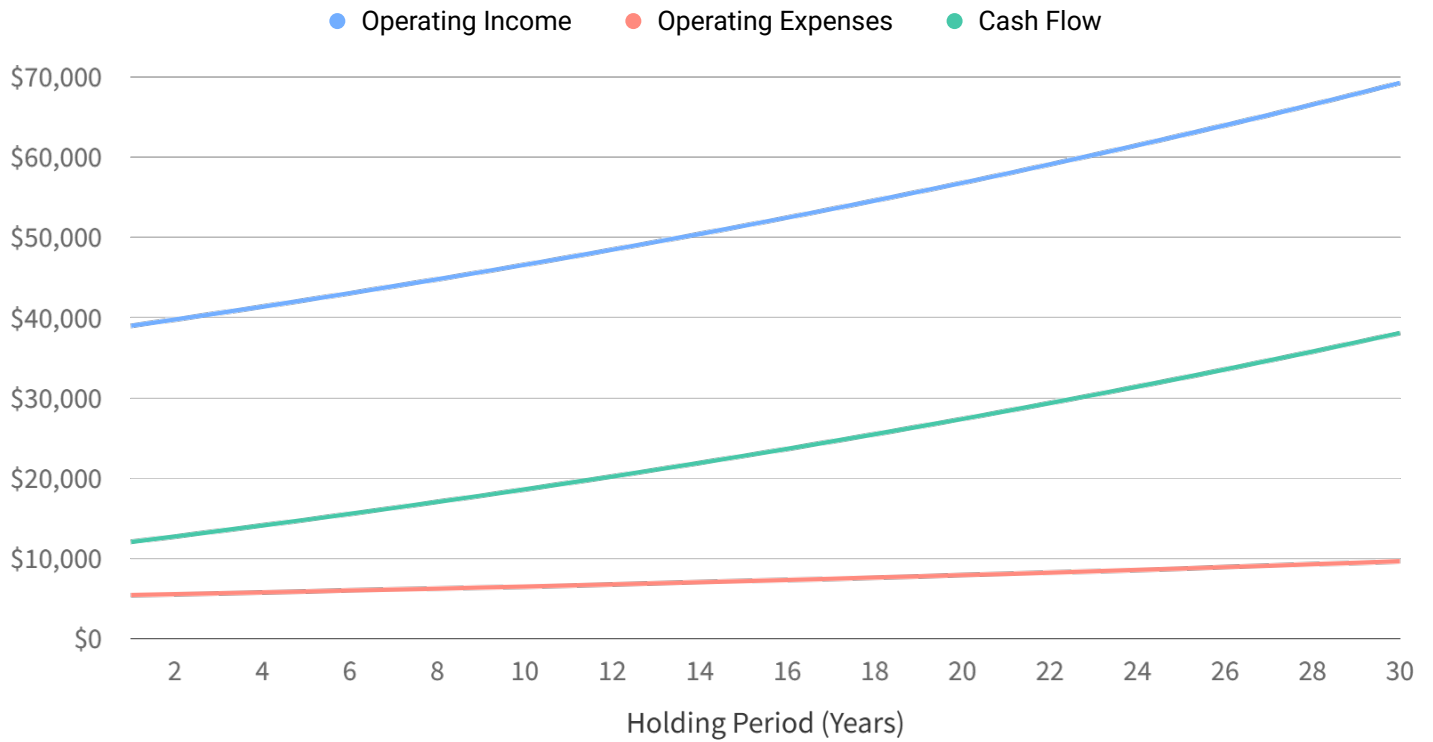
INVESTMENT RETURNS

Cap Rate (Purchase Price):	8.9%	9.1%	9.2%	9.6%	10.6%	12.9%	15.8%
Cap Rate (Market Value):	8.1%	8.1%	8%	7.8%	7.5%	6.8%	6.1%
Cash on Cash Return:	12.8%	13.5%	14.2%	15.7%	19.7%	29%	40.3%
Return on Equity:	9.2%	8.6%	8.2%	7.5%	6.3%	4.9%	3.9%
Return on Investment:	25.9%	55.3%	85.9%	151.5%	341.7%	859.4%	1,623.9%
Internal Rate of Return:	25.9%	25.9%	25.3%	23.9%	21.4%	19%	18%

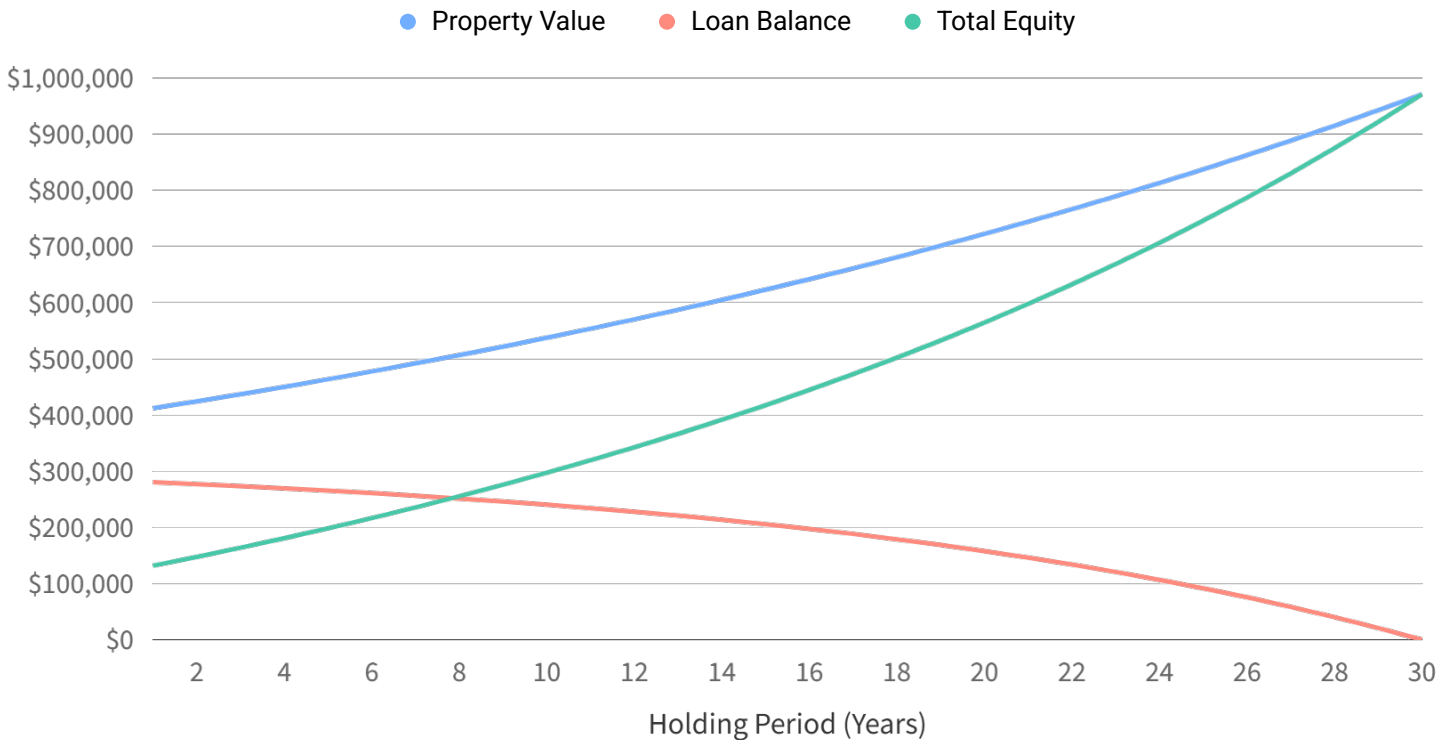
FINANCIAL RATIOS

Rent to Value:	0.8%	0.8%	0.8%	0.8%	0.7%	0.7%	0.6%
Gross Rent Multiplier:	10.56	10.67	10.77	10.98	11.53	12.72	14.02
Equity Multiple:	1.26	1.55	1.86	2.51	4.42	9.59	17.24
Break Even Ratio:	69.1%	68%	66.9%	64.9%	60.1%	51.8%	45%
Debt Coverage Ratio:	1.56	1.59	1.62	1.69	1.87	2.27	2.77
Debt Yield:	12%	12.4%	12.8%	13.7%	16.7%	31%	-

Cash Flow Over Time



Equity Over Time



Recent Comparable Sales

Average Sale Price

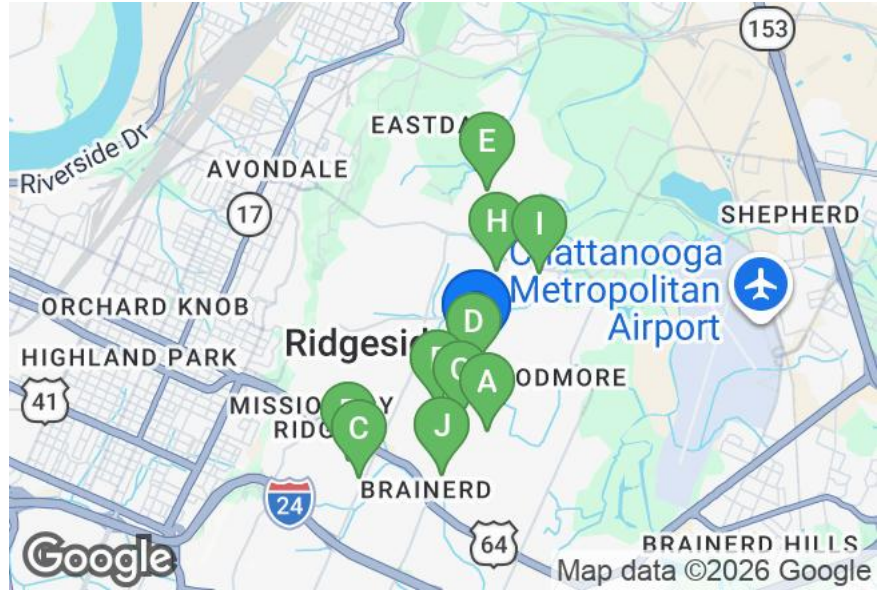
\$ 357,200 (\$ 133/sq.ft.)

\$ 200,000 - \$ 595,000

\$ 100/sq.ft. - \$ 211/sq.ft.

Estimated Property ARV Based on
Average Price/Sq.Ft.

\$ 468,500



Property	Distance	Similarity	Type	Beds	Baths	Sq.Ft.	Sale Price	Sale Date
● 702 McGowan Rd Chattanooga, TN 37411	0 mi	100%	House Built 1962	5	3	3,522	-	-
A 4212 Rogers Rd Chattanooga, TN 37411	0.48 mi	96.7%	House Built 1959	5	3	4,227	\$ 425,000 \$ 100.54/sq.ft.	01/01/2026 150 Days Ago
B 3440 Alta Vista Dr Chattanooga, TN 37411	1.15 mi	96.7%	House Built 1928	5	3	3,237	\$ 325,000 \$ 100.40/sq.ft.	01/08/2026 143 Days Ago
C 103 S Germantown Rd Chattanooga, TN 37411	1.18 mi	92.7%	House Built 1940	5	3	2,234	\$ 399,000 \$ 178.60/sq.ft.	05/31/2026 Today
D 731 Belle Vista Ave Chattanooga, TN 37411	0.04 mi	91.9%	House Built 1960	5	2.5	2,200	\$ 250,000 \$ 113.64/sq.ft.	01/12/2026 139 Days Ago
E 204 Tupelo Ct Chattanooga, TN 37406	1.28 mi	89.8%	House Built 1975	5	3	1,559	\$ 200,000 \$ 128.29/sq.ft.	05/31/2026 Today
F 330 Crestway Dr Chattanooga, TN 37411	0.42 mi	88.3%	House Built 1935	4	3	2,822	\$ 595,000 \$ 210.84/sq.ft.	05/31/2026 Today
G 4012 Rogers Rd Chattanooga, TN 37411	0.4 mi	88.1%	House Built 1955	4	3	2,774	\$ 345,000 \$ 124.37/sq.ft.	05/23/2026 8 Days Ago
H 3825 Pin Oak Ter Chattanooga, TN 37411	0.71 mi	87.6%	House Built 1957	4	3	2,769	\$ 335,000 \$ 120.98/sq.ft.	05/31/2026 Today
I 1223 Talley Rd Chattanooga, TN 37411	0.82 mi	87.5%	House Built 1968	4	3	2,800	\$ 299,000 \$ 106.79/sq.ft.	05/31/2026 Today
J 107 Talley Rd Chattanooga, TN 37411	0.83 mi	87.1%	House Built 1930	4	3	2,737	\$ 398,900 \$ 145.74/sq.ft.	12/10/2025 172 Days Ago

Recent Comparable Rental Listings

Average Listed Rent

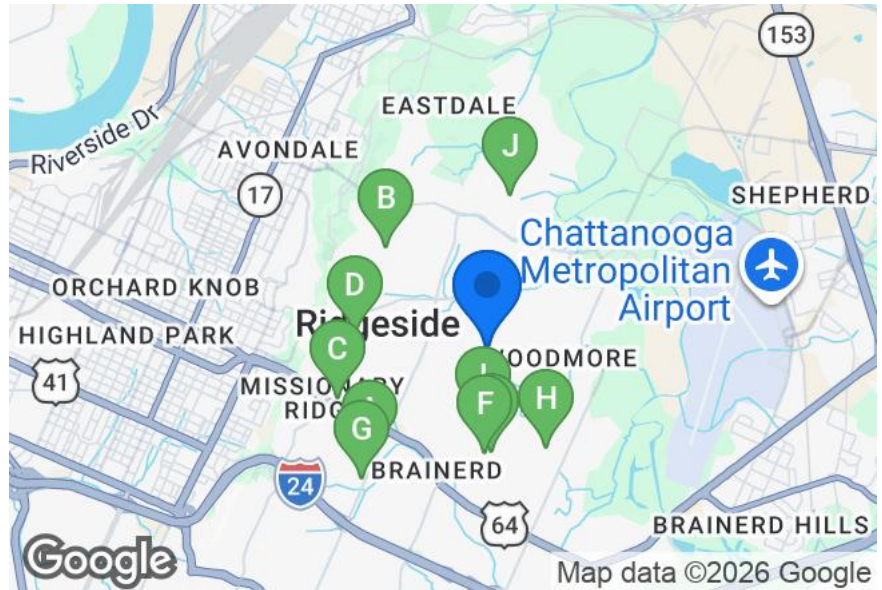
\$ 2,070 (\$ 0.96/sq.ft.)

\$ 1,600 - \$ 2,995

\$ 0.73/sq.ft. - \$ 1.28/sq.ft.

Estimated Property Rent Based on
Average Rent/Sq.Ft.

\$ 3,400



Property	Distance	Similarity	Type	Beds	Baths	Sq.Ft.	Listed Rent	Last Seen
● 702 McGowan Rd Chattanooga, TN 37411	0 mi	100%	House Built 1962	5	3	3,522	-	-
A 103 S Germantown Rd Chattanooga, TN 37411	1.18 mi	89.5%	House Built 1940	5	3	2,234	\$ 2,850 \$ 1.28/sq.ft.	12/29/2025 154 Days Ago
B 1108 Line St Chattanooga, TN 37404	1.03 mi	85.0%	House	5	2	2,240	\$ 1,950 \$ 0.87/sq.ft.	11/28/2025 184 Days Ago
C 3305 Crestone Cir Chattanooga, TN 37411	1.14 mi	81.7%	House Built 1920	5	2	1,776	\$ 1,800 \$ 1.01/sq.ft.	05/19/2026 13 Days Ago
D 367 Rowe Rd Chattanooga, TN 37411	0.96 mi	79.9%	House	4	4	2,892	\$ 2,995 \$ 1.04/sq.ft.	11/10/2025 202 Days Ago
E 4363 Montview Dr Chattanooga, TN 37411	0.77 mi	79.9%	House	4	3	2,139	\$ 1,995 \$ 0.93/sq.ft.	11/04/2025 208 Days Ago
F 217 N Sweetbriar Ave Chattanooga, TN 37411	0.78 mi	78.6%	House	4	2.5	2,300	\$ 2,173 \$ 0.94/sq.ft.	12/04/2025 179 Days Ago
G 207 S Germantown Rd Chattanooga, TN 37411	1.32 mi	75.4%	House	4	2	2,291	\$ 1,675 \$ 0.73/sq.ft.	05/19/2026 12 Days Ago
H 703 Woodvale Ave Chattanooga, TN 37411	0.85 mi	74.2%	House	4	2	2,020	\$ 1,995 \$ 0.99/sq.ft.	11/07/2025 205 Days Ago
I 4102 Sunset Ave Chattanooga, TN 37411	0.57 mi	73.9%	House	4	2	1,909	\$ 1,699 \$ 0.89/sq.ft.	05/31/2026 Today
J 1728 Dogwood Dr Chattanooga, TN 37406	1.11 mi	73.2%	House	4	1	-	\$ 1,600	09/17/2025 256 Days Ago

Property Photos



Additional Information

Great investment potential in this huge home in the Brainerd area. Home needs some updating and TLC, but has tons of potential.

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