

702 Mcgowan Rd

Investment Property - Buy & Hold

702 Mcgowan Rd, Chattanooga, TN 37411

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

\$ 360,000 Purchase Price · \$ 375,000 ARV

\$ 90,000 Cash Needed · \$ 749/mo Cash Flow · 8.2% Cap Rate · 10% COC



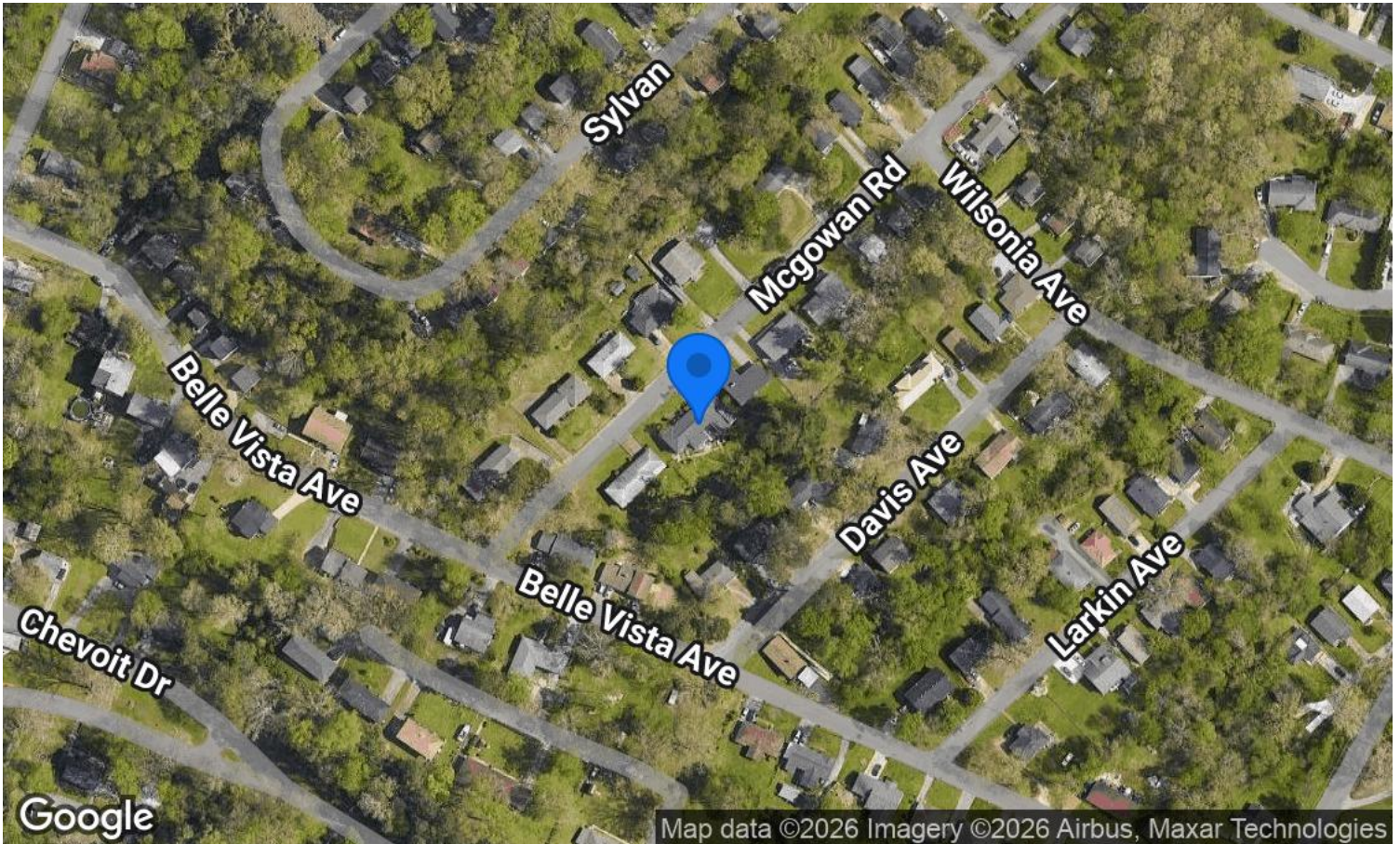
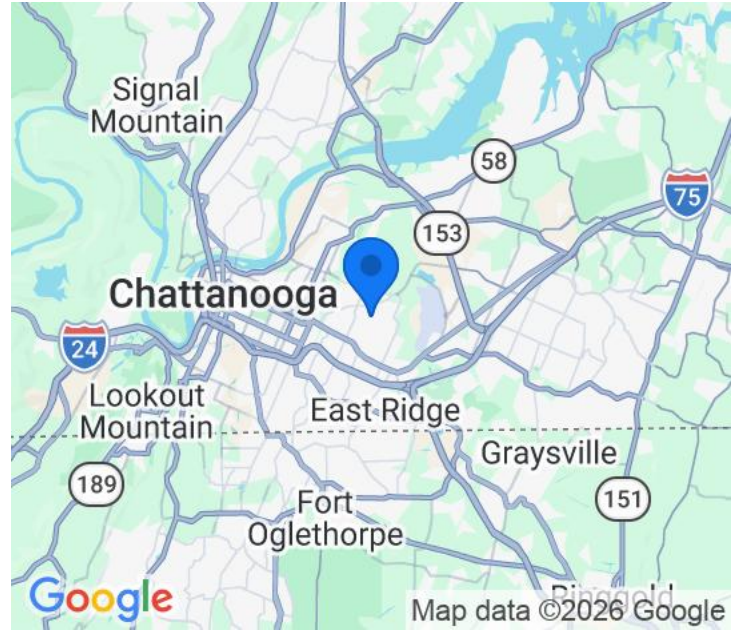
Property Description

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:		\$ 360,000
Amount Financed:	-	\$ 270,000
Down Payment:	=	\$ 90,000
Purchase Costs:	+	\$ 0
Rehab Costs:	+	\$ 0
Total Cash Needed:	=	\$ 90,000
After Repair Value:		\$ 375,000
ARV Per Square Foot:		\$ 106.5
Price Per Square Foot:		\$ 102.2

RETURNS & RATIOS (Year 1)

Cap Rate (Purchase/Market):	8.2% / 7.9%
Cash on Cash Return:	10%
Return on Equity:	7.5%
Return on Investment:	16.8%
Internal Rate of Return:	16.8%
Rent to Value:	0.8%
Gross Rent Multiplier:	10
Equity Multiple:	1.17
Break Even Ratio:	75%
Debt Coverage Ratio:	1.44
Debt Yield:	10.9%

PURCHASE COSTS

Total (0% of Price):	\$ 0
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FINANCING (PURCHASE)

Loan Type:	Amortizing, 30 Year
Interest Rate:	6.5%
Financing Of:	Price (75%)
Loan Amount:	\$ 270,000
LTC / LTV:	75% / 72%
Loan Payment:	\$ 1,707 Per Month \$ 20,479 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:		\$ 3,000	\$ 36,000
Vacancy (-%):	-	\$ 0	\$ 0
Other Income:	+	\$ 0	\$ 0
Operating Income:	=	\$ 3,000	\$ 36,000
Operating Expenses (18.1%):	-	\$ 544	\$ 6,529
Net Operating Income:	=	\$ 2,456	\$ 29,471
Loan Payments:	-	\$ 1,707	\$ 20,479
Cash Flow:	=	\$ 749	\$ 8,992

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

		Monthly	Yearly
OPERATING EXPENSES			
Property Taxes:		\$ 101	\$ 1,209
Insurance:		\$ 133	\$ 1,600
Property Management:		\$ 100	\$ 1,200
Maintenance:		\$ 150	\$ 1,800
Capital Expenditures:		\$ 60	\$ 720
HOA Fees:		\$ 0	\$ 0
Utilities:		\$ 0	\$ 0
Landscaping:		\$ 0	\$ 0
Accounting & Legal Fees:		\$ 0	\$ 0
Total:		\$ 544	\$ 6,529

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:	\$ 36,000	\$ 36,720	\$ 37,454	\$ 38,968	\$ 43,023	\$ 52,445	\$ 63,930	
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:	= \$ 36,000	= \$ 36,720	= \$ 37,454	= \$ 38,968	= \$ 43,023	= \$ 52,445	= \$ 63,930	
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:	+ \$ 1,600	+ \$ 1,632	+ \$ 1,665	+ \$ 1,732	+ \$ 1,912	+ \$ 2,331	+ \$ 2,841	
Property Management:	+ \$ 1,200	+ \$ 1,224	+ \$ 1,248	+ \$ 1,299	+ \$ 1,434	+ \$ 1,748	+ \$ 2,131	
Maintenance:	+ \$ 1,800	+ \$ 1,836	+ \$ 1,873	+ \$ 1,948	+ \$ 2,151	+ \$ 2,622	+ \$ 3,197	
Capital Expenditures:	+ \$ 720	+ \$ 734	+ \$ 749	+ \$ 779	+ \$ 860	+ \$ 1,049	+ \$ 1,279	
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:	= \$ 6,529	= \$ 6,659	= \$ 6,793	= \$ 7,067	= \$ 7,802	= \$ 9,511	= \$ 11,595	
Expense Increase:	2%	2%	2%	2%	2%	2%	2%	
CASH FLOW								
Operating Income:	\$ 36,000	\$ 36,720	\$ 37,454	\$ 38,968	\$ 43,023	\$ 52,445	\$ 63,930	
Operating Expenses:	- \$ 6,529	- \$ 6,659	- \$ 6,793	- \$ 7,067	- \$ 7,802	- \$ 9,511	- \$ 11,595	
Expense Ratio:	18.1%	18.1%	18.1%	18.1%	18.1%	18.1%	18.1%	
Net Operating Income:	= \$ 29,471	= \$ 30,061	= \$ 30,661	= \$ 31,901	= \$ 35,221	= \$ 42,934	= \$ 52,335	
Loan Payments:	- \$ 20,479	- \$ 20,479	- \$ 20,479	- \$ 20,479	- \$ 20,479	- \$ 20,479	- \$ 20,479	
Cash Flow:	= \$ 8,992	= \$ 9,582	= \$ 10,182	= \$ 11,422	= \$ 14,742	= \$ 22,455	= \$ 31,856	
TAX BENEFITS & DEDUCTIONS								
Operating Expenses:	\$ 6,529	\$ 6,659	\$ 6,793	\$ 7,067	\$ 7,802	\$ 9,511	\$ 11,595	
Loan Interest:	+ \$ 17,461	+ \$ 17,259	+ \$ 17,043	+ \$ 16,568	+ \$ 15,071	+ \$ 10,137	+ \$ 703	
Depreciation:	+ \$ 13,091	+ \$ 13,091	+ \$ 13,091	+ \$ 13,091	+ \$ 13,091	+ \$ 13,091	+ \$ 0	
Total Deductions:	= \$ 37,081	= \$ 37,009	= \$ 36,927	= \$ 36,726	= \$ 35,963	= \$ 32,739	= \$ 12,298	
EQUITY ACCUMULATION								

	Year 1	Year 2	Year 3	Year 5	Year 10	Year 20	Year 30
Property Value:	\$ 386,250	\$ 397,838	\$ 409,773	\$ 434,728	\$ 503,969	\$ 677,292	\$ 910,223
Appreciation:	3%	3%	3%	3%	3%	3%	3%
Loan Balance:	- \$ 266,982	- \$ 263,762	- \$ 260,327	- \$ 252,750	- \$ 228,896	- \$ 150,296	- \$ 0
LTV Ratio:	69.1%	66.3%	63.5%	58.1%	45.4%	22.2%	-
Total Equity:	= \$ 119,268	= \$ 134,076	= \$ 149,446	= \$ 181,978	= \$ 275,073	= \$ 526,996	= \$ 910,223

SALE ANALYSIS

Equity:	\$ 119,268	\$ 134,076	\$ 149,446	\$ 181,978	\$ 275,073	\$ 526,996	\$ 910,223
Selling Costs (6%):	- \$ 23,175	- \$ 23,870	- \$ 24,586	- \$ 26,084	- \$ 30,238	- \$ 40,638	- \$ 54,613
Blue Proceeds:	= \$ 96,093	= \$ 110,206	= \$ 124,860	= \$ 155,895	= \$ 244,835	= \$ 486,358	= \$ 855,610
Cumulative Cash Flow:	+ \$ 8,992	+ \$ 18,574	+ \$ 28,756	+ \$ 50,974	+ \$ 117,909	+ \$ 306,493	+ \$ 581,218
Total Cash Invested:	- \$ 90,000	- \$ 90,000	- \$ 90,000	- \$ 90,000	- \$ 90,000	- \$ 90,000	- \$ 90,000
Total Profit:	= \$ 15,085	= \$ 38,780	= \$ 63,616	= \$ 116,869	= \$ 272,744	= \$ 702,851	= \$ 1,346,828

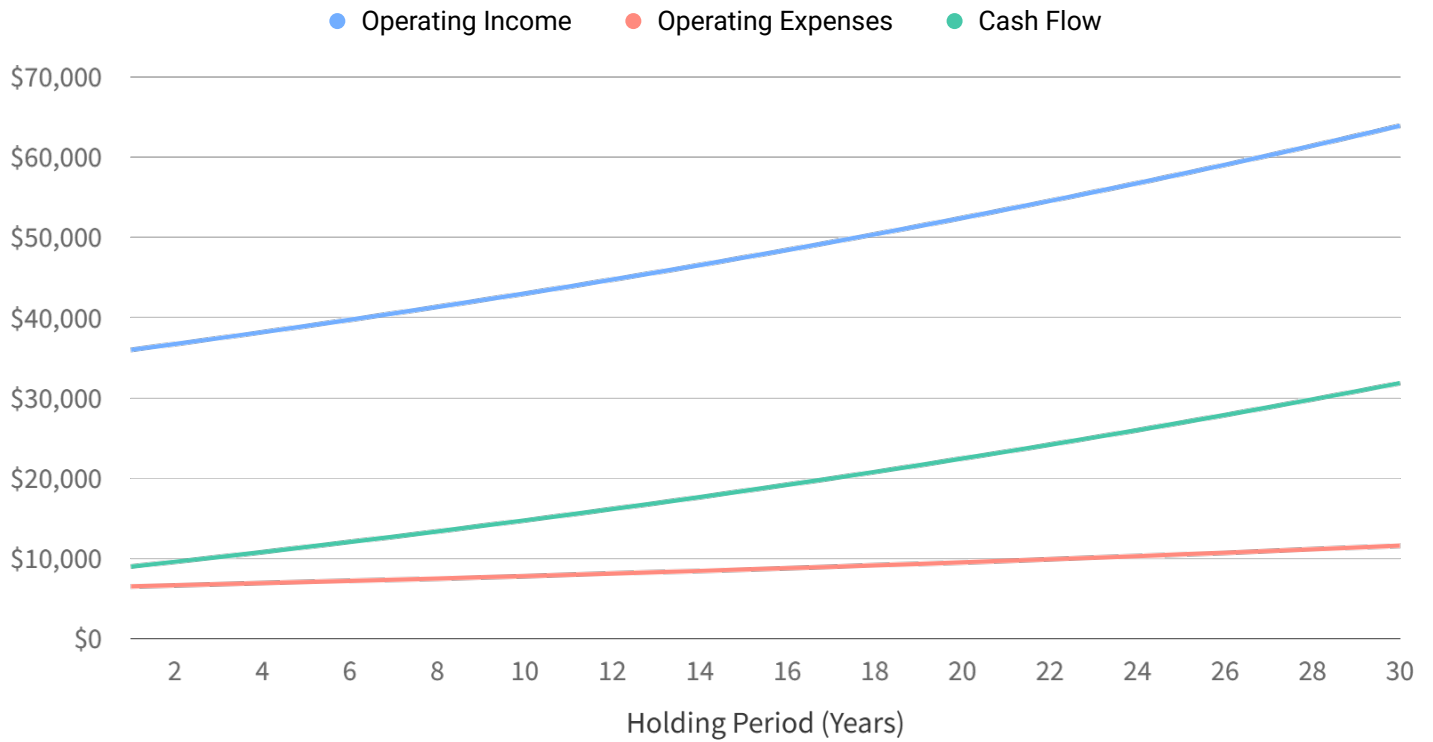
INVESTMENT RETURNS

Cap Rate (Purchase Price):	8.2%	8.4%	8.5%	8.9%	9.8%	11.9%	14.5%
Cap Rate (Market Value):	7.6%	7.6%	7.5%	7.3%	7%	6.3%	5.7%
Cash on Cash Return:	10%	10.6%	11.3%	12.7%	16.4%	25%	35.4%
Return on Equity:	7.5%	7.1%	6.8%	6.3%	5.4%	4.3%	3.5%
Return on Investment:	16.8%	43.1%	70.7%	129.9%	303%	780.9%	1,496.5%
Internal Rate of Return:	16.8%	20.5%	21.1%	20.8%	19.1%	17%	15.9%

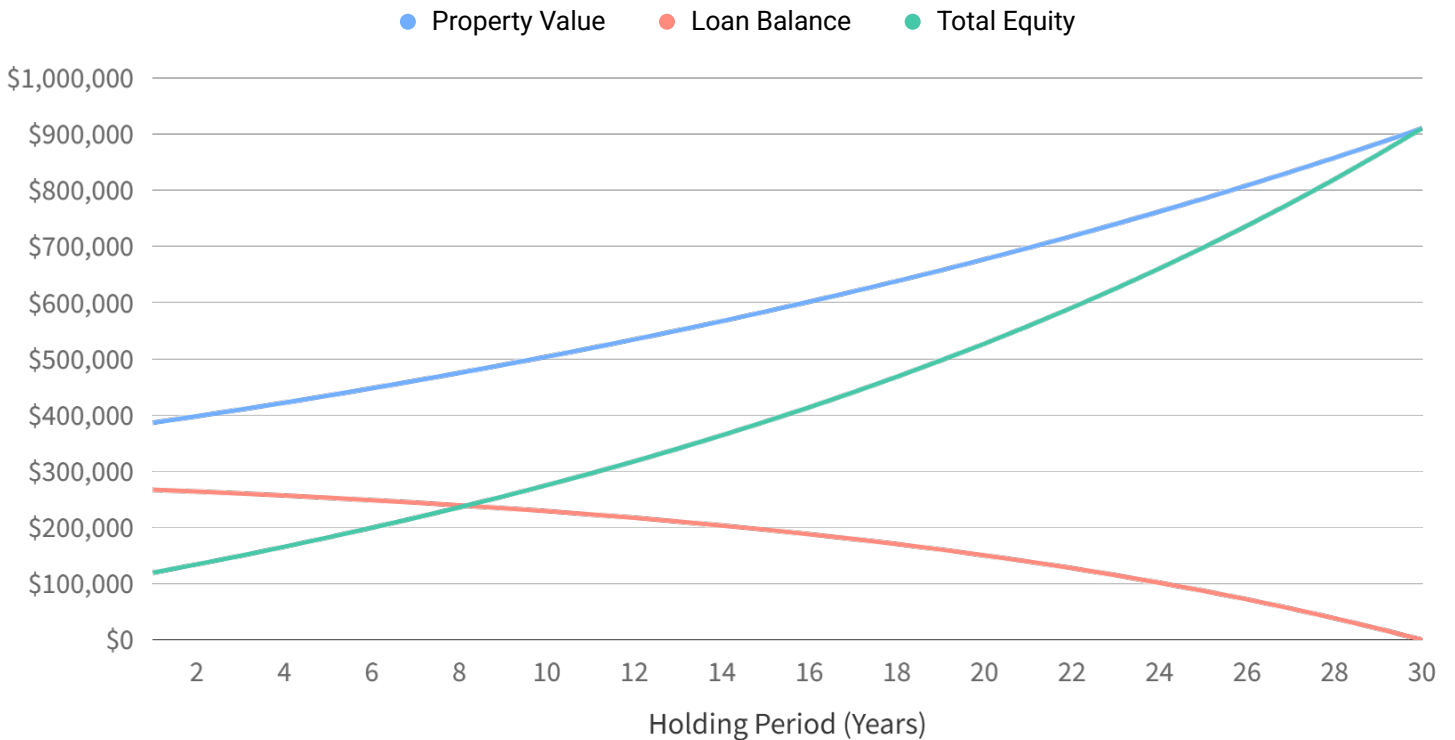
FINANCIAL RATIOS

Rent to Value:	0.8%	0.8%	0.8%	0.7%	0.7%	0.6%	0.6%
Gross Rent Multiplier:	10.73	10.83	10.94	11.16	11.71	12.91	14.24
Equity Multiple:	1.17	1.43	1.71	2.3	4.03	8.81	15.96
Break Even Ratio:	75%	73.9%	72.8%	70.7%	65.7%	57.2%	50.2%
Debt Coverage Ratio:	1.44	1.47	1.5	1.56	1.72	2.1	2.56
Debt Yield:	11%	11.4%	11.8%	12.6%	15.4%	28.6%	-

Cash Flow Over Time



Equity Over Time



Recent Comparable Sales

Average Sale Price

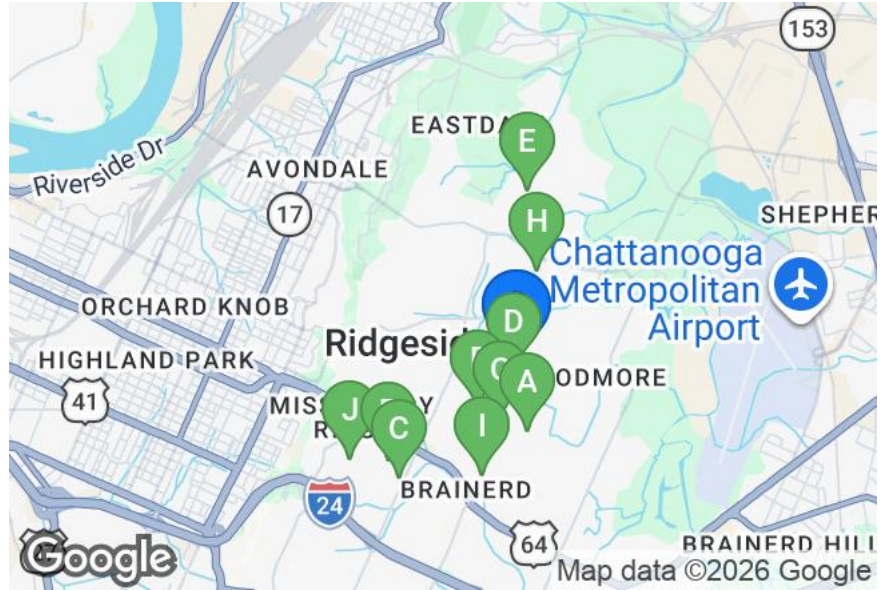
\$ 369,300 (\$ 141/sq.ft.)

\$ 200,000 - \$ 600,000

\$ 100/sq.ft. - \$ 213/sq.ft.

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

\$ 495,400



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 134 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 127 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.	05/15/2026 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 123 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.	05/12/2026 3 Days Ago
F 330 Crestway Dr Chattanooga, TN 37411	0.42 mi	88.3%	House Built 1935	4	3	2,822	\$ 600,000 \$ 212.62/sq.ft.	05/15/2026 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.	05/15/2026 Today
H 3825 Pin Oak Ter Chattanooga, TN 37411	0.71 mi	87.6%	House Built 1957	4	3	2,769	\$ 350,000 \$ 126.40/sq.ft.	05/15/2026 Today
I 107 Talley Rd Chattanooga, TN 37411	0.83 mi	87.2%	House Built 1930	4	3	2,737	\$ 398,900 \$ 145.74/sq.ft.	12/10/2025 156 Days Ago
J 3310 Alta Vista Dr Chattanooga, TN 37411	1.39 mi	86.9%	House Built 1926	5	2	2,272	\$ 399,900 \$ 176.01/sq.ft.	05/15/2026 Today

Recent Comparable Rental Listings

Average Listed Rent

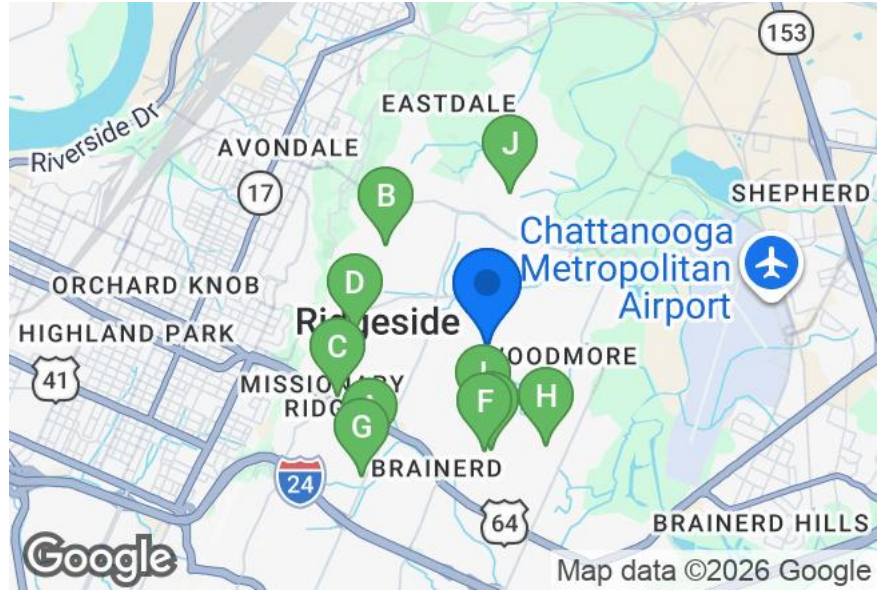
\$ 2,080 (\$ 0.97/sq.ft.)

\$ 1,600 - \$ 2,995

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

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

\$ 3,410



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 137 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 168 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.	05/15/2026 Today
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 186 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 192 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 162 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.	05/15/2026 Today
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 189 Days Ago
I 4102 Sunset Ave Chattanooga, TN 37411	0.57 mi	73.9%	House	4	2	1,909	\$ 1,749 \$ 0.92/sq.ft.	05/15/2026 Today
J 1728 Dogwood Dr Chattanooga, TN 37406	1.11 mi	73.2%	House	4	1	-	\$ 1,600	09/17/2025 240 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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