

The Build-to-Rent Strategy Package

Specs, budget lines, and the decisions that matter for new-construction rentals

From Addicted to ROI — addictedtoroi.com. Education, not financial or construction advice.

Build-to-rent is not building your dream house. It is building the most durable, lowest-maintenance, most rentable box the numbers will support. Every choice below is made for the next ten tenants, not for you.

Step 1 — Pencil the deal before you fall for the lot

- Land cost + hard costs + soft costs + carrying costs = all-in basis
- All-in basis must leave room to refinance at 70–75% of finished appraised value
- Rent comps for the FINISHED product, run conservatively
- Confirm zoning, setbacks, utility availability, and impact fees before you tie up the lot

Step 2 — Design for durability, not taste

- Single-story where the lot allows (fewer call-outs, wider tenant pool)
- 3 bed / 2 bath as the default rentable floor plan
- LVP flooring throughout (no carpet, no real hardwood)
- Quartz or solid-surface counters (no laminate, no fragile stone)
- Fiber-cement or brick exterior, low-maintenance landscaping, gravel or xeriscape
- 30-year architectural roof minimum
- Tank or tankless water heater sized for the bedroom count, in an accessible location

Step 3 — The line items that quietly make or break returns

- Allowances locked, in writing, before framing
- Builder's risk insurance in place day one
- Realistic 8–12% contingency in the budget (you will use it)
- Separate utility meters if it is a duplex / multi
- Smart locks + a video doorbell speced in (turnover and self-showings)

Step 4 — Sample budget skeleton (fill in your local numbers)

| Line | Your number |
|------|-------------|
| Land | |

| Line | Your number |
|---|-------------|
| Site work / utilities | |
| Foundation | |
| Framing & materials | |
| Roof | |
| Mechanicals (plumbing/electrical/HVAC) | |
| Interior finishes | |
| Exterior & landscaping | |
| Permits & impact fees | |
| Soft costs (design, financing) | |
| Carrying costs (interest, taxes, insurance) | |
| Contingency (8–12%) | |
| All-in basis | |

Step 5 — The exit, planned up front

- Target finished appraised value \geq all-in basis \div 0.75
- Confirm a lender who will refinance new construction at your target LTV
- Rent \geq your buy-box threshold against the all-in basis

Build the boring, rentable box. The boring stuff compounds.