



Chicagoland2to4Flats.info

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Section 8 rent amounts

Most people know that, if you want to rent Section 8, *nothing can be dilapidated*. Section 8 won't demand that there be a new roof, but it won't accept an apartment with signs of a leak. Old kitchens? They probably have to go. Old windows? It's possible that if they all work well (which virtually never is the case) that they will pass inspection, but probably not. In short, everything must be in good working order.

BUT typically what we find is that rehabbers only do the minimum needed to meet what Section would call its "B" schedule of rents. Assuming the tenant pays their own utilities, Schedule B might provide the landlord:

| Total # Rooms | # Bedrooms | # Baths | Typical rent |
|---------------|------------|---------|---------------|
| 8 | 4 | 2 | \$1250.00/mo |
| 6 | 3 | 1 | \$1,000.00/mo |
| 5 | 2 | 1 | \$850.00/mo |

Note: If an apartment is extra large or extra nice, it might qualify for Schedule A—and the rents can be up to \$200.00/mo higher. And our favorite developer on the West Side always qualifies for Schedule A. You might pay a little more, but consider this actual example. Our buyer paid \$374,000 for a legal 3-unit with this description:

- At closing the property was fully occupied, collecting these rents:

| Total # Rooms | # Bedrooms | # Baths | ACTUAL RENT |
|---------------------------|------------|---------|-------------------|
| 7 | 4 | 1 | \$1300.00/mo |
| 6 | 3 | 1 | \$1,200.00/mo |
| 5 | 2 | 1 | \$1,081.00/mo |
| Total Monthly Rent | | | \$3,581.00 |

- As for the condition of the property, the basement had been dug down to create a apartment with 8' ceilings (and with drain tile/sump pump waterproofing). Throughout it had all new plumbing, electric and furnaces/ductwork. All the concrete and the back porch was brand new. All the finishes, including the kitchens and baths were of a higher quality than minimum Section 8 standards, and all the work was done with permits and full city inspection.

Each case is individual, but typically Section 8 pays the huge bulk of the rent, with the tenant expected to cover the balance. In other words, the landlord gets two checks a month—at least one of which is quite automatic.