

## Learning Objectives

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- See real coliving deals with actual numbers and outcomes
- Understand how different property types perform
- Compare coliving returns to traditional rental returns
- Identify patterns that make a property ideal for coliving
- Get inspired by what's actually possible

## Why This Matters

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In Lesson 1, we talked about the coliving opportunity in theory. Now it's time for proof.

The case studies below are based on real properties in real markets. The numbers aren't hypothetical—they're what investors are actually achieving right now.

As you read through each one, pay attention to the patterns. What makes these deals work? How do they compare to traditional rentals? What would be possible if you had just one or two properties like these?

## Case Study #1: The Suburban Workhorse

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4-Bedroom Ranch in Southwest Atlanta

📍 Atlanta, GA (30311) • Acquired 2023

## The Property

A 1960s-era 4-bedroom, 2-bathroom ranch on a quiet residential street. 1,400 square feet. Near public transit and a major distribution center (Amazon fulfillment).

## The Numbers

**\$165,000**

Purchase Price

**\$22,000**

Renovation

**\$187,000**

All-In Cost

**\$37,400**

Cash Invested (20%)

## Coliving vs. Traditional Rental

	TRADITIONAL RENTAL	COLIVING (PADSPLIT)
Monthly Rent	\$1,450	\$2,600 (4 rooms × \$650)
Platform Fee (12%)	\$0	-\$312
Net Rent to Owner	\$1,450	\$2,288
Mortgage (P&I)	-\$980	-\$980
Taxes & Insurance	-\$280	-\$280
Utilities (owner-paid)	\$0	-\$350
Maintenance Reserve	-\$100	-\$150
<b>Monthly Cash Flow</b>	<b>\$90</b>	<b>\$528</b>
<b>Annual Cash Flow</b>	<b>\$1,080</b>	<b>\$6,336</b>
<b>Cash-on-Cash Return</b>	<b>2.9%</b>	<b>16.9%</b>

**KEY INSIGHT**

Same property. Same mortgage. The coliving strategy generates 5.8x more cash flow. The difference is purely in how the property is operated.

**What Made This Work**

- **Location:** Near major employers (Amazon, airport) with workers who need affordable housing
- **Layout:** All bedrooms accessible from common areas (no pass-through rooms)
- **Price point:** Low enough purchase price to support the math
- **Room rents:** \$650/week is affordable for workers earning \$15-20/hour

**Case Study #2: The Value-Add Play****5-Bedroom Conversion in East Point**

 East Point, GA (30344) • Acquired 2024

**The Property**

Originally a 3-bedroom home with an unfinished basement and bonus room. The investor converted it to 5 legal bedrooms by finishing the

basement (added 2 bedrooms + bathroom) and converting the bonus room.

## The Numbers

**\$142,000**

Purchase Price

**\$48,000**

Renovation + Conversion

**\$190,000**

All-In Cost

**\$47,500**

Cash Invested (25%)

## Coliving Performance

ITEM	MONTHLY AMOUNT
Gross Rent (5 rooms × \$675)	\$3,375
Platform Fee (12%)	-\$405
Net Rent to Owner	\$2,970
Mortgage (P&I @ 7.5%)	-\$996
Taxes & Insurance	-\$310
Utilities	-\$425
Maintenance Reserve	-\$175
<b>Monthly Cash Flow</b>	<b>\$1,064</b>
<b>Annual Cash Flow</b>	<b>\$12,768</b>
<b>Cash-on-Cash Return</b>	<b>26.9%</b>

**KEY INSIGHT**

The \$48,000 renovation added 2 bedrooms, generating an additional \$1,350/month in rent. That's a 33% return on the renovation investment alone. Value-add coliving amplifies returns significantly.

**What Made This Work**

- **Undervalued property:** Priced low because it was outdated and had "weird" layout
- **Conversion potential:** Basement had egress windows (legal bedrooms possible)
- **Zoning:** Area allows room rentals without special permits
- **Room rate optimization:** Slightly higher rents (\$675 vs \$650) because of better finishes

**Case Study #3: The Self-Managed Approach****6-Bedroom House (Self-Managed)**

📍 Stone Mountain, GA (30088) • Acquired 2023

SELF-MANAGED TRACK

## The Property

A large 6-bedroom, 3-bathroom split-level home. The investor chose to self-manage instead of using PadSplit, marketing rooms directly on Facebook Marketplace and Roomies.com.

## The Numbers

**\$198,000**

Purchase Price

**\$15,000**

Light Renovation

**\$213,000**

All-In Cost

**\$42,600**

Cash Invested (20%)

## Self-Managed Coliving Performance

ITEM	MONTHLY AMOUNT
Gross Rent (6 rooms × \$625)	\$3,750
Platform Fee	\$0 (self-managed)
Mortgage (P&I @ 7.25%)	-\$1,162
Taxes & Insurance	-\$340
Utilities	-\$520
Maintenance Reserve	-\$200
Property Manager (part-time)	-\$300
<b>Monthly Cash Flow</b>	<b>\$1,228</b>
<b>Annual Cash Flow</b>	<b>\$14,736</b>
<b>Cash-on-Cash Return</b>	<b>34.6%</b>

### **PADSPLIT VS. SELF-MANAGED TRADE-OFF**

Self-managing saves the 12% platform fee but requires more hands-on work (or paying a property manager). This investor hired a part-time PM for \$300/month and still came out ahead. The right choice depends on your time, market, and preferences.

## **What Made This Work**

- **Larger property:** 6 bedrooms provides more income streams
- **No platform fees:** 12% savings on \$3,750 = \$450/month
- **Local PM:** Hired a part-time manager for showings and tenant issues
- **Direct marketing:** Facebook Marketplace + Roomies.com filled all rooms in 3 weeks

## **Patterns Across All Case Studies**

Looking at these three properties, some patterns emerge:

**✔ What Works**

- Purchase prices under \$250K in most markets
- 4-6 bedrooms (sweet spot for cash flow)
- Near job centers (warehouses, hospitals, airports)
- Room rents at 25-30% of local 1BR apartment rent
- Properties where conversion adds rooms

**✘ What Doesn't Work**

- Properties priced too high for the rents
- 2-3 bedroom homes (not enough rooms)
- Affluent areas with no workforce housing demand
- Markets with anti-coliving zoning
- Properties with bad layouts (pass-through rooms)

**🏠 What Could Your Numbers Look Like?**

Let's put this in perspective. If you acquired just 3 properties performing like Case Study #1:

**\$1,584**

Monthly Cash Flow

**\$19,008**

Annual Cash Flow

**\$112,200**

Total Cash Invested

**16.9%**

Cash-on-Cash Return

And if you acquired 3 properties performing like Case Study #2:

**\$3,192**

Monthly Cash Flow

**\$38,304**

Annual Cash Flow

**\$142,500**

Total Cash Invested

**26.9%**

Cash-on-Cash Return

### THE WEALTH-BUILDING EQUATION

5 properties × \$1,000/month cash flow = \$5,000/month = \$60,000/year in passive income. That's the power of coliving. You don't need 50 properties. You need 5 good ones.

## Action Steps

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1. **Complete the Motivation Journal** (linked below). Document why these case studies resonate with you and what they mean for your goals.
2. **Calculate your target:** How many properties would you need to reach your monthly cash flow goal?
3. **Research your market:** What are room rents and home prices in your target area? Start getting a feel for the numbers.

## **Key Takeaways**

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- Real coliving properties generate 15-35% cash-on-cash returns
- The same property can produce 5-6x more cash flow with coliving vs. traditional rental
- Value-add conversions (adding bedrooms) amplify returns significantly
- Both platform-managed and self-managed approaches work
- 5 good coliving properties can replace a full-time income
- Success patterns: workforce areas, 4-6 bedrooms, good layouts, reasonable prices

## **Complete Your Motivation Journal**

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Capture your "why" while these case studies are fresh in your mind.