



## Check Out This Deal with Jason Nazarenko

Harvard Business School has determined that one of the best ways for people to learn business is through real life case studies. We say, if it's good enough for Harvard, it's good enough for us. So, each month we will highlight the case study of one community member's recent deal, so you can learn what they have learned (good, bad, or ugly). Thanks to our amazing community members for sharing!



What type of rentals do you target?



Short-term rental properties with plans to diversify in the future.



What market are you in?



Northcentral Arkansas



How many doors do you have in your portfolio?



16-25



When did you purchase the deal you want to highlight?



8/10/2020



What town is the property located in?



Cotter, Arkansas



What was your plan for this deal?



I was approached by the previous owner about purchasing her nearly 100-year-old church in the center of town. We have met before, built a relationship and she knows that I was passionate about our town and revitalizing the area while adding value. She told me her asking price and I ran the numbers on my own that night and made an appointment to walk the property again the next

day. I showed up with an offer in hand that was only slightly lower than her ask. I purchased the church for \$140K and the bank did not have me bring anything to closing. In fact, the bank gave me an additional \$20k towards renovations. The appraisal for the property came back at \$225K with my planned renovations. My goal was to have the property finished in a few months and set up as a short-term rental with 4 bedrooms that were already being used by her as a living area, with the upstairs sanctuary being for living, kitchen, and social area.



What happened with the deal?



What actually happened was that I got in deeper than I had planned (a common theme of mine). I found more work that really needed to be taken care of to bring the property to the level that it really needed to draw the attention/reviews of future guests. I ended up replacing ALL electric, ALL plumbing, added a bedroom downstairs, replacing ALL interior walls, ALL new drywall, added a /2 bath upstairs, and many other additions that are still ongoing. I am also in the process of getting a new roof installed to protect the asset (\$40K). The numbers are still looking good as far as return once the church is up and running. We are on track now to finish the church by the spring and expect a great response from guests and groups to the area. Although we are over the budget that I had planned, we have made much-needed renovations to this historic piece and will be able to proudly add it to our growing portfolio that now includes the oldest standing building in Cotter - The Commercial Hotel - boasting over 10 rental rooms! Check our work out at [potterblock.com](http://potterblock.com) and keep up with the church renovations at [cotterdowntownchurch.com](http://cotterdowntownchurch.com)



What is the biggest lesson(s) you learned during this deal you want to share with others?



The old mantra of it will always take more time and more money than you plan is so very true!



What is your goal for investing in real estate and how is this deal getting you closer to or further from it?



My goal is to one day (within 5 years) be financially free with enough reserves built up along with enough monthly cash flow above and beyond all expenses to allow me to quit working my current W2 job. I am 45 years old, so this would mean that my wife and I could be financially free and able to enjoy our time together while managing our portfolio, giving us more time to enjoy each other, our family, and help in the community as we are able!



**Jason Nazarenko**  
Owner: [www.potterblock.com](http://www.potterblock.com)