

A COMPLETE GUIDE TO
**MASTERING THE
BRRRR STRATEGY**



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If you're ready to grow your real estate portfolio using a proven method, the BRRRR strategy could be your game-changer!

In this guide, we'll break down how the strategy works, why Calgary is an ideal market to apply it, and how you can start or scale your investments using this powerful approach.

What is the BRRRR Strategy?

BRRRR stands for:

- **Buy** — Purchase an undervalued or distressed property.
- **Renovate** — Improve the property to increase its value.
- **Rent** — Lease it to quality tenants to generate income.
- **Refinance** — Pull out invested capital based on the new, higher property value.
- **Repeat** — Reinvest the capital into the next property to continue growing your portfolio.

The BRRRR strategy allows investors to build wealth, generate passive income, and scale their portfolio efficiently — without needing a new down payment for each property.

Why Calgary?

Calgary offers a unique combination of factors that make it especially attractive for BRRRR investors:

- **Strong Rental Demand:** Driven by population growth, economic recovery, and affordability compared to other major Canadian cities.
- **Affordable Entry Points:** Lower average home prices compared to Toronto, Vancouver, or Ottawa, making it easier to find cash-flowing properties.
- **Investor-Friendly Policies:** No rent control, streamlined secondary suite approvals, and landlord-friendly provincial regulations.
- **Market Appreciation Potential:** Calgary is experiencing long-term growth, fueled by diversification beyond oil and gas, attracting new industries and talent.

Calgary's current conditions offer both short-term cash flow and long-term equity growth opportunities.

How Does the BRRRR Strategy Build Wealth?

1. **Equity Growth:** Renovating undervalued properties boosts their market value, creating instant equity. Refinancing lets you access this equity and put it to work again.
 2. **Cash Flow:** Well-rented properties generate steady monthly passive income, providing financial stability and growth over time.
 3. **Leverage:** Refinancing recycles your initial investment, allowing you to purchase multiple properties with the same original capital.
 4. **Appreciation:** As property values rise, especially in markets like Calgary, you gain additional long-term wealth.
 5. **Tax Advantages:** Canadian investors benefit from tax deductions on mortgage interest, renovation costs, depreciation (Capital Cost Allowance), and more.
 6. **Portfolio Diversification and Stability:** Owning multiple properties spreads your risk across different tenants and neighbourhoods, reducing vulnerability to market shifts.
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The 5 Steps of the BRRRR Strategy

Step 1: BUY

Look for:

- Undervalued or distressed properties with clear renovation potential.
- Motivated sellers (foreclosures, estate sales, etc.)
- Properties in neighbourhoods with strong rental demand.

Tips for Sourcing Deals in Calgary:

- Explore **off-market opportunities**.
- Monitor **MLS listings** for properties that have been sitting on the market for 90+ days.
- Stay connected with wholesalers and local investor groups.

What Makes a Good BRRRR Candidate?

- Purchase price significantly below market value.
- Clear value-add potential through renovations.
- Strong rental market to support future tenants.
- Comparable sales ("comps") that justify a higher post-renovation value.

Step 2: RENOVATE

Focus on renovations that add **maximum value**:

- **High-Impact Areas:** Kitchens, bathrooms, and adding legal basement suites (where possible).
- **Curb Appeal:** Exterior improvements that make a strong first impression.

Budgeting and Working with Contractors:

- Create a **realistic renovation budget** – do your homework.
- Always **budget in contingencies** & build a buffer for unexpected costs.
- Get **multiple quotes** and thoroughly vet your contractors.
- **Avoid over-renovating** – improvements should match the market standard, not exceed it.

Step 3: RENT

Target Tenant Profiles:

- Young professionals
- Families
- Students (depending on location)

Tenant Screening Best Practices:

- Conduct full credit and background checks.
- Verify income and employment.
- Use a strong, legally sound lease agreement (aligned with Alberta's Residential Tenancies Act).

Step 4: REFINANCE

Appraisal Tips & Timing:

- Only order an appraisal once renovations are complete.
- Present the property clean, staged, and finished to the appraiser.
- Provide a list of completed upgrades and recent comparable sales to support your case.
- Consider current market conditions and recent sales.

Build the Right Team:

- Work with lenders and mortgage brokers familiar with investment properties.
- Partner with an appraiser who understands income properties and after-renovation value (ARV) assessments.
- Strong relationships are key. Establishing a positive relationship with your appraiser allows for clear communication and provides an opportunity to effectively highlight and support your property's value when needed.

Step 5: REPEAT

Scaling Your Portfolio:

- Use recycled equity and cash flow from each property to fund future investments.
- Diversify across different property types (single-family, duplexes, small multifamily).

Building a Repeatable System:

- Develop standardized checklists and processes.
- Assemble a trusted team who are all investor-focused (REALTOR®, mortgage broker, lawyer, contractor, property manager).
- Automate wherever possible to save time (tenant screening, rent collection, project management tools).

Common Mistakes to Avoid

- **Overpaying** for properties without sufficient margins.
- **Underestimating renovation costs** or timelines.
- **Skipping thorough tenant screening**, leading to late payments or vacancies.
- **Misjudging refinance potential** due to inaccurate ARV projections.
- **Ignoring local regulations** or failing to legalize suites properly.
- **Poor budgeting for holding costs** during renovation and leasing periods.

Why BRRRR Works in Calgary

The BRRRR strategy is a powerful wealth-building tool available to real estate investors — and **Calgary's unique market dynamics** make it an especially strong location to apply it.

Whether you're just starting out or looking to scale your portfolio more aggressively, understanding and applying the BRRRR method with real-world, local knowledge can help you **maximize returns, build scalable cash flow, and create lasting wealth.**

The BRRRR strategy isn't just a real estate tactic — it's a long-term investment system that keeps compounding over time.

Let's Connect

Our team is here to help!

Phipps Real Estate Group is based out of **Calgary, Alberta** and we provide supportive and value driven real estate services to our clients who wish to buy, sell or invest. We offer **residential, commercial** and **property management** services. We believe very strongly that real estate holds **endless potential to provide wealth, financial security** and most importantly provides **options in times of unforeseen circumstances**.

Reach out today for free a strategy consultation.

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