

Lithonia Home With 25% Cash on Cash Return



Lithonia, GA 30038

Purchase Price	\$87,900
Bedrooms	3
Bath	2.5
Sq. Footage	2,036
Year Built	2001
Parking	2 car garage
Basement	None
Rental Income	\$995

Lithonia home with breakfast area, dining room, family room, living room and a private backyard. Home also has vaulted ceilings and a fireplace.

VALUATION DATA

Comparable Sales

Comparable Sales Within Proximity	BD/BA	Sq.Ft.	Last Sold	Sales Price
4933 Klondike Rd.	3/2	2,079	6/17/2011	120,000
5918 Idlewood Place	4/2.5	2,596	9/23/2011	109,900
4012 Brooks Mill Road	5/4	3,229	5/4/2011	220,000
6308 Rockland Rd.	4/2	2,375	9/22/2011	105,000
Information herein believed to be accurate but not warranted				

FINANCIAL SUMMARY

Basic Purchase Information

Estimated Property Value	\$	87,900
Purchase Price	\$	87,900
Down Payment (20.00%)	\$	17,580
Equity at Purchase	\$	17,580

Cash at Closing

Loan Amount	\$	70,320
Down Payment (20.00%)	\$	17,580
Closing Costs (4.00%)	\$	2,813
Total Cash Required at Closing *	\$	20,393

* This total does not include potential escrow reserves for taxes & insurance

Mortgage Calculations

Loan Amount: \$70,320, Loan Term: 30yrs, Interest Rate: 5.25%

Mortgage Payment	\$	388
Mortgage Payment (Yearly)	\$	4,660

Financial Performance Summary

Cash on Cash Return (Year 1)		24.7%
Cap Rate (Year 1)		8.1%
Total Equity at Year 5	\$	26,670

Assumptions for Calculations (Annual)

Gross Scheduled Income (Monthly)	\$	995
Mortgage Interest Rate	(%)	5.25
Mortgage Down Payment	(%)	20.00
Mortgage Loan Term (Fixed)		30
Property Taxes	\$	2,556
Insurance	\$	600
Homeowners Association (Yearly)	\$	0
Property Management Fee	(%)	8.0
Maintenance Reserve	(%)	0.00
Appreciation Rate	(%)	1.00
Vacancy Allowance	(%)	6.00
Rental Income Increase	(%)	2.00
Property Tax Increase	(%)	2.00
Closing Costs (Purchase)	(%)	4.00
Closing Costs (Sale)	(%)	8.00

Cash Flow and Equity Accumulation

CASH-FLOW	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 20	YEAR 30
Gross Scheduled Income	\$11,940	\$12,179	\$12,422	\$12,671	\$12,924	\$14,269	\$17,394	\$21,204
Vacancy Allowance	\$0	\$731	\$745	\$760	\$775	\$856	\$1,044	\$1,272
Total Operating Income	\$11,940	\$11,448	\$11,677	\$11,911	\$12,149	\$13,413	\$16,351	\$19,931
<i>Property Taxes</i>	\$2,556	\$2,607	\$2,659	\$2,712	\$2,767	\$3,055	\$3,724	\$4,539
<i>Insurance</i>	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600
<i>Homeowners Association</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Maintenance Reserve</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Property Management</i>	\$955	\$974	\$994	\$1,014	\$1,034	\$1,142	\$1,392	\$1,696
minus Total Operating Expenses	\$4,111	\$4,181	\$4,253	\$4,326	\$4,401	\$4,796	\$5,715	\$6,835
Net Operating Income	\$7,829	\$7,267	\$7,424	\$7,584	\$7,748	\$8,617	\$10,636	\$13,096
minus Mortgage Expense	\$4,660	\$4,660	\$4,660	\$4,660	\$4,660	\$4,660	\$4,660	\$4,660
GROSS CASH FLOW	\$3,169	\$2,607	\$2,764	\$2,925	\$3,088	\$3,957	\$5,976	\$8,436
<i>Plus Principle Paydown</i>	\$992	\$1,045	\$1,101	\$1,160	\$1,223	\$1,589	\$2,683	\$4,530
<i>Plus Yearly Appreciation</i>	\$879	\$888	\$897	\$906	\$915	\$961	\$1,062	\$1,173
EFFECTIVE NET CASH FLOW	\$5,040	\$4,540	\$4,762	\$4,991	\$5,225	\$6,507	\$9,721	\$14,139
EQUITY ACCUMULATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 20	YEAR 30
<i>Property Value</i>	\$87,900	\$88,779	\$89,667	\$90,563	\$91,469	\$96,135	\$106,193	\$117,303
<i>(Mortgage Balance)</i>	\$69,328	\$68,284	\$67,183	\$66,022	\$64,800	\$57,626	\$36,192	\$0
EQUITY (WEALTH)	\$18,572	\$20,495	\$22,484	\$24,541	\$26,670	\$38,509	\$70,001	\$117,303
TAX BENEFIT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 20	YEAR 30
<i>Depreciation</i>	\$3,196	\$3,196	\$3,196	\$3,196	\$3,196	\$3,196	\$3,196	\$3,196
<i>Mortgage Interest</i>	\$3,668	\$3,615	\$3,559	\$3,499	\$3,437	\$3,071	\$1,977	\$130





The Purchase Process

- Step 1: Call us at (770) 924-5450 and let us know you would like to get prequalified. We will put you in touch with one of our local lenders.
- Step 2: Complete a purchase agreement to lock up the property and fax it back to us at (866) 341-0187.
- Step 3: Either overnight or wire the earnest money to our attorney. We will provide you with their name address and/or wiring instructions.
- Step 4: Work closely with lender for 3-5 weeks to complete financing. Be sure to return all signed disclosures and provide any requested documentation promptly.
- Step 5: Close on investment property! Upon closing, we will work with you to transition the property to one of our property managers and make sure you collect any pro-rated rents.

NOTE: Properties are sold on a first-come, first-served basis.

Call us today!

Please call or email us with any questions, or to request a purchase agreement.

 Phone: 770-924-5450

 Fax: (866) 341-0187

 Email: ken@gainvesting.com

OR

 Email: bruce@gainvesting.com

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ProServe Home Solutions, LLC



12460 Crabapple Road
 Suite 202-271
 Alpharetta, Ga 30004
 (P) 770.924.5451
 (F) 866.840.1977

Name / Address
6074 Idlewood Trace Lithonia, GA 30038

Scope of Work

Date	Estimate #
12/12/2011	1522

Payment Terms	Estimated Start Date	REP
Credit Card	12/12/2011	DE

Item	Description
Handyman	Replace 3 exterior locks Install 1 toilet and inspect and repair 2, inspect and repair plumbing Install hot water heater Pressure Wash Install 2 smoke and 1 carbon dioxide detectors Inspect and repair electrical outlets, fixtures, GFCI, Lights (3), replace covers Repair front door trim Install blinds (8) Install gas meter Install mail box Drywall repair, walls ceilings Replace rubber seal on back door Install new door in master bath, garage entry, bedroom Replace missing cabinet door in kitchen Install washing machine drip tray Install vinyl flooring Replace vent cover in living room Repair trim around garage door Replace 1 garage door Repair trim around back door Repair 20' of siding Install 50' of gutters Install 6 window screens Repair outside window trim Install clean out sewer cap Misc handyman
Materials	Estimated cost of materials needed for the items above.
Landscaping	Trim bushes
Paint- Paint Materials	Interior Walls, ceiling and trim This is an estimated amount of paint for the area specified above.
Paint- Paint Materials	Exterior touch-up, trim as needed and Ext doors This is an estimated amount of paint for the area specified above.

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Item	Description
Carpet - Labor & Materials	Replace carpet This includes rip out of old and removal from house, a 7/16" pad installed, and a 28 ounce builder's grade carpet installed.
Appliance(s)	- Replace and install LH refrigerator, gas range, hood vent, and dishwasher. This includes labor and materials.
HVAC System Replacement	Replace system
Super Cleaning	SUPER CLEANING - -Vacuuming all carpets, sweeping and mopping all hard surfaces, dusting, detailing kitchen, detailing bathrooms, detailing all baseboards, cleaning all window sills, sweeping and dusting garage, cleaning the inside of appliances (oven, empty refrigerator, dishwasher), and sweeping porches, walkways, and decks.
Dumpster Fee	
Project Management Fee	PMF
Permit	Permits