

Fairburn Home With 26% Cash on Cash Return



3920 Grassy Trace, Fairburn, GA 30213

Purchase Price	\$117,900
Bedrooms	4
Bath	2.5
Sq. Footage	2,348
Year Built	2004
Parking	2 car garage
Rental Income	\$1,250

Four bedroom home with breakfast area, living room, and dining room. Home also has a fireplace and a two car garage.

VALUATION DATA

Comparable Sales

Residential Detached										
Status	Address	County	Area	Map	Subdivision	Bed	Bath	Year Built or Sold / Expire Date	Price	
Sold	4325 ALYSHEBA Drive	Fulton	33	932H7	Hampton Oaks	4	3/1	7/22/2011	\$145,000 #	
Sold	7330 Thoreau Circle	Fulton	33		Walden Park	4	2/1	5/2/2011	\$150,000 #	
Sold	3725 Renaissance Circle	Fulton	33		Walden Park	4	3/1	5/13/2011	\$149,900 # *	
Sold	3715 RENAISSANCE Circle	Fulton	33	932G6	WALDEN PARK	5	2/1	11/10/2011	\$153,000 # *	
Sold	3605 Renaissance Circle	Fulton	33	932J4	Walden Park	6	4/1	1/13/2012	\$155,000 # *	
Sold	7479 Sorriobox Drive	Fulton	33		Hampton Oaks	4	2/1	6/17/2011	\$149,600 # *	
Sold	4331 Alysheba Drive	Fulton	33		HAMPTON OAKS	4	2/1	7/20/2011	\$141,000 # *	
Sold	3625 HANSBERRY Drive	Fulton	33	999A9	WALDEN PARK	4	3/1	4/5/2011	\$139,900 # *	
Sold	300 Haley Circle	Fulton	33	9a9	Walden Park	4	2/1	2/23/2011	\$139,900 # *	
Sold	7050 THOREAU Circle	Fulton	33	000A00	WALDEN PARK	5	2/0	3/29/2011	\$138,000 #	
Sold	3505 Davis Boulevard	Fulton	33		Walden Estates	5	4/0	12/23/2011	\$138,000 #	
Sold	3770 Hansberry Drive	Fulton	33	932K6	Walden Park	4	2/1	3/18/2011	\$132,900 # *	
Sold	731 MILLER Run	Fulton	33	932K6	WALDEN PARK	4	2/1	6/9/2011	\$136,700 #	
Sold	4359 Alysheba Drive	Fulton	33		HAMPTON OAKS	4	3/1	3/16/2011	\$134,000 # *	
Sold	7275 THOREAU Circle	Fulton	33	932K5	WALDEN PARK	3	2/1	12/1/2011	\$123,750 #	
Sold	7275 Thoreau Circle	Fulton	33		Walden Park	3	2/1	9/29/2011	\$125,000	
Sold	738 Fitzgerald Place	Fulton	33		WALDEN PARK	4	2/1	6/30/2011	\$118,000 #	

FINANCIAL SUMMARY

Basic Purchase Information

Estimated Property Value	\$	117,900
Purchase Price	\$	117,900
Down Payment (20.00%)	\$	23,580
Equity at Purchase	\$	23,580

Cash at Closing

Loan Amount	\$	94,320
Down Payment (20.00%)	\$	23,580
Closing Costs (4.00%)	\$	3,773
Total Cash Required at Closing *	\$	27,353

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

Mortgage Calculations

Loan Amount: \$94,320, Loan Term: 30yrs, Interest Rate: 5.25%

Mortgage Payment	\$	521
Mortgage Payment (Yearly)	\$	6,250

Financial Performance Summary

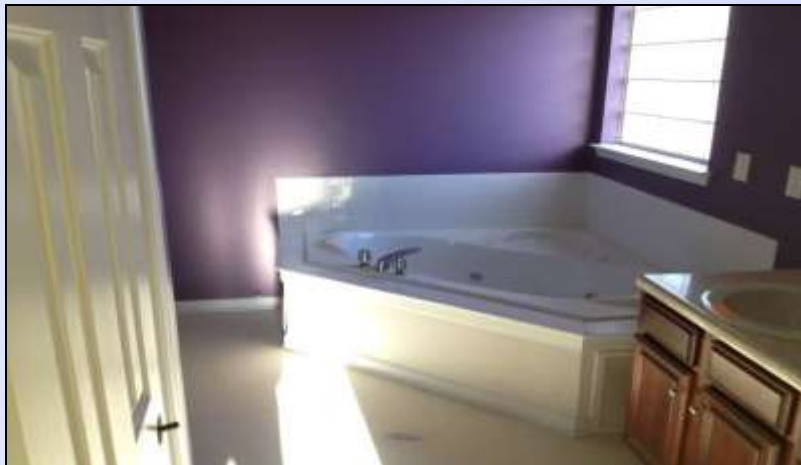
Cash on Cash Return (Year 1)		26.1%
Cap Rate (Year 1)		8.5%
Total Equity at Year 5	\$	35,772

Assumptions for Calculations (Annual)

Gross Scheduled Income (Monthly)	\$	1250
Mortgage Interest Rate	(%)	5.25
Mortgage Down Payment	(%)	20.00
Mortgage Loan Term (Fixed)		30
Property Taxes	\$	2332
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	\$15,000	\$15,300	\$15,606	\$15,918	\$16,236	\$17,926	\$21,852	\$26,638
Vacancy Allowance	\$0	\$918	\$936	\$955	\$974	\$1,076	\$1,311	\$1,598
Total Operating Income	\$15,000	\$14,382	\$14,670	\$14,963	\$15,262	\$16,851	\$20,541	\$25,039
<i>Property Taxes</i>	\$2,332	\$2,379	\$2,426	\$2,475	\$2,524	\$2,787	\$3,397	\$4,141
<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>	\$1,200	\$1,224	\$1,248	\$1,273	\$1,299	\$1,434	\$1,748	\$2,131
minus Total Operating Expenses	\$4,132	\$4,203	\$4,275	\$4,348	\$4,423	\$4,821	\$5,745	\$6,872
Net Operating Income	\$10,868	\$10,179	\$10,395	\$10,615	\$10,839	\$12,030	\$14,796	\$18,167
minus Mortgage Expense	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250
GROSS CASH FLOW	\$4,618	\$3,929	\$4,145	\$4,365	\$4,589	\$5,780	\$8,546	\$11,917
<i>Plus Principle Paydown</i>	\$1,330	\$1,401	\$1,477	\$1,556	\$1,640	\$2,131	\$3,598	\$6,076
<i>Plus Yearly Appreciation</i>	\$1,179	\$1,191	\$1,203	\$1,215	\$1,227	\$1,289	\$1,424	\$1,573
EFFECTIVE NET CASH FLOW	\$7,127	\$6,521	\$6,825	\$7,136	\$7,456	\$9,201	\$13,569	\$19,566
EQUITY ACCUMULATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 20	YEAR 30
<i>Property Value</i>	\$117,900	\$119,079	\$120,270	\$121,472	\$122,687	\$128,945	\$142,436	\$157,338
<i>(Mortgage Balance)</i>	\$92,990	\$91,589	\$90,112	\$88,555	\$86,915	\$77,294	\$48,544	\$0
EQUITY (WEALTH)	\$24,910	\$27,490	\$30,158	\$32,917	\$35,772	\$51,652	\$93,892	\$157,338
TAX BENEFIT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 20	YEAR 30
<i>Depreciation</i>	\$4,287	\$4,287	\$4,287	\$4,287	\$4,287	\$4,287	\$4,287	\$4,287
<i>Mortgage Interest</i>	\$4,920	\$4,849	\$4,773	\$4,694	\$4,610	\$4,119	\$2,652	\$174





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
3920 Grassy Trace Fairburn, GA 30213

Scope of Work

Date	Estimate #
2/1/2012	1565

Payment Terms	Estimated Start Date	REP
Bank Draw	2/1/2012	DE

Item	Description
Handyman	Replace 3 exterior locks Replace guts and seats for 3 toilets, inspect and repair plumbing Repair hot water heater Pressure wash Install 19 blinds (blinds for all windows) Install 2 smoke detectors and 1 carbon dioxide detector Inspect/repair electric outlets, fixtures, GFCI, lights, replace covers Repair front and back door trim Repair kitchen cabinets on both sides of stove opening Install door in kitchen/garage entry Reseal both sinks and replace door knob in master bedroom Drywall repair, walls at windows and ceilings Install washing machine drip tray Install vinyl flooring Repair trim around garage and exterior door Check garage door openers Install gutter extensions Replace mailbox Misc handyman
Materials	Estimated cost of materials needed for the items above.
Paint- Paint Materials	Interior walls, ceiling and trim This is an estimated amount of paint for the area specified above. This price will increase or decrease depending on the amount of paint that is actually used.
Paint- Paint Materials	Exterior doors and trim as needed This is an estimated amount of paint for the area specified above. This price will increase or decrease depending on the amount of paint that is actually used.
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.

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2/1/2012	1565

Payment Terms	Estimated Start Date	REP
Bank Draw	2/1/2012	DE

Item	Description
HVAC - Service Unit	Service HVAC unit
Landscaping	Trim bushes
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