

Lithonia Home With 35% Cash on Cash Return



6265 Lake Valley Point, Lithonia, GA 30058

Est. Market Value	\$104,000
Purchase Price	\$86,900
Bedrooms	3
Bath	2.5
Sq. Footage	1,597
Year Built	2005
Parking	2 car garage
Basement	Slab
Rental Income	\$995
Mortgage	\$484

Two story home built in 2005! Home features a family room with fireplace, breakfast area with separate dining room. Vaulted ceilings and walk in closets. Sold for \$145,900 in 2006 and foreclosed for \$191,081 in 2010!

VALUATION DATA

Comparable Sales

Address	City State Zip	Recording Date	Settle Date	Sale Price	Price Per Sq Ft	Building Sq Ft	Bedrooms	Total Baths	Year Built	Dist (miles)	Total Assessment	Assesse Value Ratio
1.750 Stephenson Rdg	Stone Mountain GA 30087	01/26/2011	12/20/2010	\$110,000	\$76.39	1,440	3	3	1989	.588424	\$115,100	0.96
2.1111 Peggy Mcmillan Dr	Lithonia GA 30058	01/07/2011	12/30/2010	\$98,500	\$55.84	1,764	3	2	1973	.915668	\$121,900	0.81
3.6525 Swift Creek Rd	Lithonia GA 30058	05/10/2011	05/03/2011	\$86,200	\$47.34	1,821	3	3	1984	1.18169	\$84,200	1.02
4.533 Rock Shadow Ct	Stone Mountain GA 30087	01/26/2011	12/20/2010	\$95,000	\$52.81	1,799	3	2	1980	1.562603	\$138,300	0.69
5.473 Sherwood Cir	Stone Mountain GA 30087	03/25/2011	03/18/2011	\$97,900	\$59.99	1,632	3	3	1981	1.621905	\$101,000	0.97
6.485 Sherwood Oaks Rd	Stone Mountain GA 30087	03/07/2011	02/23/2011	\$99,900	\$63.43	1,575	3	2	1983	1.707565	\$101,400	0.99

FINANCIAL SUMMARY

Basic Purchase Information

Estimated Property Value	\$	104,000
Purchase Price	\$	86,900
Down Payment (20%)	\$	17,380
Equity at Purchase	\$	34,480

Cash at Closing

Loan Amount	\$	69,520
Down Payment (20%)	\$	17,380
Closing Costs (4.0%)	\$	2,781
Total Cash Required at Closing *	\$	20,161

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

Mortgage Calculations

Loan Amount: \$69,520, Loan Term: 30yrs, Interest Rate: 5.25%

Mortgage Payment	\$	384
Mortgage Payment (Yearly)	\$	4,607

Financial Performance Summary

Cash on Cash Return (Year 1)		34.6%
Cap Rate (Year 1)		9.8%
Total Equity at Year 5	\$	48,511

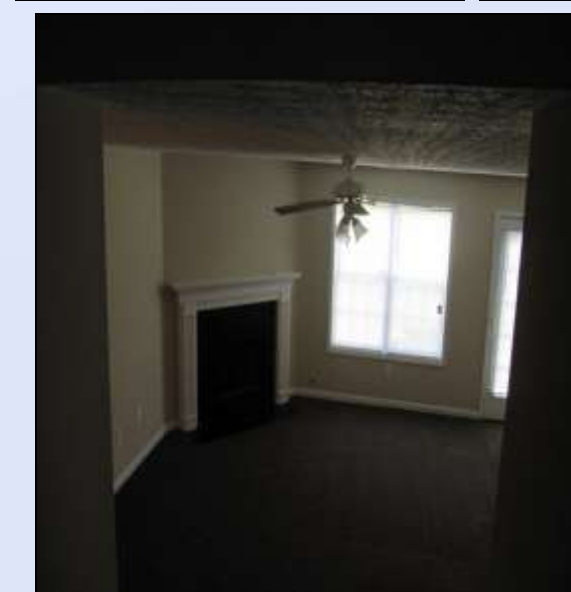
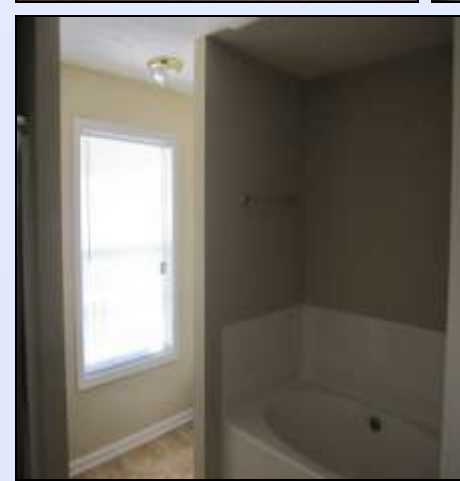
Assumptions for Calculations (Annual)

Gross Scheduled Income (Monthly)	\$	995
Mortgage Interest Rate	(%)	5.25
Mortgage Down Payment	(%)	20
Mortgage Loan Term (Fixed)		30
Property Taxes	\$	1,753
Insurance	\$	600
Homeowners Association (Yearly)	\$	0
Property Management Fee	(%)	8.0
Maintenance Reserve	(%)	1.0
Appreciation Rate	(%)	2.0
Vacancy Allowance	(%)	6.0
Rental Income Increase	(%)	2.0
Property Tax Increase	(%)	2.0
Closing Costs (Purchase)	(%)	4.0
Closing Costs (Sale)	(%)	8.0

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	\$12,179	\$12,422	\$12,671	\$12,924	\$14,269	\$17,394	\$21,204
<i>Property Taxes</i>	\$1,753	\$1,788	\$1,824	\$1,860	\$1,898	\$2,095	\$2,554	\$3,113
<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>	\$119	\$122	\$124	\$127	\$129	\$143	\$174	\$212
<i>Property Management</i>	\$955	\$974	\$994	\$1,014	\$1,034	\$1,142	\$1,392	\$1,696
minus Total Operating Expenses	\$3,428	\$3,484	\$3,542	\$3,601	\$3,661	\$3,979	\$4,719	\$5,621
Net Operating Income	\$8,512	\$8,695	\$8,881	\$9,070	\$9,264	\$10,290	\$12,675	\$15,582
minus Mortgage Expense	\$4,607	\$4,607	\$4,607	\$4,607	\$4,607	\$4,607	\$4,607	\$4,607
GROSS CASH FLOW	\$3,906	\$4,088	\$4,274	\$4,463	\$4,657	\$5,683	\$8,068	\$10,976
<i>Plus Principle Paydown</i>	\$980	\$1,033	\$1,089	\$1,147	\$1,209	\$1,571	\$2,652	\$4,478
<i>Plus Yearly Appreciation</i>	\$2,080	\$2,122	\$2,164	\$2,207	\$2,251	\$2,486	\$3,030	\$3,694
EFFECTIVE NET CASH FLOW	\$6,966	\$7,243	\$7,527	\$7,817	\$8,117	\$9,740	\$13,750	\$19,148
EQUITY ACCUMULATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 20	YEAR 30
<i>Property Value</i>	\$104,000	\$106,080	\$108,202	\$110,366	\$112,573	\$124,290	\$151,508	\$184,688
<i>(Mortgage Balance)</i>	\$68,540	\$67,507	\$66,418	\$65,271	\$64,062	\$56,970	\$35,780	\$0
EQUITY (WEALTH)	\$35,460	\$38,573	\$41,783	\$45,095	\$48,511	\$67,319	\$115,728	\$184,688
TAX BENEFIT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 20	YEAR 30
<i>Depreciation</i>	\$3,160	\$3,160	\$3,160	\$3,160	\$3,160	\$3,160	\$3,160	\$3,160
<i>Mortgage Interest</i>	\$3,626	\$3,574	\$3,518	\$3,460	\$3,398	\$3,036	\$1,954	\$128







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



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Name / Address
6265 Lake Valley Point Lithonia, GA 30058

Scope of Work

Date	Estimate #
5/5/2011	1268

Payment Terms	Estimated Start Date	REP
Bank Draw	5/5/2011	DE

Item	Description
Handyman	Install new locks and toilets (3 each) Install 3 smoke detectors Install new blinds Inspect and repair all electrical outlets Inspect breaker panel Inspect and repair all plumbing fixtures, line, etc Install any missing stoppers in sinks, tubs Inspect roof for leaks and repair Inspect gutters Repair kitchen cabinet Replace missing drawer Repair vanity top in master Repair misc drywall Install 2-3 lights and globes Test fireplace gas burner and cap off Landscaping Misc hidden damage
Materials	Materials for above work
Paint- Walls Paint Materials	Remove Wall Paper and Paint Interior 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 - Trim Paint Materials	Paint door 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.
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.
HVAC - Service Unit	Service and Repair
Appliance(s)	- Replace and install RH refrigerator, Gas range, connector, hood vent, and dishwasher. This includes labor and materials.