

## Ellenwood Home with 36% Cash on Cash Return



2738 Ward Lake Court, Ellenwood, GA 30294

Est. Market Value	\$95,000
Purchase Price	\$79,900
Bedrooms	3
Bath	2.5
Sq. Footage	1,685
Year Built	2000
Parking	2 car garage
Basement	None
Rental Income	\$950

Newer home with 2 car garage and fireplace. Kitchen, living room, and dining area. In the Cedar Grove High School district. Home sold in 2006 for \$115,000.

# VALUATION DATA

## Comparable Sales

### Comparable Statistics:

	Subject Property	High	Low	Median	Average
Assessed Value	\$97,300.00	\$114,880.00	\$93,100.00	\$109,400.00	\$106,695.00
Assessed Value Ratio	1.18	0.89	0.73	0.78	0.79
Sq Footage	1,685	1,950	1,604	1,812	1,795
Sale Price	\$115,000.00	\$87,000.00	\$82,400.00	\$83,450.00	\$84,075.00
Price/Sq Footage	\$68.25	\$54.24	\$42.56	\$45.89	\$47.15

### Summary

	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	Assessed Value Ratio
1.	2423 Tolliver Hills Ln	Ellenwood GA 30294	06/06/2011	05/20/2011	\$83,900	\$46.98	1,786	4	3	2003	.968724	\$106,200	0.79
2.	4007 Rolling Pl	Conley GA 30288	04/12/2011	03/29/2011	\$83,000	\$42.56	1,950	3	2	1975	1.411505	\$93,100	0.89
3.	3398 River Mill Ln	Ellenwood GA 30294	07/06/2011	06/16/2011	\$82,400	\$44.81	1,839	3	3	1998	1.774569	\$112,600	0.73
4.	3752 Cress Way Dr	Decatur GA 30034	08/02/2011	07/08/2011	\$87,000	\$54.24	1,604	3	3	1992	1.904963	\$114,880	0.76

# FINANCIAL SUMMARY

## Basic Purchase Information

Estimated Property Value	\$	95,000
Purchase Price	\$	79,900
Down Payment (20%)	\$	15,980
Equity at Purchase	\$	31,080

## Cash at Closing

Loan Amount	\$	63,920
Down Payment (20%)	\$	15,980
Closing Costs (4.0%)	\$	2,557
Total Cash Required at Closing *	\$	18,537

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

## Mortgage Calculations

Loan Amount: \$63,920, Loan Term: 30yrs, Interest Rate: 5.25%

Mortgage Payment	\$	353
Mortgage Payment (Yearly)	\$	4,236

## Financial Performance Summary

Cash on Cash Return (Year 1)		35.5%
Cap Rate (Year 1)		9.2%
Total Equity at Year 5	\$	43,929

## Assumptions for Calculations (Annual)

Gross Scheduled Income (Monthly)	\$	950
Mortgage Interest Rate	(%)	5.25
Mortgage Down Payment	(%)	20
Mortgage Loan Term (Fixed)		30
Property Taxes	\$	1,873
Insurance	\$	600
Homeowners Association (Yearly)	\$	0
Property Management Fee	(%)	8.0
Maintenance Reserve	(%)	0.0
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	\$11,400	\$11,628	\$11,861	\$12,098	\$12,340	\$13,624	\$16,608	\$20,245
Vacancy Allowance	\$0	\$698	\$712	\$726	\$740	\$817	\$996	\$1,215
<b>Total Operating Income</b>	<b>\$11,400</b>	<b>\$10,930</b>	<b>\$11,149</b>	<b>\$11,372</b>	<b>\$11,599</b>	<b>\$12,807</b>	<b>\$15,611</b>	<b>\$19,030</b>
<i>Property Taxes</i>	\$1,873	\$1,910	\$1,949	\$1,988	\$2,027	\$2,238	\$2,729	\$3,326
<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>	\$912	\$930	\$949	\$968	\$987	\$1,090	\$1,329	\$1,620
<b>minus Total Operating Expenses</b>	<b>\$3,385</b>	<b>\$3,441</b>	<b>\$3,498</b>	<b>\$3,555</b>	<b>\$3,615</b>	<b>\$3,928</b>	<b>\$4,657</b>	<b>\$5,546</b>
<b>Net Operating Income</b>	<b>\$8,015</b>	<b>\$7,490</b>	<b>\$7,651</b>	<b>\$7,816</b>	<b>\$7,985</b>	<b>\$8,878</b>	<b>\$10,954</b>	<b>\$13,484</b>
<b>minus Mortgage Expense</b>	<b>\$4,236</b>	<b>\$4,236</b>	<b>\$4,236</b>	<b>\$4,236</b>	<b>\$4,236</b>	<b>\$4,236</b>	<b>\$4,236</b>	<b>\$4,236</b>
<b>GROSS CASH FLOW</b>	<b>\$3,779</b>	<b>\$3,254</b>	<b>\$3,416</b>	<b>\$3,581</b>	<b>\$3,749</b>	<b>\$4,643</b>	<b>\$6,718</b>	<b>\$9,249</b>
<i>Plus Principle Paydown</i>	\$901	\$950	\$1,001	\$1,055	\$1,111	\$1,444	\$2,439	\$4,118
<i>Plus Yearly Appreciation</i>	\$1,900	\$1,938	\$1,977	\$2,016	\$2,057	\$2,271	\$2,768	\$3,374
<b>EFFECTIVE NET CASH FLOW</b>	<b>\$6,580</b>	<b>\$6,142</b>	<b>\$6,394</b>	<b>\$6,652</b>	<b>\$6,917</b>	<b>\$8,358</b>	<b>\$11,925</b>	<b>\$16,741</b>
<b>EQUITY ACCUMULATION</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>	<b>YEAR 10</b>	<b>YEAR 20</b>	<b>YEAR 30</b>
<i>Property Value</i>	\$95,000	\$96,900	\$98,838	\$100,815	\$102,831	\$113,534	\$138,397	\$168,705
<i>(Mortgage Balance)</i>	\$63,019	\$62,069	\$61,068	\$60,013	\$58,902	\$52,381	\$32,898	\$0
<b>EQUITY (WEALTH)</b>	<b>\$31,981</b>	<b>\$34,831</b>	<b>\$37,770</b>	<b>\$40,801</b>	<b>\$43,929</b>	<b>\$61,152</b>	<b>\$105,499</b>	<b>\$168,705</b>
<b>TAX BENEFIT</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>	<b>YEAR 10</b>	<b>YEAR 20</b>	<b>YEAR 30</b>
<i>Depreciation</i>	\$2,905	\$2,905	\$2,905	\$2,905	\$2,905	\$2,905	\$2,905	\$2,905
<i>Mortgage Interest</i>	\$3,334	\$3,286	\$3,235	\$3,181	\$3,124	\$2,791	\$1,797	\$118





## 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](mailto:ken@gainvesting.com)

OR

 Email: [bruce@gainvesting.com](mailto:bruce@gainvesting.com)

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## ProServe Home Solutions, LLC



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(F) 866.840.1977

Name / Address
2738 Ward Lake Court Ellenwood, GA 30294

### Scope of Work

Date	Estimate #
9/22/2011	1448

Payment Terms	Estimated Start Date	REP
Bank Draw	9/22/2011	DE

Item	Description
Handyman	Install 3 sets of locks Install 3 toilets, inspect and repair plumbing Inspect and repair electrical...GFCL...inspect panel Reattach gutters Install 2 smoke detectors, 1 carbon monoxide detector Install new outlet covers Install blinds in downstairs windows and front upstairs Pressure wash house Repair siding Repair ceiling leak Misc. drywall Repair step Cap gas line in fireplace Misc trim Install rubber sink stoppers Install master bath vanity Replace 6-7 lights Install vinyl floors Repair door threshold Install 17' counter tops Repair wall in kitchen Install hotwater heater, tray and tank Misc Handyman
Materials	Estimated cost of materials needed for the items above.
Paint- Paint Materials	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- Paint Materials	Exterior 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.
HVAC - Service Unit	Service unit