

Stone Mountain Home With 38% Cash on Cash Return



517 Watson Bay Trail, Stone Mountain, GA 30087

Est. Market Value	\$123,000
Purchase Price	\$106,000
Bedrooms	4
Bath	2.5
Sq. Footage	2,161
Year Built	1990
Parking	2 car garage
Basement	None
Rental Income	\$1,200

Spacious Lithonia home with 2 car garage. Home features a dining room, living room and fireplace.

VALUATION DATA

Comparable Sales

RES										
Status	Address	County	Area	Map	Subdivision	Bed	Bath	Year Built or Sold / Expire Date	Price	
Pending	204 Mistybrook Circle	DeKalb	43		WATERS EDGE	6	3/1	11/10/2011	\$135,000	
Sold	7291 Meadow Point Drive	DeKalb	42		Waters Edge	6	4/0	8/25/2011	\$190,000	
Sold	7321 Meadow Point Drive	DeKalb	42	840F5	Waters Edge	5	4/0	2/4/2011	\$189,000 # *	
Sold	7240 Lake Crossing	DeKalb	42	840E5	Waters Edge	5	3/0	3/4/2011	\$173,000 # *	
Sold	7428 Woodruff Way	DeKalb	42		Waters Edge	4	2/1	4/29/2011	\$169,900 #	
Sold	7314 Meadow Point Drive	DeKalb	42		WATERS EDGE	5	3/0	9/30/2011	\$164,500 #	
Sold	7307 Wood Hollow Way	DeKalb	42	840F4	Waters Edge	5	3/1	4/20/2011	\$167,000 #	
Sold	7031 GLEN COVE Lane	DeKalb	42		WATERS EDGE	5	3/0	2/18/2011	\$162,000 #	
Sold	7613 Watson Kave	DeKalb	42		Waters Edge	5	3/0	8/31/2011	\$158,000 #	
Sold	7368 Bayside Trail	DeKalb	42	839A8	Waters Edge	5	2/1	6/10/2011	\$155,000 # *	
Sold	7116 Glen Cove Lane	DeKalb	42	000	Waters Edge	5	3/0	8/11/2011	\$165,000 #	
Sold	7071 Glen Cove Lane	DeKalb	42		Waters Edge	5	3/0	10/19/2011	\$155,000 # *	
Sold	4770 Feather Creek Court	DeKalb	42		Waters Edge	5	3/1	4/11/2011	\$151,000 # *	
Sold	7472 Harbor Cove Lane	DeKalb	42		Waters Edge	4	2/1	10/24/2011	\$145,000 #	
Sold	250 Mistybrook Circle	DeKalb	42		Waters Edge	5	3/0	9/16/2011	\$143,900 #	
Sold	7257 GLEN COVE Lane	DeKalb	42		WATERS EDGE	5	4/0	10/17/2011	\$158,000 #	
Sold	215 Breezeview Court	DeKalb	42		Waters Edge	5	3/0	5/12/2011	\$145,000 #	
Sold	7453 Woodruff Way	DeKalb	42		Waters Edge	5	3/1	7/20/2011	\$140,778 # *	
Sold	7443 Woodruff Way	DeKalb	42		Waters Edge	4	3/1	10/28/2011	\$130,000 #	
Sold	206 Beechwood Lane	DeKalb	42		Waters Edge	3	2/1	7/15/2011	\$120,000 #	
Sold	6983 Dockbridge Way	DeKalb	42	840D03	Waters Edge	3	2/1	5/13/2011	\$110,000 # *	

FINANCIAL SUMMARY

Basic Purchase Information

Estimated Property Value	\$	123000
Purchase Price	\$	106000
Down Payment (20%)	\$	21,200
Equity at Purchase	\$	38,200

Cash at Closing

Loan Amount	\$	84,800
Down Payment (20%)	\$	21,200
Closing Costs (4.0%)	\$	3,392
Total Cash Required at Closing *	\$	24,592

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

Mortgage Calculations

Loan Amount: \$84,800, Loan Term: 30yrs, Interest Rate: 5.25%

Mortgage Payment	\$	468
Mortgage Payment (Yearly)	\$	5,619

Financial Performance Summary

Cash on Cash Return (Year 1)		38.0%
Cap Rate (Year 1)		9.9%
Total Equity at Year 5	\$	54,996

Assumptions for Calculations (Annual)

Gross Scheduled Income (Monthly)	\$	1200
Mortgage Interest Rate	(%)	5.25
Mortgage Down Payment	(%)	20
Mortgage Loan Term (Fixed)		30
Property Taxes	\$	1328
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	\$14,400	\$14,688	\$14,982	\$15,281	\$15,587	\$17,209	\$20,978	\$25,572
Vacancy Allowance	\$0	\$881	\$899	\$917	\$935	\$1,033	\$1,259	\$1,534
Total Operating Income	\$14,400	\$13,807	\$14,083	\$14,365	\$14,652	\$16,177	\$19,719	\$24,038
<i>Property Taxes</i>	\$1,328	\$1,355	\$1,382	\$1,409	\$1,437	\$1,587	\$1,935	\$2,358
<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>	\$1,152	\$1,175	\$1,199	\$1,223	\$1,247	\$1,377	\$1,678	\$2,046
minus Total Operating Expenses	\$3,080	\$3,130	\$3,180	\$3,232	\$3,284	\$3,564	\$4,213	\$5,004
Net Operating Income	\$11,320	\$10,677	\$10,903	\$11,133	\$11,367	\$12,613	\$15,507	\$19,034
minus Mortgage Expense	\$5,619	\$5,619	\$5,619	\$5,619	\$5,619	\$5,619	\$5,619	\$5,619
GROSS CASH FLOW	\$5,701	\$5,058	\$5,283	\$5,513	\$5,748	\$6,994	\$9,887	\$13,415
<i>Plus Principle Paydown</i>	\$1,196	\$1,260	\$1,328	\$1,399	\$1,474	\$1,916	\$3,235	\$5,463
<i>Plus Yearly Appreciation</i>	\$2,460	\$2,509	\$2,559	\$2,611	\$2,663	\$2,940	\$3,584	\$4,369
EFFECTIVE NET CASH FLOW	\$9,357	\$8,827	\$9,170	\$9,523	\$9,885	\$11,850	\$16,706	\$23,246
EQUITY ACCUMULATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 20	YEAR 30
<i>Property Value</i>	\$123,000	\$125,460	\$127,969	\$130,529	\$133,139	\$146,996	\$179,188	\$218,429
<i>(Mortgage Balance)</i>	\$83,604	\$82,344	\$81,016	\$79,617	\$78,143	\$69,492	\$43,644	\$0
EQUITY (WEALTH)	\$39,396	\$43,116	\$46,953	\$50,911	\$54,996	\$77,504	\$135,543	\$218,429
TAX BENEFIT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 20	YEAR 30
<i>Depreciation</i>	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855	\$3,855
<i>Mortgage Interest</i>	\$4,423	\$4,359	\$4,291	\$4,220	\$4,145	\$3,703	\$2,384	\$157







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@gaininvesting.com

OR

 Email: bruce@gaininvesting.com

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ProServe Home Solutions, LLC



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Name / Address
517 Watson Bay Trail Stone Mountain, GA 30087

Scope of Work

Date	Estimate #
11/14/2011	1502

Payment Terms	Estimated Start Date	REP
Credit Card	11/14/2011	DE

Item	Description
Handyman	install 2 sets of locks Repair 3 toilets...replace as necessary Install 3 smoke detectors, 1 carbon monoxide Install blinds Repair window trim and glaze windows where necessary Pressure wash Check and repair all plumbing Check and repair all electrical, GFCI, cover plates, etc 1-2 lights Install 20' of siding 25' Soffit/Fascia repair Install missing screens Trim top of french door and seat Seal window in master Misc Handyman
Materials	Estimated cost of materials needed for the items above.
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.
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 and touch up 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.
Appliance(s)	- Replace and install Large LH refrigerator, Gas Range, hood vent, and dishwasher. This includes labor and materials.
Landscaping Landscaping	Materials
Project Management Fee	PMF