

Douglasville Home With 33% Cash on Cash Return



7285 Hunters Ridge Drive, Douglasville, GA 30134

Est. Market Value	\$99,900
Purchase Price	\$85,900
Bedrooms	3
Bath	2.5
Sq. Footage	1,212
Year Built	1992
Parking	2 car garage
Basement	None
Rental Income	\$995

Two story Douglasville home with 2 car garage. Open floor plan with breakfast area, spacious kitchen and family room with fireplace and a fenced yard.

VALUATION DATA

Comparable Sales

Comparable Sales Within Proximity	BD/BA	Sq.Ft.	Last Sold	Sales Price
770 Prickett Road	3/2	1,392	6/7/2011	105,000
6345 New Gate Dr	3/2	1,268	5/9/2011	95,000
7238 Brittany Way	3/2	1,397	6/30/2011	91,000
7344 Essex Drive	3/2	1,365	1/28/2011	85,000
Information herein believed to be accurate but not warranted				

FINANCIAL SUMMARY

Basic Purchase Information

Estimated Property Value	\$	99,900
Purchase Price	\$	85,900
Down Payment (20%)	\$	17,180
Equity at Purchase	\$	31,180

Cash at Closing

Loan Amount	\$	68,720
Down Payment (20%)	\$	17,180
Closing Costs (4.00%)	\$	2,749
Total Cash Required at Closing *	\$	19,929

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

Mortgage Calculations

Loan Amount: \$68,720, Loan Term: 30yrs, Interest Rate: 5.25%

Mortgage Payment	\$	379
Mortgage Payment (Yearly)	\$	4,554

Financial Performance Summary

Cash on Cash Return (Year 1)		33.1%
Cap Rate (Year 1)		9.8%
Total Equity at Year 5	\$	40,631

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	\$	1,212
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>	\$1,212	\$1,236	\$1,261	\$1,286	\$1,312	\$1,448	\$1,766	\$2,152
<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	\$2,767	\$2,811	\$2,855	\$2,900	\$2,946	\$3,190	\$3,757	\$4,449
Net Operating Income	\$9,173	\$8,638	\$8,822	\$9,011	\$9,203	\$10,223	\$12,593	\$15,483
minus Mortgage Expense	\$4,554	\$4,554	\$4,554	\$4,554	\$4,554	\$4,554	\$4,554	\$4,554
GROSS CASH FLOW	\$4,619	\$4,084	\$4,269	\$4,457	\$4,649	\$5,670	\$8,040	\$10,929
<i>Plus Principle Paydown</i>	\$969	\$1,021	\$1,076	\$1,134	\$1,195	\$1,553	\$2,622	\$4,427
<i>Plus Yearly Appreciation</i>	\$999	\$1,009	\$1,019	\$1,029	\$1,040	\$1,093	\$1,207	\$1,333
EFFECTIVE NET CASH FLOW	\$6,587	\$6,114	\$6,364	\$6,620	\$6,883	\$8,315	\$11,869	\$16,689
EQUITY ACCUMULATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 20	YEAR 30
<i>Property Value</i>	\$99,900	\$100,899	\$101,908	\$102,927	\$103,956	\$109,259	\$120,690	\$133,317
<i>(Mortgage Balance)</i>	\$67,751	\$66,730	\$65,654	\$64,520	\$63,325	\$56,315	\$35,368	\$0
EQUITY (WEALTH)	\$32,149	\$34,169	\$36,254	\$38,407	\$40,631	\$52,944	\$85,322	\$133,317
TAX BENEFIT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 20	YEAR 30
<i>Depreciation</i>	\$3,124	\$3,124	\$3,124	\$3,124	\$3,124	\$3,124	\$3,124	\$3,124
<i>Mortgage Interest</i>	\$3,585	\$3,533	\$3,478	\$3,420	\$3,359	\$3,001	\$1,932	\$127





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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Name / Address
7285 Hunters Ridge Douglasville, GA 30134

Scope of Work

Date	Estimate #
11/9/2011	1497

Payment Terms	Estimated Start Date	REP
Credit Card	11/9/2011	DE

Item	Description
Handyman	Install 3 sets of locks Install 3 toilets Install blinds in all windows (Proper Fit) Inspect and repair all electrical, new covers, GFCI test, 5-6 lights Replace Poly with CPVC Check all plumbing fixtures...repair as needed Pressure wash house Caulk wall and concrete near garage Install approx 400' siding Caulk nail holes Repair window frames (10) Repair drywall Check all door knobs...match Paint front porch floor Repair 2 sections of fence Repair deck Remove intercoms Check roof for leaks Repair bath tile in master Replace vinyl Misc Handyman
Materials	Estimated cost of materials needed for the items above.
Paint- Paint Materials	Interior - Walls, trim and ceilings 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 - 3 sides of exterior 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	Touch up kitchen cabinets 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.