

PROPERTY 1. ASSET ASSESSMENT PROPOSAL

I look forward to working with you.





PURPOSE OF PROPOSAL

To facilitate in generating the most equity from the asset.

To also show how to increase monthly return from asset, while increasing the assets equity over time.

*All costs, prices are estimates and subject to change.

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PROPERTY

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Increase of Equity in Asset,
Liquidation of Asset

▶ 05

OPTION 4

Increase of Equity in Asset,
Liquidation of Asset into
new Assets



01

Property 1.

Brief Property Information

Property 1.

▶ BEDROOMS

3 Bedrooms

▶ SQUARE FOOTAGE

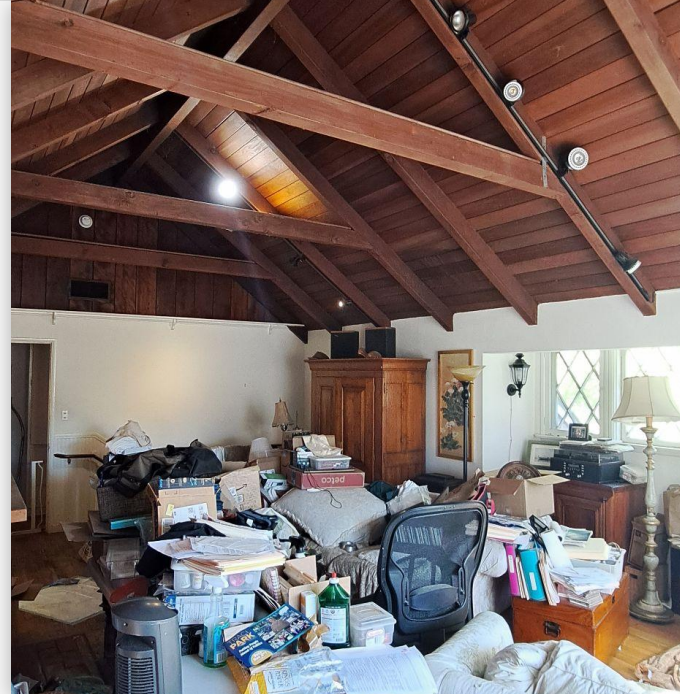
1,501 sqft

▶ BATHROOMS

2 Full Bathrooms

▶ YEAR BUILT

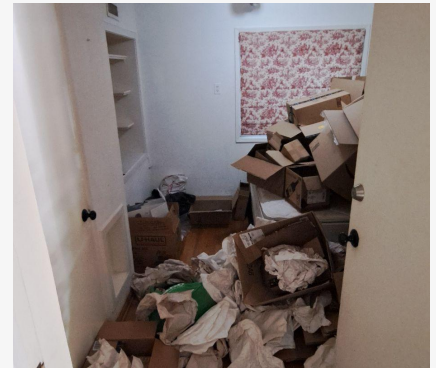
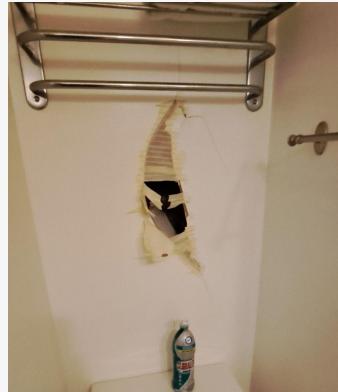
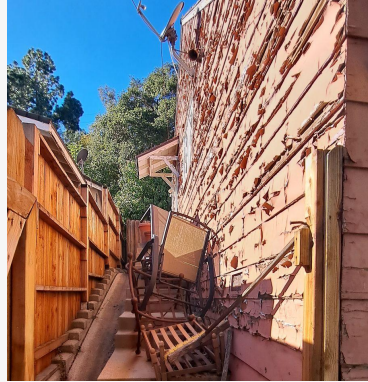
1950



Property 1.

► CONDITION

Property is not in good condition and is in need of renovations to make it habitable.



OPTION 1:

SELL PROPERTY AS-IS

Requirements:

- Clean property.
- Put up for sale.
- Look for a buyer wanting to tear down or renovate in their own style.
- Sell property.

List Price: \$1,350,000

Upfront Costs:

\$5,940

Closing Costs:

\$88,500

Seller's Proceeds: \$1,255,560

OPTION 2:

SELL PROPERTY AS-IS and PURCHASE NEW ASSETS

Requirements:

- Same as Option 1.
- Once property is sold take seller's proceeds and use a 1031 exchange to purchase two new income producing properties.

1031 EXCHANGE:

- Real estate investing tool allowing the swap out of an investment property for another and defer capital gains or losses or capital gains tax that you otherwise would have to pay at the time of sale.

Time to Complete:

3 months

Capital outlay needed to purchase both properties:

\$1,529,140

Projected monthly income from both properties after expenses:

\$3,077

Projected equity gain from both properties in year one:

\$30,280

New property 1: 2448 Longstaff Court

Purchase Price:

\$739,000

Monthly Income less expenses:

\$1,525



2448 Longstaff Ct

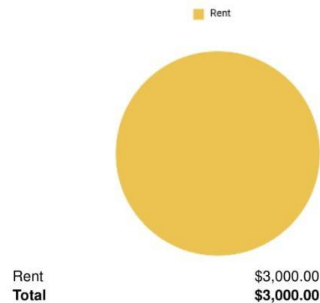
Monthly Income:	Monthly Expenses:	Monthly Cash Flow:	Pro Forma Cap Rate:
\$3,000.00	\$1,475.00	\$1,525.00	2.48%
NOI	Total Cash Needed	Cash on Cash ROI	Purchase Cap Rate
\$18,300.00	\$747,500.00	2.45%	2.48%

Property Information

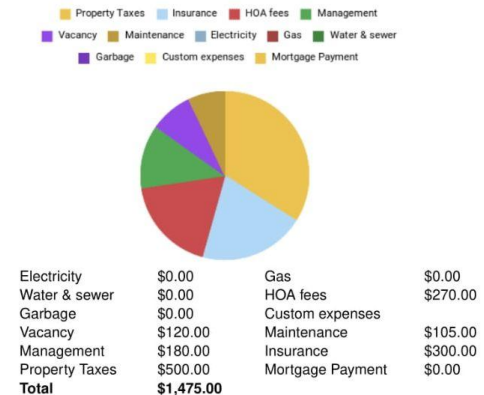
Purchase Price:	\$739,000.00
Purchase Closing Costs:	\$8,500.00
Estimated Repair Costs:	\$0.00
Total Cost of Project:	\$747,500.00
After Repair Value	

Down Payment:	\$739,000.00
Loan Amount:	\$0.00
Loan Points:	-
Loan Fees:	\$0.00
Loan Interest Rate:	-
Monthly P&I:	\$0.00

Income



Expenses



Financial Projections

Total Initial Equity:	\$0.00		
Gross Rent Multiplier:	20.53		
Income-Expense Ratio (2% Rule):	0.40%		
Typical Cap Rate:	2.48%	Debt Coverage Ratio:	0.00
ARV based on Cap Rate:	\$739,000.00		

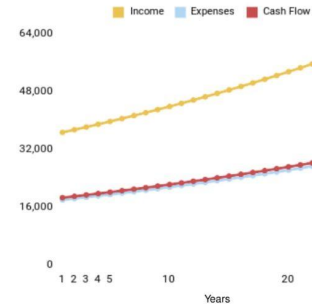
50% Rule Cash Flow Estimates

Total Monthly Income:	\$3,000.00
x50% for Expenses:	\$1,500.00
Monthly Payment/Interest Payment:	\$0.00
Total Monthly Cash Flow using 50% Rule:	\$1,500.00

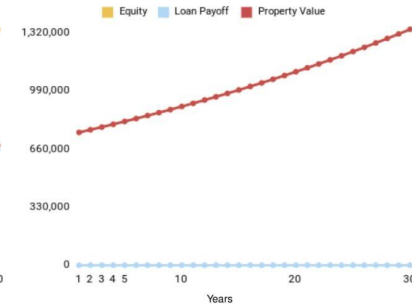
Analysis Over Time

Annual Growth Assumptions	2% Expenses		2% Income		2% Property Value		
	Year 1	Year 2	Year 5	Year 10	Year 15	Year 20	Year 30
Total Annual Income	\$36,720	\$37,454	\$39,747	\$43,884	\$48,451	\$53,494	\$65,209
Total Annual Expenses	\$18,054	\$18,415	\$19,542	\$21,576	\$23,822	\$26,301	\$32,061
Total Annual Cashflow	\$18,666	\$19,039	\$20,205	\$22,308	\$24,629	\$27,193	\$33,148
Cash on Cash ROI	2.50%	2.55%	2.70%	2.98%	3.29%	3.64%	4.43%
Property Value	\$753,780	\$768,856	\$815,916	\$900,837	\$994,597	\$1,098,115	\$1,338,596
Equity	\$753,780	\$768,856	\$815,916	\$900,837	\$994,597	\$1,098,115	\$1,338,596
Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Profit if Sold	\$24,946	\$59,061	\$165,554	\$357,724	\$569,896	\$804,150	\$1,348,340
Annualized Total Return	3%	4%	4%	4%	4%	4%	3%

Income, Expenses and Cash Flow (in \$)



Loan Balance, Value and Equity (in \$)



New property 2: 2448 Longstaff Court

Purchase Price: \$775,000

Monthly Income less expenses: \$1,552



2063 Lynx Way

Monthly Income: \$3,000.00	Monthly Expenses: \$1,448.00	Monthly Cash Flow: \$1,552.00	Pro Forma Cap Rate: 2.40%
NOI \$18,624.00	Total Cash Needed \$783,500.00	Cash on Cash ROI 2.38%	Purchase Cap Rate 2.40%

Property Information

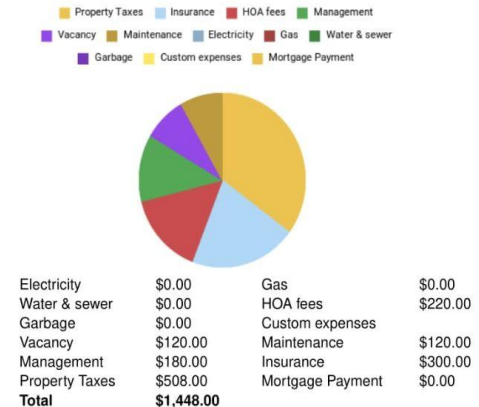
Purchase Price:	\$775,000.00
Purchase Closing Costs:	\$8,500.00
Estimated Repair Costs:	\$0.00
Total Cost of Project:	\$783,500.00
After Repair Value	

Down Payment:	\$775,000.00
Loan Amount:	\$0.00
Loan Points:	-
Loan Fees:	\$0.00
Loan Interest Rate:	-
Monthly P&I:	\$0.00

Income



Expenses



Financial Projections

Total Initial Equity:	\$0.00		
Gross Rent Multiplier:	21.53		
Income-Expense Ratio (2% Rule):	0.38%		
Typical Cap Rate:	2.40%	Debt Coverage Ratio:	0.00
ARV based on Cap Rate:	\$775,000.00		

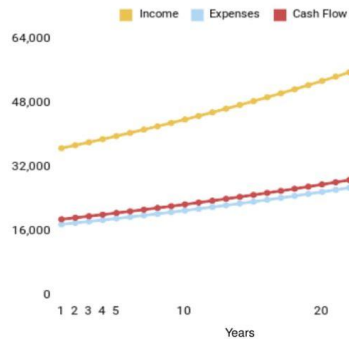
50% Rule Cash Flow Estimates

Total Monthly Income:	\$3,000.00
x50% for Expenses:	\$1,500.00
Monthly Payment/Interest Payment:	\$0.00
Total Monthly Cash Flow using 50% Rule:	\$1,500.00

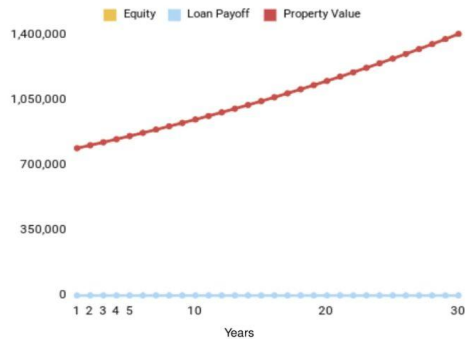
Analysis Over Time

Annual Growth Assumptions	2%		2%		2%		
	Expenses		Income		Property Value		
	Year 1	Year 2	Year 5	Year 10	Year 15	Year 20	Year 30
Total Annual Income	\$36,720	\$37,454	\$39,747	\$43,884	\$48,451	\$53,494	\$65,209
Total Annual Expenses	\$17,724	\$18,078	\$19,185	\$21,181	\$23,386	\$25,820	\$31,474
Total Annual Cashflow	\$18,996	\$19,376	\$20,562	\$22,703	\$25,065	\$27,674	\$33,735
Cash on Cash ROI	2.42%	2.47%	2.62%	2.90%	3.20%	3.53%	4.31%
Property Value	\$790,500	\$806,310	\$855,663	\$944,721	\$1,043,048	\$1,151,609	\$1,403,805
Equity	\$790,500	\$806,310	\$855,663	\$944,721	\$1,043,048	\$1,151,609	\$1,403,805
Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Profit if Sold	\$25,996	\$61,183	\$171,021	\$369,227	\$588,062	\$829,674	\$1,390,956
Annualized Total Return	3%	4%	4%	4%	4%	4%	3%

Income, Expenses and Cash Flow (in \$)



Loan Balance, Value and Equity (in \$)



OPTION 3:

IMPROVE AND THEN SELL PROPERTY

Requirements:

- Clean Property.
- Perform Home, Retaining Wall and Termite Inspections.
- Complete renovations to make property habitable. (6-8 Months)
- Once renovations are complete put property up for sale.
- Sell property.

List Price: \$1,650,000

Upfront Costs:

\$186,459

Closing Costs:

\$106,500

Seller's Proceeds: \$1,357,041

OPTION 4:

IMPROVE, THEN SELL PROPERTY and THEN PURCHASE NEW ASSETS (this option can be split into two or three new properties)

Requirements:

- Same as Option 3.
- Once property is sold take seller's proceeds and use a 1031 exchange to purchase three new income producing properties.

1031 EXCHANGE:

- Real estate investing tool allowing the swap out of an investment property for another and defer capital gains or losses or capital gains tax that you otherwise would have to pay at the time of sale.

Time to Complete:

10-12 months

Capital outlay needed to purchase three properties:

\$2,093,945

Projected monthly income from three properties after expenses:

\$4,281

Projected equity gain from three properties in year one:

\$142,741

New property 1: 2448 Longstaff Court

Purchase Price:

\$739,000

Monthly Income less expenses:

\$1,525



2448 Longstaff Ct

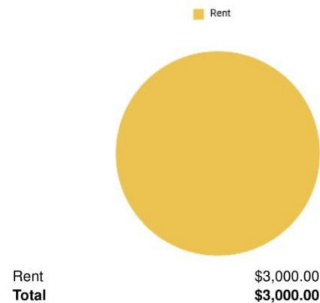
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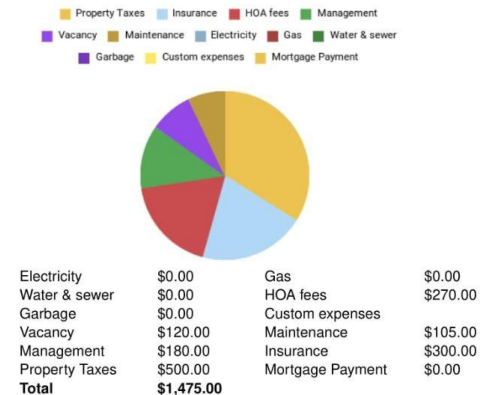
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Down Payment:	\$739,000.00
Loan Amount:	\$0.00
Loan Points:	-
Loan Fees:	\$0.00
Loan Interest Rate:	-
Monthly P&I:	\$0.00

Income



Expenses



Financial Projections

Total Initial Equity:	\$0.00		
Gross Rent Multiplier:	20.53		
Income-Expense Ratio (2% Rule):	0.40%		
Typical Cap Rate:	2.48%	Debt Coverage Ratio:	0.00
ARV based on Cap Rate:	\$739,000.00		

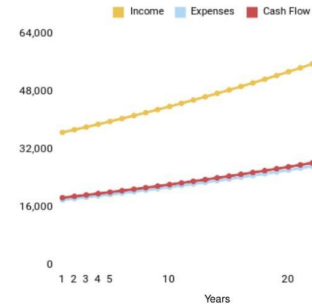
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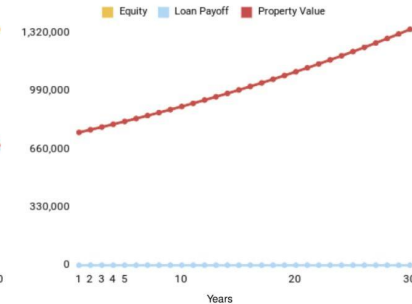
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Total Annual Cashflow	\$18,666	\$19,039	\$20,205	\$22,308	\$24,629	\$27,193	\$33,148
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Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Profit if Sold	\$24,946	\$59,061	\$165,554	\$357,724	\$569,896	\$804,150	\$1,348,340
Annualized Total Return	3%	4%	4%	4%	4%	4%	3%

Income, Expenses and Cash Flow (in \$)



Loan Balance, Value and Equity (in \$)



New property 2: 2448 Longstaff Court

Purchase Price:
\$775,000

Monthly Income less expenses:
\$1,552



2063 Lynx Way

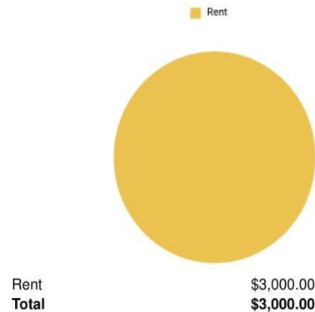
Monthly Income: \$3,000.00	Monthly Expenses: \$1,448.00	Monthly Cash Flow: \$1,552.00	Pro Forma Cap Rate: 2.40%
NOI \$18,624.00	Total Cash Needed \$783,500.00	Cash on Cash ROI 2.38%	Purchase Cap Rate 2.40%

Property Information

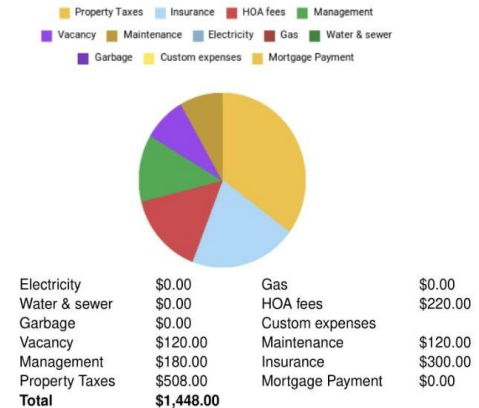
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Purchase Closing Costs:	\$8,500.00
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Total Cost of Project:	\$783,500.00
After Repair Value	

Down Payment:	\$775,000.00
Loan Amount:	\$0.00
Loan Points:	-
Loan Fees:	\$0.00
Loan Interest Rate:	-
Monthly P&I:	\$0.00

Income



Expenses



Financial Projections

Total Initial Equity:	\$0.00		
Gross Rent Multiplier:	21.53		
Income-Expense Ratio (2% Rule):	0.38%		
Typical Cap Rate:	2.40%	Debt Coverage Ratio:	0.00
ARV based on Cap Rate:	\$775,000.00		

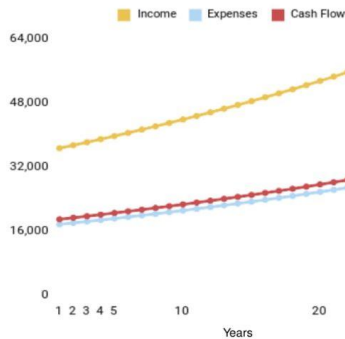
50% Rule Cash Flow Estimates

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Monthly Payment/Interest Payment:	\$0.00
Total Monthly Cash Flow using 50% Rule:	\$1,500.00

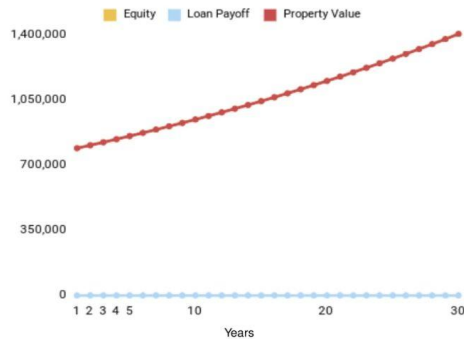
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	Expenses		Income		Property Value		
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Total Annual Cashflow	\$18,996	\$19,376	\$20,562	\$22,703	\$25,065	\$27,674	\$33,735
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Property Value	\$790,500	\$806,310	\$855,663	\$944,721	\$1,043,048	\$1,151,609	\$1,403,805
Equity	\$790,500	\$806,310	\$855,663	\$944,721	\$1,043,048	\$1,151,609	\$1,403,805
Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Profit if Sold	\$25,996	\$61,183	\$171,021	\$369,227	\$588,062	\$829,674	\$1,390,956
Annualized Total Return	3%	4%	4%	4%	4%	4%	3%

Income, Expenses and Cash Flow (in \$)



Loan Balance, Value and Equity (in \$)



New property 3: 853 Dana Point Way

Purchase Price:

\$549,000

Monthly Income less expenses:

\$1,204

Monthly Income:	Monthly Expenses:	Monthly Cash Flow:	Pro Forma Cap Rate:
\$2,600.00	\$1,396.00	\$1,204.00	2.63%
NOI	Total Cash Needed	Cash on Cash ROI	Purchase Cap Rate
\$14,448.00	\$554,500.00	2.61%	2.63%

Property Information

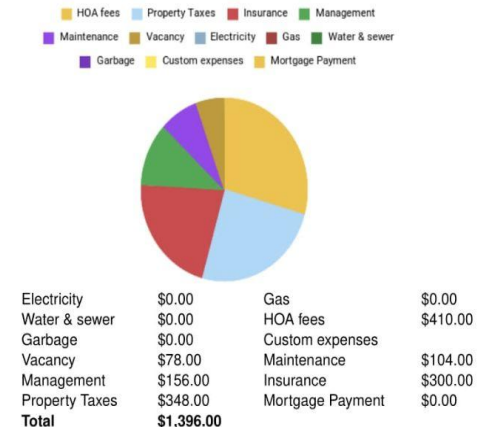
Purchase Price:	\$549,000.00
Purchase Closing Costs:	\$5,500.00
Estimated Repair Costs:	\$0.00
Total Cost of Project:	\$554,500.00
After Repair Value	

Down Payment:	\$549,000.00
Loan Amount:	\$0.00
Loan Points:	-
Loan Fees:	\$0.00
Loan Interest Rate:	-
Monthly P&I:	\$0.00

Income



Expenses



Financial Projections

Total Initial Equity:	\$0.00		
Gross Rent Multiplier:	17.60		
Income-Expense Ratio (2% Rule):	0.47%		
Typical Cap Rate:	2.63%	Debt Coverage Ratio:	0.00
ARV based on Cap Rate:	\$549,000.00		

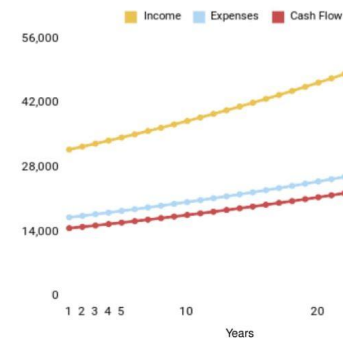
50% Rule Cash Flow Estimates

Total Monthly Income:	\$2,600.00
x50% for Expenses:	\$1,300.00
Monthly Payment/Interest Payment:	\$0.00
Total Monthly Cash Flow using 50% Rule:	\$1,300.00

Analysis Over Time

Annual Growth Assumptions	2%		2%		2%		Year 30
	Year 1	Year 2	Year 5	Year 10	Year 15	Year 20	
Total Annual Income	\$31,824	\$32,460	\$34,447	\$38,033	\$41,991	\$46,362	\$56,514
Total Annual Expenses	\$17,087	\$17,429	\$18,496	\$20,421	\$22,546	\$24,893	\$30,344
Total Annual Cashflow	\$14,737	\$15,032	\$15,952	\$17,612	\$19,445	\$21,469	\$26,171
Cash on Cash ROI	2.66%	2.71%	2.88%	3.18%	3.51%	3.87%	4.72%
Property Value	\$559,980	\$571,180	\$606,140	\$669,228	\$738,882	\$815,785	\$994,438
Equity	\$559,980	\$571,180	\$606,140	\$669,228	\$738,882	\$815,785	\$994,438
Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Profit if Sold	\$20,217	\$46,448	\$128,332	\$276,094	\$439,234	\$619,354	\$1,037,788
Annualized Total Return	4%	4%	4%	4%	4%	4%	4%

Income, Expenses and Cash Flow (in \$)



Loan Balance, Value and Equity (in \$)

