



2121 West Imperial Highway,  
Suite E447  
La Habra, CA 90631



# Prospectus of Property for a JV partnership















**Property FMV: \$360-380K; Repairs: \$53K; Rent Market: \$2100-2250.  
4 bedroom, 2.5 bath home; 2644 square feet, .32 acre lot.**

The after repair value (ARV) of this property is \$360-380K. The amount of work that needs to be complete is \$53,000. I added a 12% padding into all the costs for permits and a buffer to that in the overview page I sent separate from this prospectus.

The ARV was determined by comparables in the same neighborhood in the past 6 months, within 2/3 mile of the property. Value is determined by taking 11 SOLD comparables, calculating the price per square feet, eliminating the highest and lowest price per square feet, and coming up with the average price per square feet. That number is then multiplied by the property's square footage. Then we compare the property with the comps that are most similar to the property being purchased and adjusted accordingly, by driving by each comp and looking for interior pictures of those recently sold comparables. Below is the list of comparables.

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	<b>\$280,000</b> <a href="#">Comp 1</a> Sold on Mar 04, 2011	0.18 miles 4 bd / 1.75 ba 2,270 Sq. Ft.		<b>\$369,900</b> <a href="#">Comp 8</a> Sold on 06/15/2011	0.62 miles 4 bd / 4 ba 2,572 Sq. Ft.
	<b>\$300,000</b> <a href="#">Comp 2</a> Sold on Apr 15, 2011	0.21 miles 4 bd / 3 ba 2,275 Sq. Ft.		<b>\$345,000</b> <a href="#">Comp 9</a> Sold on May 13, 2011	.46 MILES 4 bd / 3 ba 2023 Sq. Ft.
	<b>\$314,000</b> <a href="#">Comp 3</a> Sold on May 16, 2011	0.34 miles 4 bd / 3 ba 2,519 Sq. Ft.		<b>\$259,000</b> <a href="#">Comp 10</a> Sold on Jul 26, 2011	0.16 miles 3 bd / 2 ba 2,574 Sq. Ft.
	<b>\$465,000</b> <a href="#">Comp 4</a> Sold on Mar 31, 2011	0.47 miles 5 bd / 2.5 ba 3,000 Sq. Ft.	(^ ABOVE-Needs a lot of updating, backs to major freeway)		
	<b>\$435,000</b> <a href="#">Comp 5</a> Sold on May 18, 2011	0.47 miles 4 bd / 2.5 ba 2,337 Sq. Ft.		<b>\$400,400</b> <a href="#">Comp 11</a> Sold on 06/20/2011	0.65 miles 4 bd / 3 ba 2752 Sq. Ft.
	<b>\$476,000</b> <a href="#">Comp 6</a> Sold on May 10, 2011	0.47 miles 4 bd / 2.5 ba 2,337 Sq. Ft.		<b>\$290,875</b> <a href="#">Comp 12</a> Sold on Jul 13, 2011	0.40 miles 4 bd / 2 ba 2,111 Sq. Ft.
	<b>\$343,000</b> <a href="#">Comp 7</a> Sold on May 06, 2011	0.54 miles 4 bd / 3 ba 3,385 Sq. Ft.	<b>Range: \$259K – 476K</b> <b>Average: \$140/Sq Ft.</b> <b>Average Removing Highest &amp; Lowest/sq ft \$139</b> <b>This home at \$139/Sq. Ft.: \$372,272</b>		
		0.61 miles 4 bd / 3 ba 2,752 Sq. Ft.			



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When we walk through a property, we are very thorough, but realize that there may be something we missed. Enclosed with this prospectus is a full overview of work we will complete. We add 12% cushion to the repair costs for a buffer in case other items come up. We have gotten 2 estimates on the repairs for this house. (\$46K & 48K). We are working with companies we have worked with prior to avoid unreliable contractors, and our process of interviewing and researching new contractors is extensive. We make sure to have every detail on paper so there are no confusions into the project of who said what when. Pictures of the property are below:



Front of house as is now

Back of house



Living room from 2 different angles



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Family Room



View from front of house



2 of the bathrooms



2 of the bedrooms





Kitchen

Our rehab will involve opening the family and living rooms together with one another and modernizing the kitchen and bathrooms with granite, adding some tile flooring and some laminate, adding recessed lighting, custom paint job, replacing old windows and sliding doors, replacing the heater, returning the 3 car garage back into a garage, repairing exterior steps, a new heater, exterior paint, landscaping, and an entire list of items attached. We will be attaining permits for anything requiring such. Details are adhered to to assure maximum return on investment.

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This property is an GREAT deal! We are purchasing this one at 62% of ARV, there is so much play in the options and exit strategies. Our primary strategy for this one is to sell it to a final retail buyer. Some of the other exit strategies are listed below.

The option we are pursuing is to get short term financing, do the rehab and sell to an end buyer. We begin marketing as soon as the exterior is rehabbed. Our other strategies include bringing in realtors and we have a system set up that brings in hundreds of buyers at one time. It is a fancy single home auction. We have contacts in place to do an in home, one day auction that is phenomenal. Auctions are a very good way to sell a property quickly if they are done properly. This is NOT the type of auction where there are a bunch of properties being auctioned at once. This is an auction held at the home itself, where the house is open for only a short period of time, we have our broker onsite to qualify buyers and what they can afford, a professional auctioneer,



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have several people to assist in showing the property. Sometimes we even have other items for auction at the same time; such as furniture and art, from local companies that are looking for exposure. Marketing is VERY important for this type of sale! Our target is to sell this home just at or below FMV; the target is to reach at least \$360K and it should not be a problem with all its amenities and the recent comps in the area!

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## **REPAIRS and UPGRADES**

We put a worst case scenario together for the property. Although all the plumbing and electricity seems to be in order, we do plan costs into our rehabs to have a professional check everything thoroughly. Our contractors guarantee their work.

We make homes look extremely desirable with upgrades common for the area we buy the home in, and create an immediate buyer appeal. We have the experience to create an aura of attraction and desire with crisp, clean lines and highly sought-after look and features to many buyers; keeping in tradition with color palettes with neutral colors and pleasing characteristics and appliances that we ourselves would look for in a retail home. We make a rule not to ever over upgrade for the area as it is not cost effective. We are in a heavy buyer's market, and we realize our target market of buyers has a lot to choose from, so we make sure our properties STAND OUT! We do tour properties in the area to get ideas of what has sold at the top end of the range of sales prices to stay COMPETITIVE!

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