



*# 21 Ranked University of Memphis v. # 13 Ole Miss, October 17, 2015
Memphis 37 Ole Miss 24*

Project Overview

3182 Covington Pike
Memphis, TN

Above Picture Copyrighted.



July 15, 2016

To our current and prospective clients:

Enclosed in this packet you will find various pieces of information about our latest offering in Memphis, TN including pictures, scope of work, hard cost and projected revenue. With any of our projects, our goals are to provide a property that will maximize our clients cash flow by performing a thorough renovation that will reduce maintenance and vacancy. We do this by addressing in our renovation deferred maintenance items, adding upgrades such as vinyl plank flooring and ceramic tile that are more durable and adding in several upgrades to make the home stand out above other competing rental properties in the area. As landlords ourselves, we have learned that the best way to maximize profits starts with the renovation and continues on with a strong management team, which we have accomplished through our in house property management company.

If you have any questions, please feel free to reach out to us at 901-410-5452. We would be happy to provide you with any amount of information we can to make you feel comfortable with your investment decision.

Thanks,

A handwritten signature in black ink that reads "Alex Craig".

Alex Craig
President
Memphis Turnkey Properties
Little Rock Turnkey Properties

1 Year Performance Projection

\$1050 Memphis Home
 Memphis, TN 38128
 3 Bed, 2 Bath, Built in 1964



Square Feet	1,513
Initial Market Value	\$ 97,900
Purchase Price	\$ 97,900
Downpayment	\$ 19,580
Loan Origination Fees	\$ 783
Depreciable Closing Costs	\$ 2,937
Other Closing Costs and Fixup	\$ 0
Initial Cash Invested	\$ 23,300
Cost per Square Foot	\$ 64
Monthly Rent per Square Foot	\$ 0.69

Income	Monthly	Annual
Gross Rent	\$ 1,050	\$ 12,600
Vacancy Losses	\$ -84	\$ -1,008
Operating Income	\$ 966	\$ 11,592

Expenses	Monthly	Annual
Property Taxes	\$ -124	\$ -1,488
Insurance	\$ -50	\$ -606
Management Fees	\$ -77	\$ -927
Leasing/Advertising Fees	\$ 0	\$ 0
Association Fees	\$ 0	\$ 0
Maintenance	\$ -52	\$ -630
Other	\$ 0	\$ 0
Operating Expenses	\$ -304	\$ -3,652

Net Performance	Monthly	Annual
Net Operating Income	\$ 661	\$ 7,939
- Mortgage Payments	\$ -396	\$ -4,762
= Cash Flow	\$ 264	\$ 3,177
+ Principal Reduction	\$ 105	\$ 1,263
+ First-Year Appreciation	\$ 489	\$ 5,874
= Gross Equity Income	\$ 859	\$ 10,315
+ Tax Savings	\$ 0	\$ 0
= GEI w/Tax Savings	\$ 859	\$ 10,315

Mortgage Info	First	Second
Loan-to-Value Ratio	80%	0%
Loan Amount	\$ 78,320	\$ 0
Monthly Payment	\$ 396.84	\$ 0.00
Loan Type	Amortizing Fixed	
Term	30 Years	
Interest Rate	4.500%	0.000%
Monthly PMI	\$ 0	

Financial Indicators	
Debt Coverage Ratio	1.67
Annual Gross Rent Multiplier	8
Monthly Gross Rent Multiplier	93
Capitalization Rate	8.1%
Cash on Cash Return	14%
Total Return on Investment	44%
Total ROI with Tax Savings	44%

Assumptions	
Real Estate Appreciation Rate	6%
Vacancy Rate	8%
Management Fee	8%
Maintenance Percentage	5%

Comments
 Memphis Property that is Under Renovation. Updated Kitchen & Bath. New Flooring. Standard maintenance & vacancy reducing upgrades included in the renovation. New Furnace!

*Information is not guaranteed and investors should do their own research, get professional advice and conduct due diligence prior to investing.



General Renovation Notes

General spec along with specific details custom to this house. The rehab list are repairs and upgrades that are designed to reduce maintenance and vacancy. Level of renovation for this home is considered retail ready for the area at the estimated value of \$110,000

Prior to inspection, all utilities must be active. Existing HVAC & hot water tank we are keeping are active, have been serviced and working. List below is completed, if certain items are not, notate before inspection with timeline of completion of individual task. Water Cut off at the end of each day.

This project overview depending on when you view it, may be in progress. Keep the link and when it is done, the overview will be updated with finished pictures and any relevant notes or significant change orders.

Items such as laying and refinishing floors, ceramic tile install, painting, carpentry, landscaping and other simple trades will be performed by in house crews. Electrical, plumbing and HVAC work will be subbed out to our licensed vendors.

Permits Pulled: HVAC

Start Date: July 15th, 2016

Projected Finish Date: August 10, 2016

COVINGTON PIKE SCOPE OF WORK

Roof

Roof appears to be about 5 years old and in good shape.

Check rain collars/flashings

General

New blinds

Remove all wall mirrors

Closet rods and closet doors for all closets

Interior door open and close smoothly

Kitchen and hall smoke detector along with kitchen Fire Extinguisher installed

New toilet seat installed as necessary

Interior doors ok

Hardwood floor repairs (Get on schedule ASAP)

Remove all wallpaper

Avoid painting trim in living room, room off living room and kitchen if possible

Plumbing Spec

Check all valves, P-traps and DWV pipe for leaks (replace supply lines, valves and p-traps as necessary). Keep existing if they function properly

Check shower drains and area drains for proper installation and drainage

Inspect plumbing in crawl space and attic

Check toilet for property installation. Repair and replace as necessary

Replacement toilet if needed (**HD # 340995**)

Repair & replace exterior hose bibs as necessary

Check WMOB for property function and drain fall and venting

Check DWV system for plumbing back up (run all fixtures simultaneously for long period of time)

Hot water tank ok

Electrical Spec

All outlets work and verified through tester

No open grounds

All interior and exterior outlets/switches have cover plates

Open junction boxes closed

All interior/exterior lights working

Double tapping in service box repair as necessary

Proper Breaker Amps in box for reciprocating item

HVAC

AC age 2010 and working great. Service and Cage Unit.

New Furnace

Condensate lines in good working order

Exterior lines insulated

Ducts checked for efficiency. No holes and not smashed

AC's exterior lines insulated

All HVAC installs have permits pulled w/ green tag photo & sent to office for upload in system

Thermostat installed as necessary

Exterior

All windows open and lock, check for cracks

Paint trim and shutters (black)

Repair soffit and siding as necessary

New mailbox with address letters

Secure deck/make repairs and pressure wash

Check 8' fence on South side – supported by board

Back light ok

New spec front lights (2 pack)

All exterior lights working

Fill in gap between front walkway and front step up

Landscaping (\$125)

Create Bed to the Right/South of Front door

Round up weeds in driveway

Weed control front yard only (Personal Lawn Care)

Crawl Space and Attic

Attic cleaned out and insulation sufficient

Hallway

Small Spec Light (HD# 287958)

Laundry Room

Cabinets ok

Dryer vent cleaned as necessary, extends outside and has exterior cover

Ceramic tile

Laundry Room

Cabinets ok

Dryer vent cleaned as necessary, extends outside and has exterior cover

Ceramic tile

Kitchen

Ceramic tile floor
Light over sink ok
Cabinets ok
Test stove & oven. If oven at Cavern works xfer over here as color matches
TLC counter top
Remove fridge
Secondary counter top ok
Paint secondary island
Test Vent a Hood and keep if ok
Kilz under sink as necessary
Faucet ok
Drawers open and close smoothly
Spec white kitchen fan (HD# 754470)

Expanded Den (Off Den)

44" Brush Nickel Ceiling Fan (HD# 1000725632)
Ceramic tile
Smooth transition between 2 rooms
Recess lights ok

Den

Lights ok
Turn nook back into closet?
Repair lack of load bearing wall

Hall bath

Caulk/grout as necessary – bathtub needs deep clean
Medicine cabinet ok
3 spec light
Address transition into bathroom
New Vanity (HD Sku # 958664)
Spec Light Bar (3 light)
Spec shower head (HD# 725532)
Spec faucet (HD # 247368)

Master Bed

Spec 44" ceiling fan
Take light from master and use in bed 1

Bed 1

Use light from master

Bed 2

Spec light

Master Bath

Demo shower stall and do ceramic tile and accent
Ceramic tile floor
Mirror
Spec shower head (HD# 725532)
Faucet ok
New Counter top
Spec faucet
Add brush nickel hardware to vanity and paint
Spec light

Carport/Garage

Spec carport light
Repair Carport post
Secure/eliminate attic door in carport

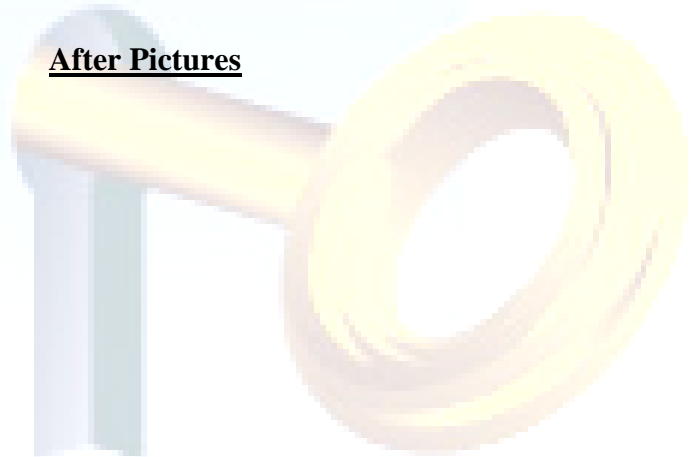
Hallway

Small Spec Light (HD# 287958)

Before Pictures



After Pictures





1060 Brookfield Rd
Memphis, TN 38119
901.620.6787 (O)
901.205.0629 (F)

Property Address

3182 Covington Pike, Memphis, TN 38128

Rent Data

Projected Rent: \$1,095 to \$1,150

Closest in House Comp: 3050 Bluefield at \$1,095. Tenant has been in place since January 1, 2015.

Area Overview

This is one of our strongest rental areas in all of Memphis as we have a large portfolio of homes in this specific area 38128. 38128 is a large zip code that has untouchable areas, most of these are West of Raleigh-Millington. 4 bedroom homes have historically received in the \$1,095 to \$1,150 range. The low end is \$1,095, but level of rehab here often times can push our properties to the high end. Rent values are strongest East of Coleman over to Covington Pike. Crossing over Covington Pike rents go up, but the zip code is 38134 where house values are about 10 to 15% more. Rents drop about 10 to 15% when going West of Austin Peay and 20% when crossing South of Raleigh-Millington. The area has a large presence of jobs supporting the auto sales and service industry. Approximately 1 miles to the East is Bartlett, TN, a very desirable suburb of Memphis that offers a large area of choices to shop, dine and entertain. Approximate drive time to Memphis Airport/Fed Ex is 20 minutes. Drive time downtown is roughly 20 minutes. Drive to Cordova is 15 minutes.

Marketing Plan

Heavy focus online with high res pictures upon completion of the renovation and descriptive marketing. Currently 75% of our leads come from online; the other 25% are general neighborhood drive through and calling the for rent sign. We utilize inside customer service for call in and a property management hotline # that rings our leasing agents.

Online Marketing Copy

Very nice 4 bedroom 2 bath house located in Raleigh-Bartlett with several updates that you will love. On the outside, this home has been given a landscaping update, exterior paint and new lights. The all brick front and dormers makes for impressive curb appeal. The backyard is fenced in which is ideal for small pets and family. Inside the house has been updated with refinished hardwood floors, interior paint and new blinds. The kitchen has a new pull out brush nickel faucet, dishwasher, new counter top and ceiling fan. Both bathrooms include new vanities, faucets and master bedroom has ceramic tile floors and shower. Energy efficient updates to reduce your MLGW bill include: new roof, new AC unit, energy efficient shower heads and ceiling fans in the living room, den, kitchen and master bedroom.

Area Tenant Profile through 2016 Only Data Collection (10)

Avg. Credit score: 639

Avg. Rent: \$1,073

Avg. Income: \$5,177

Married: 78%

Kids: 1.11



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Data represents only tenant moves in for 2016 and may not be representative of the entire portfolio managed by CB Properties for this respective zip code. Accumulate of past data is a work in progress.