



**Under Renovation**

OFFERING SUMMARY

**2722 Van Leer**

Memphis, TN 38133

**UNLOCK**

YOUR FINANCIAL POTENTIAL



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TurnkeyInvestProperties.com

To our current and prospective clients:

Enclosed in this packet is information about our latest investment property offering. As a turnkey provider, our goal is to maximize your cash flow through offering quality properties.

We accomplish this by doing a thorough property renovation and addressing deferred maintenance to reduce future costs and vacancies. We also add upgrades such as vinyl plank flooring and ceramic tile that are durable and make homes stand out above competing rental properties in the area.

As landlords ourselves, we know maximizing profits starts with renovation and continues with a strong management team, which we bring to you through our in-house property management company.

If you have any questions, please reach out to us at 901-410-5452. We are happy to offer any information we can to make you feel comfortable with your investment decision.

Thank you,

Alex Craig

*President*  
Turnkey Properties



## Defining Our Purchase Process

Welcome to Turnkey. This document will outline our purchasing process—we find it to be a proven success in assisting clients. As a turnkey provider, our goal is to take care of the details for closing so you can enjoy the rewards of being a real estate investor.

You will be assigned a personal transaction coordinator to work with you in coordinating all tasks associated with closing to make the process as smooth and simple as possible. They will act as your personal liaison.

Once a purchase agreement has been signed by all parties, you will be sent an invitation to Basecamp. Basecamp brings everything you need for closing under one virtual roof. It makes closing on your property organized, centralized, and clear so you know what to do and where things stand. It facilitates accessing the documents and information you need in one place.

When you open Basecamp you will find:

- To-do lists for tracking work. Use these lists to organize work, set due dates, and assign responsibility so we are able to close in a timely manner.
- Message boards for posting announcements and updates. Discussion boards keep the conversation on one single page.
- A schedule for posting deadlines and milestones.
- A system for organizing the documents, files, and important notes needed for closing in one place, such as the inspection report.

Let's outline the closing process and how your transaction coordinator will assist you.

➤Your first to-do item to address will be sending the earnest money. Your transaction coordinator will confirm it was received. After you initiate the earnest money, Turnkey takes the reins on most everything else, although it is important for you to stay in contact with your lender.

➤From here, we will send the lender and the title company a copy of the purchase agreement and communicate to the lender that your transaction coordinator is the



local point-of-contact regarding information on the property and for scheduling the appraisal.

- Next, your transaction coordinator will provide you with an insurance quote from our preferred carrier, Insight Risk Management, for you to review. If you wish to move forward with the policy, your coordinator will be happy to connect you and your lender from IRM.
- When the rehab has been completed on your new property, your coordinator will give you the option to use one of our recommended inspectors or choose one of your own. If you choose a recommended inspector, you will be copied on all coordinating emails. If you choose an inspector of your own, provide the inspector with your coordinator's telephone number so they can arrange the inspection.
- At this point we will notify your lender that we are ready for the appraisal. The appraiser will contact your coordinator directly to schedule the appraisal.
- The inspection will take place and a report will be sent to you. You will share the report with your coordinator so you can review it, mark it up, and they can give it to our project manager. Our project manager will address all issues and send your coordinator the corresponding repair pictures that they will share with you.
- When you receive the appraisal from your lender we ask if you could please upload it to Basecamp so we may have a record of it.
- At this time, closing is right around the corner. It is crucial to stay in constant contact with your lender so we may close on the property. The lender will receive the appraisal, it will go into underwriting, and then you will receive the clear to close. The title company will work directly with you and your lender to schedule a signing and closing date that works for everyone.
- When you close on the property, your transaction coordinator will connect you directly to your account manager with our property management team. When applicable, your coordinator will update you on a weekly basis on the leasing status of the property. This will round out our *complete* turnkey operation.



## 2722 Van Leer, Memphis, TN, 38133



38133 is located NE of Memphis in between Bartlett and Cordova with Lakeland and Arlington a few miles North. I-40 runs through all of these areas, which allows for a quick commute back into Memphis. Stage Road (which turns into Hwy 64 running North) and Germantown Parkway are the main thoroughfares for the area which feature numerous shopping, dining and entertainment areas. Currently, 75% of the homes in 38133 are owner occupied. Schools within 38133 are considered to be some of the better schools within the Memphis city limits.

2722 Van Leer will have freshly painted siding, a privacy fence around the home, and a back patio. Our team will install a BRAND NEW Roof, HVAC, and Hot Water Tank. This home will have a standard remodel with new paint and lighting throughout, new carpet placed in the bedrooms, and plank flooring added to the living spaces. For the kitchen, our team will install new counter-tops and a dishwasher.

A map of other CB Properties managed homes is located in the map above.



## Cash Flow Analysis 2722 Van Leer

<b>Purchase Price</b>	<b>\$112,998.00</b>	<b>Loan</b>	<b>\$90,120.00</b>
<b>Median Rent</b>	<b>\$1,095.00</b>	<b>Rate</b>	<b>5.79%</b>
<b>30 Yr. Payment (PITI)</b>	<b>\$671.33</b>	<b>Principal and Interest</b>	<b>\$527.08</b>
<b>Property Management (8%)</b>	<b>\$87.60</b>	<b>2018 Yearly Taxes</b>	<b>\$1,227.00</b>
		<b>2018 Yearly Insurance</b>	<b>\$254.00</b>
<b>20% Down Payment</b>	<b>\$22,599.60</b>		
<b>Estimated Closing Cost (4%)</b>	<b>\$4,519.92</b>		
<b>Estimated Out of Pocket Cost</b>	<b>\$27,099.52</b>		
<b>Estimated Monthly Cash Flow</b>	<b>\$336.07</b>		
<b>Cash on Cash</b>	<b>14.9%</b>		

### 30 Year Conventional Financing

20% Down financing based on Properties 1-4. After 4 properties, the down payment requirement jumps to 25%.

Interest Rate based on current rate of 5.79%. Rates are subject to change. Estimated closing cost does not include escrow set up, which can be optional.

### Cash on Cash

Cash on Cash is based on all cash flow based on known cost. Does not include Vacancy, Maintenance and Capital Expenditures. These expenses but should be budgeted and will vary from year to year.

The first few years of Cash Flow should exceed what the industry would consider normal vacancy and maintenance as we obtain an increased and address deferred maintenance and capital expenses.

### Rent Range

Rents can vary typically with a +/- variance an average of \$25 based on current market conditions such as time of year, current supply of rental homes in the area, strength of tenant list who could negotiate a lower rent, etc. The higher the rent, the variance could increase. Typically this would start at \$2,000 and higher.

Turnkey Properties has vetted strategic lenders that specialize in investor loans that are able to complete loans in an timely manner with competitive rates. These lenders have experienced underwriters who know which documents to request, thus eliminating obscure document request that often times slow down the lending process and cause unnecessary additional work on all parties. While we have no problem with our clients utilizing lenders of their choice, we find it necessary to waive the 1st month lease up fee if lenders outside our network do not close within the specified contract date, if and only if the lender or lender request is the cause of the missed contract date.

Please request preferred lender list.

Comparable Three Up Report				
	Subject	Comparable 1	Comparable 2	Comparable 3
Property Photo	No Photo Available			
Address	2722 Van Leer Dr Memphis, TN 38133	7079 Dokkum Dr Memphis, TN 38133	7134 Reese Rd Memphis, TN 38133	7086 Markim Dr Memphis, TN 38133
Distance to Subject	-	0.15 mi	0.33 mi	0.16 mi
MAAR Subdivision	Lakemeer Sec A-2	Lakemeer Sec A-3	Countryside Sec B-1	Lakemeer Sec A-5
Map	792A	792A	792A	792A
Sale Date	02/08/2019	12/28/2018	12/07/2018	12/17/2018
Sale Type	Normal Sale	Normal Sale	Normal Sale	Normal Sale
Sale Price	\$55,000	\$114,000	\$122,500	\$121,100
Seller Concessions	-	-	(\$6,125.00)	-
Adjusted Sale Price	\$55,000	\$114,000	\$116,375	\$121,100
Mortgage % & Type	CU	89TF	98FH	97TF
Source	Apr	Apr	Apr	Apr
Effective Date	03/94	12/18	02/99	12/18
SqFt	1107	1282	1186	1254
\$/SF	\$50.00	\$89.00	\$98.00	\$97.00
Stories	1	1	1	1
Total Rooms	5	5	5	6
Bedrooms	3	3	3	3
Baths (full.half)	2.0	2.0	2.0	2.0
Parking		C1A		
Construction	Wood Composition	Brick/Metal, Vinyl	Other	Wood Composition
Condition	C4 -Average Condition	C3 - Good Condition	C4 -Average Condition	C3 - Good Condition
Year Built	1984	1981	1986	1986
Acres	0.16	0.17	0.21	0.16
Central Air	Yes	Yes	Yes	Yes
Pool	No	No		No
Heat	Gas	Forced	Gas	Forced
Fireplace		1	1	1

Min Sale Price: \$114,000  
 Max Sale Price: \$122,500  
 Median Sale Price: \$121,100

Min Sqft: 1,186  
 Max Sqft: 1,282  
 Avg Sqft: 1,241

3 Comparables  
 Avg Sale Price: \$119,200  
 Avg \$/SF: \$96



## **2722 Van Leer SOW**

### **Roof**

GAF Weathered Gray 25 Year Tab Shingle SKU214628

### **General Spec**

See Property Checklist

Blinds in front of house

### **Interior Paint Plan**

Spec paint (doors, walls, trim, and Ceiling)

### **Exterior**

Rekey to Master and Tenant Key

Exterior Paint Plan-Repair and replace and paint

New Mailbox

Hampton Bay 1 Front Light, Sku #245746

Keep Existing Security Doors and Paint

Back Light Hampton Bay 1 Light, SKU#245746

Side Light Hampton Bay 1 Light, SKU#245746

Fence and Gate Plan- New fence on right, new boards on left

Exterior or Carport Storage Building Plan-None

### **Landscaping**

Option 1

### **HVAC**

New Furnace

New AC

Filter Size-14 x 25 x 1

### **Electrical Plan**

Electrical sub verifies all electrical in working order

Outlets and Switches Swapped out (white)

GFCI Receptacles in Wet Locations

### **Plumbing**

Test and verify all plumbing works

New Hot Water Tank

If keeping Hot Water tank, do we need to install a pan? TPR Valve? Discharge Tube?

### **Interior Door Plan**

New front door

New closet door in master

Spec Brushed Nickel Doorknobs

**Flooring Plan (Excluding Bathrooms. Add ABC to flooring plan where applicable)**

Vinyl plank in living room, hallways, dining room, and kitchen  
Spec Carpet in the bedrooms

**Front Living Space**

Clarkson 44" Brush Nickel Fan, SKU#1000725632

**Dining Room**

Halophane 5-Light Brushed Nickel Chandelier, SKU#245200

**Kitchen**

Paint Cabinets

Delta Foundations 2 handle Kitchen Faucet with Side Sprayer Chrome, SKU# 1000119369

Commercial Electric 2 Light Brushed Nickel, SKU# 701704

Hampton Bay 9" 2 Light SKU #385544

Hot Point Black Dishwasher HDA2100HBB

30" Black Vent-a-Hood SKU#435140

Surplus Carrara Blanco Countertop

**Hallway**

Spec Commercial Electric 2 Light Brushed Nickel, SKU# 701704

**Hall Bathroom**

3 light bar Cordelia Lighting, SKU# 644212

30" Glacier Bay White, Sku# 631264

New White Vanity Top

New Toilet Seat

Glacier Bay 4" Chrome Faucet, SKU# 505838

Glacier Bay 3-Spray 3.45 in. Fixed Shower Head in Chrome, SKU #1002847992

**Master Bathroom**

4 Light Hampton Bay Chrome Raceway Vanity Light, SKU # 644257

Bathroom Fan Ok

Keep Vanity with New Hardware

Ceramic Tile Bergamo Gris 12 in. x 24 in. Glazed Ceramic w/Mosica

Stand Up Shower Surrond Options

Glacier Bay 2 Piece 1.1 GPF, SKU#, 215583

New Toilet Seat

Glacier Bay 4" Chrome Faucet, SKU# 505838

**Bedroom 1**

Commercial Electric 2 Light Brushed Nickel, SKU# 701704

**Bedroom 2**

Commercial Electric 2 Light Brushed Nickel, SKU# 701704

**Master Bedroom**

Middleton 42" Bruch Nickel SKU# 1002592780



Dear Investor,

As you know, we are constantly developing new techniques and ideas for maximizing the returns on our properties. One of our largest expenses is insurance, and thus we have worked with a local broker, Insight Risk Management, to put together a program that will afford all of our clients the best possible coverage at the most competitive rates. By aggregating all of our insurance purchasing with a single company, we have been able to leverage the volume to get better pricing than can be achieved by any one investor.

This program is tailored specifically for our rental properties and has the following coverages:

1. Replacement cost coverage so that the insurance company is obligated to replace the property, subject to the deductible, without any allowance for depreciation or similar limitations
2. Limits of \$90 a square foot, which should be appropriate under most circumstances, though you should review your own home to ensure this is sufficient
3. Lost rents of \$12,000 a year should a large loss occur
4. \$2,500 deductible without any other charges such as depreciation or coinsurance
5. \$1,000,000 of general liability coverage per location, thus providing separate limits for each house. There is a \$3,000,000 aggregate.
6. Standard general liability wording without any exclusions for assault, battery, sexual abuse or animals
7. No coverage for contents, so you are not paying for any contents that you do not own
8. There is no vacancy limitation. Theft and vandalism is covered the entire term.
9. "A" rated carrier

A typical house costs about 33% less on this program than with other carriers, and no individual underwriting is required.

Sincerely

Alex Craig  
President  
Turnkey Properties

Date: 2/13/2019

Thank you for your interest in the CB Properties insurance program. It is written with Great American E & S Insurance Company. Below is a summary of the program. If you have any questions, please feel free to reach out to us. Becky Parker is the program administrator and can be reached at +1 901.202.8647 or [bparker@irmllc.com](mailto:bparker@irmllc.com).

- This program was specifically designed for the rental houses that CB Properties manages and has been tailored to fit their profile. Thus, in order to qualify for the program, your house must presently be managed by them. If at any time this is not the case, we will have to arrange for an alternative insurance arrangement for you.
- Perils: Special. This is the broadest coverage available, though it excludes earthquake and flood.
- Valuation basis: Replacement cost. The policies replace any damaged building, without subtracting any amounts for depreciation, provided you rebuild. The alternative valuation basis is called Actual Cash Value, but this should be avoided if possible because it can leave an owner without sufficient coverage to cover losses.
- Limit: We use the Shelby County Assessor to estimate the square footage of the building. If this is incorrect, then please let us know. Buildings are insured for \$90 a square foot.
- Contents: No contents coverage is typically provided as most owners have no contents in the building.
- Business income: **\$12,000** loss of rents is included to protect against loss income due to an insurable event.
- Sewer backup sublimit of \$10,000 per location.
- Deductible: **\$2,500** per occurrence.
- Liability: each house has a dedicated \$1mm limit per occurrence / \$3mm in aggregate limit. Thus, any liability losses that occur to other members of the program have no effect on the limits that you will have dedicated to your home.
- **Vacancy: There is no limitation. Theft and vandalism are covered.**
- Additional insureds: the management company as well as any lenders is automatically included as additional insureds on the policy at no extra charge.
- Coverage is contingent on CIS, Services receiving the premium, and no coverage is in force until such premium has been received. Coverage will be effective from the Start Date and run 12 months. You will be contacted at renewal to see if you would like to renew coverage.

Based on the information that we have been provided, below is a quote for your investment property:

**Property Address: 2722 Van Leer Dr, Memphis, TN 38133**

**Premium + Tax = \$504.50**

- Building limit: \$96,480 (1072 sq ft)
- Business income limit: \$12,000
- Deductible: \$2,500 for all perils.
- General Liability limit: \$1mm per occurrence / \$3mm in aggregate.



## CB Properties Memphis Fee Structure

- Monthly management fee is 9% of rent collected with a minimum of \$50. Memphis Turnkey clients have a discounted rate of 8%.
- After purchase, first tenant placement fee is waived—75% of first month's rent or \$750, whichever is greater thereafter.
- In addition to vendor invoice and materials purchased, there is a 15% maintenance fee.
- If property management pays any invoices on the owner's behalf (i.e. attorney invoices, utility invoices, taxes, insurance) there is a 5% fee. Owner has the option to pay these to avoid the additional markup.
- There is a \$150 lease renewal fee. This will be returned to the owner if the tenant moves out before fulfilling half of the renewal.

## Property Management FYIs

- To provide the possible best customer service to our investors and tenants, property management pays one month in arrears. This allows us to quickly service our tenant's maintenance issues and request wired funds, which can be an inconvenience for our investors.
- In most cases, we collect a reservation fee from our tenants in lieu of a security deposit. The reservation acts a security deposit, but instead of property management keeping those funds in an escrow account, it is paid to the investor as income after tenant occupancy. In other words, it is like getting your security deposit up front instead of upon move out.
- You will be assigned a portfolio manager to act as your point of contact for all communications. This portfolio manager will also be the point of contact for the tenant. Upon closing, you will be given that individual's direct line and an investor hotline so you are practically guaranteed to get a person on the phone. This system allows best-practice customer service—a priority for us.
- We use Property Ware as our property management software. For best customer service, we strongly recommend utilizing the portal to communicate with your portfolio manager.
- The threshold for requesting owner permission to move forward with a maintenance request is \$400. If you allow the request, you will get a notification for every service or repair. This provides you an opportunity to engage us with questions about any maintenance.
- We focus on transparency with our billing and maintenance. You will see before-and-after pictures and a vendor invoice to match. Our goal is for our investors to never question whether a service was completed.



# Video Testimonials

Click on the Image Below to Hear What our Clients are Saying About Us!



Turnkey Client of the Month

Also Check Out the Rest of Our [YouTube](#) Page for Interesting Videos about our Company, Real Estate Tips and Past Renovations. Click on The You Tube Logo Below to Get There!



[www.youtube.com/user/memphisturnkey](http://www.youtube.com/user/memphisturnkey)