



OFFERING SUMMARY
1919 W 18th Street
North Little Rock, AR 72114

UNLOCK
YOUR FINANCIAL POTENTIAL



MEMPHIS | LITTLE ROCK
TURNkey
PROPERTIES



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1060 Brookfield Road
Memphis, TN 38119
P: 901-410-5452
TurnkeyInvestProperties.com

To our current and prospective clients:

We appreciate your interest in our company and the chance to showcase our successful business model that has assisted investors globally in building real estate portfolios since 2008.

Contained in this packet, you will find details on our latest investment property offering. Our primary objective is to mitigate investor risk by delivering the right type of rental properties and accountability through exceptional property management services, enabling our clients to enjoy stable rental income throughout the buy-and-hold investment life cycle.

We recognize that reliable management is key to achieving profitability. Our in-house property management operates under the same principles that has enabled us to establish a portfolio of 150+ doors we have bene growing since 2007.

If you have any questions, please do not hesitate to contact us at 901-410-5452. We are happy to provide any additional information you may require to ensure that you feel comfortable with your investment decision.

Best regards,

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 Podio. Podio 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 Podio you will find:

- To-do lists for tracking work.
- Message board for posting announcements and updates.
- 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

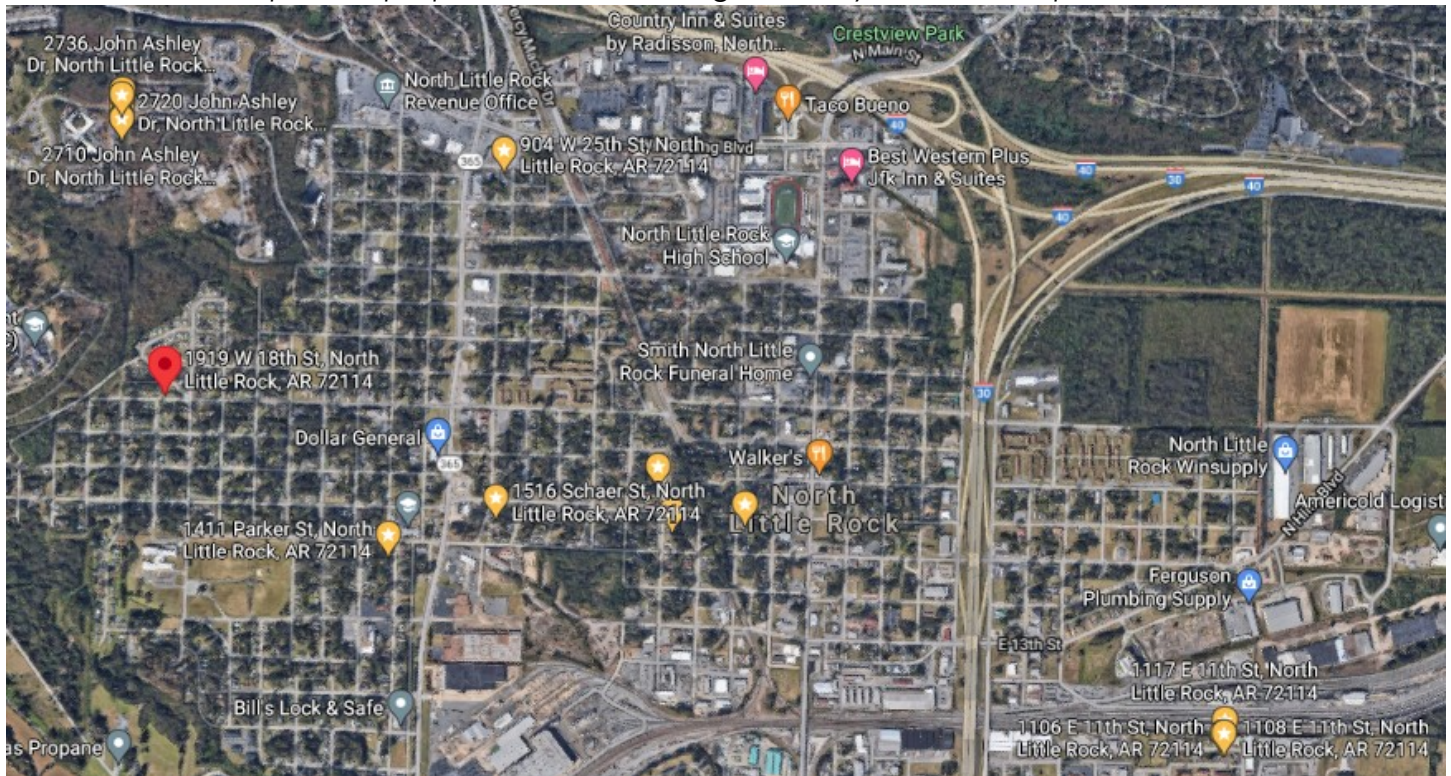


local point-of-contact regarding information on the property and for scheduling the appraisal.

- 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 with 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 Podio 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.

1919 W 18th North Little Rock, AR 72114

Stars below represent properties under management by Hoffman Properties – Little Rock, AR



Bed/Bath: 2/1

Square Foot: 897

Year Built: 1947

Area Overview: Just across the Arkansas River, running through Downtown Little Rock lies North Little Rock, a suburb of Little Rock, with a population of approximately 66,000. Conveniently located to I-30/I-40 and Hwy 167, one has easy access to the Northern Suburbs and to the city of Little Rock, including the downtown River Mart. To the West is Burns Park, the largest municipal park in the state of Arkansas. North of Burns Parks is Air National Guard Military Base, Camp Robinson. Like most suburbs, individuals living in NLR enjoy being part of a smaller community and schools. Argenta Historic District, which is considered downtown Little Rock, has an old, slow-paced town square feel. Other points of interest include Verizon Arena, which is home of the UALR basketball team and big concert venue, McCain Mall, Arkansas River Trail and Dickey-Stephens Park, home of the Arkansas Travels, the local AA baseball affiliate of the Seattle Mariners. This home is occupied through June of 2022.

The renovation highlights include:

- New Roof & Hot water heater, A/C - 2019
- Vinyl plank flooring in all high traffic areas
- New kitchen cabinets & granite counter tops plus new appliances (Range and Dishwasher)
- Lighting Updated

<https://turnkeyproperties.box.com/v/MarketingPhotos1919>



901-410-5452

TurnkeyInvestProperties.com

20-25% Down Payment Worksheet

Property Address: 1919 W 18th

All Deals Come with 2% Seller Paid Closing Cost & 2 Year Cash Flow Boost through Waiving Monthly Mgmt Fee

Purchase Price	\$ 102,500.00	Loan Amount	\$ 82,000.00
Projected Rent Year 1	\$ 850.00	Rate	6.88%
Year 2 of Lease Amount Projection (All leases are 2 Years with increase in year 2)	\$ 875.00	Principal and Interest	\$ 538.68
30 Yr. Payment (PITI)	\$ 635.31	2023 Quoted Yearly Taxes & Insurance	\$ 1,159.53
Property Management (0%) 2 Year Cash Flow Boost	\$ -		
20% Down Payment	\$ 20,500.00		
Estimated Closing Cost (4%)	\$ 4,100.00		
Estimated Out of Pocket Cost	\$ 24,600.00		
Estimated Gross Cash Flow 20% Down Year 1	\$ 214.69	Year 1 Gross Cash on Cash	10.47%
Estimated Gross Cash Flow 20% Down Year 2	\$ 239.69	Year 2 Gross Cash on Cash	11.69%

Purchase Price	\$ 102,500.00	Loan Amount	\$ 76,875.00
Projected Rent	\$ 850.00	Rate	6.63%
Year 2 of Lease Amount Projection (All leases are 2 Years with increase in year 2)	\$ 875.00	Principal and Interest	\$ 492.24
30 Yr. Payment (PITI)	\$ 588.87	2023 Quoted Yearly Taxes & Insurance	\$ 1,159.53
Property Management (0%) 2 Year Cash Flow Boost	\$ -		
25% Down Payment	\$ 25,625.00		
Estimated Closing Cost (4%)	\$ 4,100.00		
Estimated Out of Pocket Cost	\$ 29,725.00		
Estimated Cash Flow 25% Down Year 1	\$ 261.13	Year 1 Gross Cash on Cash	10.54%
Estimated Cash Flow 25% Down Year 2	\$ 286.13	Year 2 Gross Cash on Cash	11.55%

Rate

Rates are updated periodically at the time of the initial offering is sent out. The rate can fluctuate after the cash flow analysis is posted. Rate is based on a \$100,000 purchase. As the purchase price goes up, the rate may go up. Rate is also based on 780 credit score.

Closing Cost

Closing cost will vary by lender and could be higher if you choose to buy down the rate. Since escrow accounts are an asset on the balance sheet, our closing cost projections do not include the pre-paid expenses of your taxes and insurance.

Rent Variance & Lease Terms

Property Management will secure a 2-year lease with a built-in rental increase of 3% to 5% in year 2. Rents can vary typically with a +/- variance on average of \$50 based on current market conditions such as time of year, current supply of rental homes in the area, strength of tenant file who could negotiate a lower rent, etc. The higher the rent, the variance could increase. Typically, this would start at \$1,100 and higher.

Taxes & Insurance

The estimated rate of return is based on the current appraisal year and insurance quoted through our in-house program. Shelby County, TN taxes are locked through 2024, at that time re-appraisal will happen. Pulaski County, AR rates are locked through 2027. In rare occasions, a sale can trigger re-appraisal.

Cash on Cash Estimation

The cash flow calculation is based on gross cash flow, taking into account the known costs. However, it's important to note that this analysis doesn't factor in expenses such as vacancy, maintenance, and capital expenditures. These expenses will vary from year to year, but it's crucial to budget for them in your analysis. In the first few initial years, the cash flow may exceed what the industry considers to be normal vacancy and maintenance, as our property renovation is designed to address deferred maintenance and capital expenses and comes with our warranty.

Appraisal Contingency

Our goal as a Turnkey Provider is to minimize your risk when investing in real estate, and one way we achieve this is by conducting a high-quality renovation of the property. This involves carrying out numerous repairs, updates, and improvements to the property, which may not be taken into account in the appraiser's valuation. Due to the current competitive market, we are paying more to acquire inventory, and the rising costs of materials and labor mean that our all-in costs may exceed the



5205 Nelson Drive

\$104,500

North Little Rock, AR 72118 - MLS #21006988
Residential

Ready for investors

BEDS: 3 **BATHS: 1** **Apx SQFT: 942** **0 Days on Market**

[View Detail](#)



4621 Lakeshore

\$100,000

North Little Rock, AR 72116 - MLS #21017786
Residential

Sold Before Listed

BEDS: 2 **BATHS: 1** **Apx SQFT: 756** **8 Days on Market**

[View Detail](#)



1518 N orange Street

\$98,500

North Little Rock, AR 72114 - MLS #21008792
Residential

Ready for investors.

BEDS: 2 **BATHS: 1** **Apx SQFT: 864** **0 Days on Market**



MEMPHIS LITTLE ROCK

TURNkey
PROPERTIES

item	Description
Kitchen Appliances	Install new kitchen cabinets / new granite countertops/ make access for a dishwasher/ hardware/ sink and faucet. New electric range-dishwasher-vent hood.
Plumbing	New laundry box & hot water heater
Lighting	Install new light fixtures throughout the house.
Miscellaneous	Install new blinds, doorknobs and -smoke detectors-hauling trash-house cleaning.
HVAC System	Service HVAC
Roof	Install new roof.
Bathroom	Install new tub with surround/ new vanity with mirror/ new shower faucet/ new toilet.
Flooring-Laminate	Install in kitchen area/ dining room/ living room and hallway.
Flooring-Carpet	Install in (3) bedrooms.
Exterior repair	Repair damage siding/ soffit/ fascia and pressure wash.
Landscaping & Yard	Landscaping and clean yard
Painting	Interior walls/ ceilings/ trim and paint exterior.

Floor Plan





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 \$100a 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

A handwritten signature in black ink that reads 'Alex Craig'. The signature is written in a cursive, flowing style.

Alex Craig
President
Turnkey Properties



Quick Quote

Report for Q0742-01-00L

Quote Date: 07/03/2023

Quote ID: 91139

Memphis Turnkey

1060 Brookfield Road

MEMPHIS, TN 38119

Insured Name	Property Address	Property Desc
	1919 W 18th NORTH LITTLE ROCK AR 72114	Single Family Dwelling - Tenant

Construction Type	Bldg SqFt	Acres	Flood Zone	Sprinklers	Swimming Pool	Year Built	#Units
FRAME	897	0.0	NOT REQ	N	N	1947	1

Cvg Desc	Cvg Amount	Effective Date	Annualized Premium
Building	\$102,500.00	07/03/2023	\$629.20
Liability	\$1,000,000.00	07/03/2023	
Loss of Rental Income	\$12,000.00	07/03/2023	

Disclaimer

This is a Quick Quote and does not constitute a request for coverage, nor does it imply an offer of coverage from the carrier. Applicable surcharges and fees may vary based on effective date of the request for coverage. This Quick Quote considers current term rates and coverages only. Property characteristics may require SES to report a request for coverage to the insurance company underwriter. Premium amount may be subject to adjustment at underwriter's direction, or the request for coverage may be declined. You and your retail broker will be notified should this occur. Monthly premium can be calculated by dividing the annualized premium by 12. If monthly billing is applicable, the first month's invoice may be higher due to LB and/or XSLB coverage being charged. Please note, quotes for Multi-Family properties (5+ units) must be requested directly from SES Support, as Quick Quotes are not valid for our Multi-Family product/program.



Property Management Fee Structure

- The monthly management fee is 10% of rent collected with a minimum of \$50. Turnkey clients enjoy a discounted rate of 9%.
- After purchase, the first tenant placement fee is waived. This is 80% of the first month's rent or \$800, whichever is greater thereafter.
- In addition to the vendor invoice and materials purchased, there is a 15% maintenance fee.
- There is a 5% fee if property management pays any invoices on the owner's behalf (i.e. attorney invoices, utility invoices, taxes, insurance, etc.) The owner has the option to pay these to avoid any additional markup.
- Lease renewal fees are \$195 for a 1-year lease and \$325 for a 2-year lease. This will be returned to the owner if the tenant moves out before fulfilling half of the renewal without the tenant paying a lease break fee.

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 any maintenance issues our tenants experience and request wired funds, which can be an inconvenience for our investors.
- We collect a reservation fee from our tenants in lieu of a security deposit. While this acts *like* a security deposit, it differs in that property management doesn't keep these funds in an escrow account. Instead, it is paid to the investor as income after tenant occupancy. This essentially means you'll receive your security deposit upfront rather than when a tenant moves 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 whenever you call. This system allows us to provide best-practice customer service, which is a priority for us!
- We use PropertyWare property management software. For the best customer service, we strongly recommend utilizing the portal to communicate with your portfolio manager.
- The threshold for requesting owner permission on maintenance is \$400.
- We have clear transparency with our billing and maintenance. You will see before and after pictures along with a vendor invoice to match.



Client Video Testimonials

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



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

