



**OWENS CONSULTING GROUP**

CERTIFIED PUBLIC ACCOUNTANTS | REAL ESTATE INVESTMENT CONSULTANTS | BUSINESS ADVISORS



**PROPERTIES**

## Joint Venture Investment Example...



### PROPERTY DETAILS

Address	222 Money St., Memphis, TN
Area	Downtown/Mid-town
Square Feet	1,856
Bed / Bath	5 / 2
Year Built	1955
Estimated Rents	\$1,000
Appraised Value	\$100,000

### COST ANALYSIS

Purchase Price (25% MV)	\$25,000
Rehab Amount	\$20,000
Rehab Buffer (10%)	\$2,000
Rehab Management	\$2,500
Sec 8 / Move In - Repairs	\$2,000
Procurement Fee	\$6,000
Appraisal / Inspection	\$1,000
Closing Costs	\$1,500
<b>TOTAL COSTS</b>	<b>\$60,000</b>
<b>COST TO VALUE</b>	<b>60.00%</b>

### SALES AND PROFIT ANALYSIS – PROFIT SPLIT

Sales Price (90% of MV)	90,000
Gross Profit	\$30,000
Selling Commissions	(\$5,400)
Seller Closing Costs	(\$1,500)
<b>Net Profit on Sale</b>	<b>\$23,100</b>
Investors Profit From Sale (50%)	\$11,550
Net Monthly Rental Income	\$603
Investors Share - Rental Income (75%)	\$452
<b>TOTAL YEAR 1 – 4 CASH FLOW</b>	<b>\$5,427</b>
Investors Cash flow ROI Yr 1 - 4	9.05%
<b>Inv Yr 5 Sales Proceeds + Cash flow</b>	<b>\$16,977</b>
<b>Year 5 Return on Investment</b>	<b>28.30%</b>
<b>5 Year Ave Return on Investment</b>	<b>12.90%</b>
<b>Total Profit over 5 Years</b>	<b>\$38,685</b>

### Key Items

- (1) Term 5 Years
- (2) 75% / 25% Cash Flow Split in favor of the investor
- (3) 50%/50% split on proceeds from the sale of the property
- (4) 5 Year expected annual return of 12.90%
- (5) Full property documentation is provided.
- (5) If property is sold in a shorter time frame returns are:
  - Year 1 – 28.33%
  - Year 2 – 18.67%
  - Year 3 – 15.46%
  - Year 4 – 13.86%
  - Year 5 – 12.90%