



OWENS CONSULTING GROUP

CERTIFIED PUBLIC ACCOUNTANTS | REAL ESTATE INVESTMENT CONSULTANTS | BUSINESS ADVISORS



PROPERTIES

Trust Deed Investment Example...



Complete Documentation Provided

- (1) Renovation bid
- (2) Comparables for property
- (3) Before & After Pictures
- (4) Deed of Trust and Promissory Note
- (5) Closing Documents
- (6) Appraisals if desired
- (7) Insurance policy documentation

YEAR 4 BONUS

YEAR 5 BONUS

Return On Investment Analysis	
Interest Rate (Pre-paid 6 months)	8.00%
Monthly cash flow to investor	\$433
TOTAL INCOME MADE AT END OF YEAR 1	\$5,200
TOTAL INCOME MADE AT END OF YEAR 2	\$10,400
TOTAL INCOME MADE AT END OF YEAR 3	\$15,600
YEAR 4 BONUS (25% OF PROP. SALES PROCEEDS)	\$4,450
TOTAL INCOME MADE AT END OF YEAR 4	\$25,250
YEAR 5 BONUS (ADDL 25% OF PROP. SALES PROC.)	\$4,450
TOTAL INCOME MADE AT END OF YEAR 5	\$34,900
Year 4 & 5 Return on Investment	14.85%
5 Year Average Interest Rate	10.74%

PROPERTY DETAILS	
Address	123 Cash flow St., Memphis, TN
Area	Downtown/Mid-town
Square Feet	1,894
Bed / Bath	4/ 3
Year Built	1927
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
Pre-paid 1 Year interest	\$5,200
Closing Costs	\$1,300
Appraisal/ Inspection	\$ 1,000
TOTAL LOAN	\$65,000
LOAN TO VALUE	65.00%

PROPERTY OWNER CASH FLOW ANALYSIS	
Monthly Rental Income	\$1,000
Monthly Expenses (35%)	(\$350)
Debt Service (8% int rate)	(\$433)
Investor monthly cash flow	\$225

EXPECTED NET SALES PROCEEDS	
90% of market value sale	\$90,000
Selling Costs (8%)	(\$7,200)
LOAN PAYOFF	(\$65,000)
Net Profit on Sale	\$17,800
25% Profit Split	\$4,450
50% Profit Split	\$8,900