

**3743 Alma Drive Memphis Tn. 38127****Single Investor Model**

Cost	\$10,000
Rent	\$650
ARV	\$34,681 Zestimate * .9
Price	\$25,213 ARV x .9 - rehab
Rehab	\$6,000
% Down	10.00%
Down Payment	\$2,521
Amt. Financed	\$22,691
Term (Years)	7
Rate	9.00%
Loan Payment	\$365.08 fully amortized
Est. Ins. Tax. Exp.	\$100.00
Monthly Savings	\$184.92
My Investment	\$7,479
C/CR	55.65%
Initial Value	\$24,379 (ARV - rehab) x 85%
Initial LTV	30.7%

**Cash investor with deal investor**

Initial cash in	\$10,000
DP to Cash Investor	\$1,261
Investor's cash in	\$8,739
Initial LTV	35.8%
First trust deed	\$15,715
First Loan Pymt.	\$252.85
First C/CR	34.72%
Fee to deal investor	\$1,261
2nd TD	\$6,976
2nd Loan Pymt.	\$112.24

**Split Deal Summary:**

Deal investor buys house with money from cash investor

Deal investor takes 1/2 down payment as deal fee

Cash investor gets 1/2 down payment to decrease LTV

Buyer buys home as-is as "handyman special" and he/she does the rehab

Buyer gets 2 loans, first from cash investor, second from deal investor

Due to difference between purchase and sale, spread is split between investors

Discount on first note to cash investor dependent on spread between purchase and sale

**Pricing/Financial Notes:**

ARV is 90% of Zillow Zestimate

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Sales Price is 90% of ARV less rehab costs

Initial Value estimated as (ARV - rehab cost) x 85%

**Risk Factors**

1) LTV depends on how you set the initial value of the property

This spreadsheet assumes that the value is  $(ARV - \text{rehab cost}) \times 85\%$

The greater the spread between acquisition cost and ARV, the lower the LTV

2) Will the buyer do the rehab properly, preserving/increasing property value

Any suggestions on how to mitigate this risk?

Increased payments at front end held as credit when rehab is inspected and approved?

**Misc. Notes**

I asked a local mortgage broker for a sales price and she recommended \$25,000


I have requested a drive-by BPO from an agent and she may be able to give it to me before the Monday call

Property liveable as-is

Needs updating and a bit of patching

One contractor saw the property and liked it but didn't have the down payment

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## 3743 Alma Dr, Memphis, TN 38127

3 beds · 1 bath · 1,050 sqft

Nice 3 bedroom 1 bath home! Large dining room and living room combo, lots of hardwood flooring, detached garage! With \$4,000 down, your payments are only \$338/month, saving you hundreds of dollars over renting a home. If you prefer, you can rent to own with a smaller down payment but more typical monthly payments. I can be flexible for the right buyer who sees the value in this little gem. Special Offer: free financing for 3 months. Once you have made the down payment, monthly loan payments will be suspended for 3 months to help with the initial rehab costs.

● FOR SALE BY OWNER  
**\$24,990**  
Zestimate®: \$38,534

EST. MORTGAGE  
\$90/mo

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