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*"Enriching Communities through Financial Opportunity"*

## Monthly Cash Flow Investment

Renovation Money Returns in "**12 Months**"

Distressed Environments

| Bedroom Size | Projected Monthly Rent | Annual Income | **ACQ & Reno Cost Combined (1 Unit)*12** | **ACQ & Reno Cost Combined (2 Unit)*12** |
|---|---|---|---|---|
| 1 | $500-$550 | $6k-$6.6k | Must be LESS than 7K | 1&1 Must be LESS than 14K |
| 2 | $600-$650 | $7.2k-$7.8k | Must be LESS than 8K | 2&2 Must be LESS than 16K |
| 3 | $700-$750 | $8.4k-$9k | Must be LESS than 9K | 3&3 Must be LESS than 18K |
| 4 | $800-$850 | $9.6k-$10.2k | Must be LESS than 10K | 4&4 Must be LESS than 20K |
| 5 | $900-$950 | $10.8k-$11.4k | Must be LESS than 11K | 5&5 Must be LESS than 22K |

In the Cash Flow Philosophy we do not wish to extend ourselves beyond REASONABLE parameters! This is why we choose to receive our initial renovation money back within the first 12 months. Operating in these environments creates different obstacles from other demographics such as:

- Higher Client Turnover rate due to unstable mindsets surrounding stability
- Lack of higher wages spawns a slippery road regarding consistent bill payment
- Lack of Financial Education= Poor financial decision making skills

## Long Term Equity Play Strategy

Renovation Money Returns in "**18 Months**"

Marginal Environments

| Bedroom Size | Projected Monthly Rent | Annual Income | **ACQ & Reno Cost Combined (1 Unit)*18** | **ACQ & Reno Cost Combined (2 Unit)*18** |
|---|---|---|---|---|
| 1 | $500-$550 | $6k-$6.6k | Must be LESS than 10K | 1&1 Must be LESS than 20K |
| 2 | $600-$650 | $7.2k-$7.8k | Must be LESS than 12K | 2&2 Must be LESS than 24K |
| 3 | $700-$750 | $8.4k-$9k | Must be LESS than 14K | 3&3 Must be LESS than 28K |
| 4 | $800-$850 | $9.6k-$10.2k | Must be LESS than 16K | 4&4 Must be LESS than 32K |
| 5 | $900-$950 | $10.8k-$11.4k | Must be LESS than 18K | 5&5 Must be LESS than 36K |

In the Equity Play Philosophy we do not wish to extend ourselves beyond REASONABLE parameters however we sacrifice an additional 6 Months of profitability to acquire a potential GOLDEN NUGGET! We choose to receive our initial renovation money back within the first 18 months. While we are still subject to the same constraints as the CASH FLOW Strategy Extending ourselves for another 6 months allows for the following:

- Creates a more pressing demand on Customer Retention as the First Years Lease has expired and a lapse in occupancy can send this strategy wayward.
- Aiding an inconsistent demographic where they inconsistently string along payments places more of a financial strain on you to fill the void. (Mortgage,Broken Fixtures,Taxes,Water)
- If they move out prior to the end of the lease or simply at the end of the lease you have to have a considerable amount of money to Rent the space. Money you may not have!

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