

Tampa, Florida – Residential Buy to Let. Foreclosed property available fully renovated to a high standard.

Prices:	\$70,000 - \$80,000 (3 & 4 bedroom, 2 bathroom SFR)
Net yield:	12% - 14%
Growth potential:	Medium expectation. Mid, to long term hold.
Site visit:	Recommended

For cash buyers, seeking high returns from asset-based investments, we can provide low cost, high yield investment opportunities in Tampa. Fully renovated, fully managed, rental properties deliver impressive double digit returns and investor Clients are more than welcome to visit.



All of these properties are auction/off market **Bank Repossessions** that are fully repaired & reinstated in accordance with HUD (Housing Urban Development) requirements and then marketed to suitable tenants either on the open market or via the Section 8 programme.

Working on behalf of the long distance investor, the whole process from start to finish is handled by a local **Property Management Company** who identifies suitable properties, acquires them, refurbishes, finds tenants and then collects the rent and manages on an on-going basis.

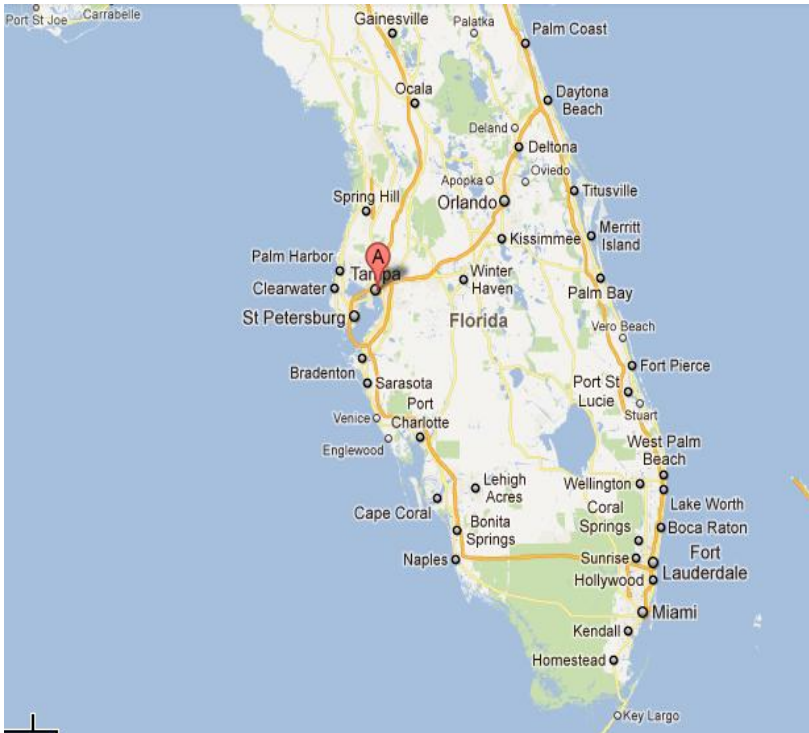


You may already know that cash investors are currently reaping great rewards from the distressed US property market. Rental demand is greater than ever as foreclosures mount, yet the purchase price of property is rock bottom. Any experienced buy to let investor knows that low property purchase prices matched with a high rental yield is a desirable combination.

The unique investment opportunity that exists today in the USA, is attracting large numbers of cash-rich investors from all over the world. The global interest that this particular market has generated is the result of an unprecedented collapse in real estate values compounded by an almost complete freeze on locally available mortgages. This has depressed the real estate market, but because people still need homes in which to live, the rental market is conversely, booming. Investment properties that are bought today for cash can easily generate double digit yields from local residential lettings. Because mortgage finance is still virtually unobtainable, renting

remains the only option for many Americans. This is despite the fact that interest rates have never been lower and the cost of owning is technically far less than the cost of renting.

TAMPA



Service, retail, finance, insurance, shipping by air and sea, national defence, professional sports, tourism and real estate all play a vital role in the area's economy. Hillsborough County alone has an estimated 740,000 employees, a figure which is projected to increase to 922,000 by 2015. Many corporations, such as large banks and telecommunications companies, maintain regional offices in Tampa. Several Fortune 1000 companies are headquartered in the metropolitan area.

Whilst the overall economy is on a firm footing, Tampa has seen real estate market values slump since the beginning of 2008. Bank foreclosures have forced thousands of families to avail of the department of Housing and Urban Development's (HUD) program where the tenants' rental is paid by the Government.

The city of Tampa, therefore offers investors a fantastic opportunity to acquire bank repossessed properties at a fraction of their current market value and ensure secure gross yields in excess of 12% following renovations carried-out in accordance with Section 8 HUD requirements.

Despite the gloomy economic forecasts across the USA, there is much to be optimistic about investing in Tampa:

- The region experiences year on year population growth and the greater Tampa Bay area population currently stands at 4,300,000.
- Within the city of Tampa, there was never an over-supply of new build property in the run up to 2007. The popular residential areas within Hillsborough County were fully developed by the mid 1980's.
- There is currently a genuine shortage of good quality rental accommodation within the urban areas.

There are many US property offerings in the market place and most are aggressively promoted to foreign investors simply because the local (American) market will not touch the property. Not so in Tampa, where the primary investor activity is by Americans. Tampa does not feature in the bargain basement of US property investments, it provides a robust investment model in a city well placed to take advantage of any future uplift in property values.

Property Management

For the long distance investor, it is vital that good management is in place to ensure a comfortable ownership experience for years to come. The probability now that price rebounds are unlikely in the short to mid-term means that good management is even more crucial and this is where the Tampa proposition scores over and above anything else that we currently have available.

Our Partners on the ground in Tampa have transacted more than 1,100 properties in the last three years. All of these properties have been of the same broad category – being three and four bedroom detached houses in working to middle class suburbs of Tampa. The majority of these properties are flipped for a small profit back into the local



market whilst others get taken on by local and International investors who re-develop the properties to a high standard and place them in the rental market. Our Partners now have a managed portfolio in excess of 200 properties in Tampa and their experience with this type of property and the local rental market is priceless for investors. Investors who have visited the operation are always impressed and subsequently value the experience that ensures their own investment property works well for them.

Cash Flow

Investment properties in Tampa are not purchased pre-packaged and off the shelf, each is chosen by the particular investor and will therefore be unique. Based on our partners' standardised formula of only purchasing 3 or 4 bedroom, 2 bathroom detached properties, the example below, provides a good 'generic' example of costs and yields:

Purchase Price	Cash Deal	Notes
Purchase Price	\$79,000	
Expenses		
Tax	\$125	Based on current tax bill
HOA Fees	\$0	Current HOA Dues
Utilities		
Electricity	\$0	Only on multi-unit properties with one meter
Water/Sewer/Trash	\$0	Only on multi-unit properties with one meter
Home Insurance	\$65	estimated annual premium
Maintenance	\$85	Assumes 7.8% Maintenance Reserve (Optional)
Management and Letting Fees	\$120	Assumes 10% Management Costs
Advertising	\$0	If Additional Marketing is Needed
Total Monthly Expenses	\$395	
Total Annual Expenses	\$4,740	
Gross Income		
Monthly Rental Income	\$1,200	
Gross Annual Income	\$14,400	
Net Income		
Monthly Net Income	\$805	
Annual Net Income	\$9,660	
Profitability Metrics		
Cash on Cash Return	12.23%	
ADDITIONAL COSTS		
Closing costs(legal, taxes & title insurance)	\$1,580.00	
LLC set up(OPTIONAL)	\$555.00	one off (year 1)
First Year Home Insurance Premium(upfront)	\$840.00	one off (year 1)
US estimated income tax	\$300.00	annually
IRS tax return charge	\$400.00	annually

Buying a property in Tampa

Buying a property in Tampa will be not unlike buying a property in any other part of the USA. A certain amount of research and due diligence will be required by you, the investor and then the transaction can be effected through a Title Company. The process is normally swift and can be concluded within a matter of days and Clients will get full Title Insurance to their properties.

There are two auctions every day at the Hillsborough County Court Office and typically our partners will purchase 3-5 houses every day. These houses will be sold within a matter of days, mainly to the local market of Estate Agents, investors and "new" homeowners. Depending on the state of the property and the buyer, our partners may sell on, as is, to make just a few thousand dollars or may offer a full turnkey solution.



A typical 4 bedroom, 2 bathroom, property will be purchased at auction for \$45 - \$55,000 inclusive of liens, back taxes and Court fees. The property will likely need:

- New roof
- Re wired electrics to current standards
- New kitchen
- New bathrooms
- New air con unit
- Repairs and skimming to dry wall and ceiling
- New floor covering
- New doors, inside and out
- Painted, inside and out

An investor seeking a full turnkey solution will therefore be looking at an inclusive purchase price of approximately \$75,000 - \$80,000 for a fully modernised property that is unlikely to need capital expenditure for many years to come. At the end of the renovation process the properties have two inspections:

- 1) HUD inspection to qualify for HCV tenants (social housing)
- 2) Insurance assessor

We undertake regular trips to Tampa where Clients can choose their property from those either acquired in the previous days, or that very day or indeed what may be being bid on in the coming days.

Buying Site unseen

We no longer recommend that investors purchase Site unseen and strongly recommend that prospective investors get on an aeroplane and visit the operation on the ground in Tampa. During such a visit much due diligence can be completed and you will also be able to see portfolio properties and visit the management company who will look after your property. Call us today for details of Site visits to Tampa.

Buying property in the USA

- 1) Retain a sense of proportion and don't get carried away by the fact that these properties were significantly more expensive just four or five years ago. There are no indications of a huge rebound in the short to mid-term and the over-riding view should be yield based.
- 2) There may be tax advantages to purchase jointly, solely or in the name of a specially created LLC. We have contact details of people experienced in these matters and will be happy to provide them to prospective investors.
- 3) Just because the property is 5,000 miles away don't treat the purchase any different as if it were around the corner from your own home. Conducting research may be more difficult because of the distances involved and this is why we strongly recommend a Site visit.

Remember that all property purchases come with legal and fiscal responsibilities, The USA is no exception:

Property Tax (Council Tax) is paid by the property owner in the USA, not the tenant.

Landlord insurance (include hurricane cover for Florida property).

Filing of Federal tax returns for unearned income every year and CGT on disposal

We are happy to discuss all aspects of purchasing investment property in the USA

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