



*3, & 4 Bedroom
Repossessed Properties*

Detroit, Michigan, USA



Overview

Detroit provides investors an excellent opportunity to take advantage for the current economic climate and generate fantastic returns.

With our unique armchair investment you can benefit from guaranteed rental demand backed by the US Government, minimum net yields of 10%, substantial discounts and long term capital growth

Guaranteed Tenant & Minimum net yields of 10%

Investment highlights:

- Detached 3 and 4 bed homes completely refurbished
- Substantial Discounts – By buying at the bottom of the market and below build cost
- Huge rental demand, government backed and tenants waiting
- Guaranteed tenants and minimum net yield of 10%
- For a total cash investment of just \$48,000





Introduction

We are pleased to offer our clients **an amazing opportunity to invest** in high yielding, completely refurbished, detached 3 and 4 bed homes in Detroit, Michigan. We are able to provide this by working in conjunction with the City housing department to purchase and completely renovate foreclosure homes and re-housing families.

This investment does not require any mortgage qualification or finance applications as properties are acquired for a total cash outlay of just \$48,000. Our properties are completely renovated to exceed the requirements of the US department of Housing and Urban Development (HUD) and are in high demand by a waiting list of government approved tenants. Our homes are sold at substantial discounts and even below initial build cost. Typically these homes sold between \$120,000 - \$150,000 in the past 3-5 years.

Guaranteed Tenant & Minimum net yields of 10%



Ease of purchase:

- No mortgage or finance criteria, simple cash purchase
- No hidden charges, fixed \$48,000 acquisition costs
- UK and US offices to handle purchases and admin
- Set up of LLC company if required

Hands free:

- Property purchase is overseen
- Renovations are fully project managed
- No maintenance issues with our home warranty
- City inspections and relevant certification is obtained
- Tenants waiting and fully managed rentals

Security:

- Funds deposited in secure client escrow account
- Title agency handles closing
- Strictly regulated US real estate procedures
- Title insurance & Warranty deed ensures the property is free and clear from all previous debts

Credibility:

- Government backed rentals
- HUD scheme operating since 1937
- Client testimonials available
- Transparency on figures
- Proven track record with over 150 successfully purchased, renovated and tenanted homes



Detroit, Michigan - Background

Mortgage lenders in the USA are currently repossessing thousands of properties per month due to the current financial climate and the sub-prime lending crisis.

Typically the homes have been sold within the past 5 years for upwards of \$120,000 and the previous owners now leaving mortgage lenders with substantial amounts owing.

Our properties are sold to investors free and clear in title with no mortgage debts or liens attached to the property.

**This is now the greatest time, maybe ever, maybe in history
to buy a house (in the USA)“**

“ Billionaire Donald Trump on Larry King Show – 18th March 2009





Why invest in Detroit?

Detroit is the largest city in the state of Michigan with a population in excess of 5.4 million people. Due to the current economic downturn, this has led to a shortfall of affordable housing and high numbers of families needing quality homes.

The most foreclosures - the biggest discounts

Michigan has some of the highest numbers of foreclosure homes with over 10,000 properties being repossessed so far. This has meant that greater discounts can be achieved than in other states such as California, meaning investors get so much more for their money. Property prices have bottomed out and there has not been a better time to buy in the USA as prices haven't been so cheap since the great depression of 1937.

Presidential support

President Barack Obama has pledged billions of dollars in support to the regeneration of Detroit under the American Recovery and Reinvestment Act 2009. This is creating excellent long term prospects for Michigan as it has a huge amount of money being invested to kick start the economy.

It is the home of the car industry

Detroit is the home of the American car industry which is one of the major employers for the state, Barack Obama is also pledging billions into a bailout plan to keep the car industry alive and aid its regeneration.

Huge rental demand that is government backed

More home foreclosures, fewer homebuyers and stringent lending criteria means the demand for residential rentals is drastically increasing in Michigan. There are currently over 30,000 people approved for the HUD scheme living in unsuitable or temporary accommodation, looking for homes to rent. There is also a 2 year waiting list for people looking to join the department of Housing and Urban Development program.

Tenants who will look after your property

The department of Housing and Urban Development also operates a zero tolerance policy, meaning if a tenant is evicted from their home for any reason they lose entitlement to the program again in the future in any US state. Tenants are therefore responsible for the general welfare of their home and this system ensures that they take care of the property and treat it as if it were their own.

Genuine Exit Strategies

With options such as 'land contracts' and tenant buy back schemes, we have many ways for you to get an immediate return on your investment.





The Homes & Renovations

The properties we focus on are substantial, detached 3-4 bedroom homes in carefully selected communities where existing homes are to a high standard, where people want to live and where capital appreciation will be highest.

**FULLY
REFURBISHED**

Our properties undergo complete renovation to exceed the standard of the department of Housing and Urban Development and are in high demand by waiting tenants.

**TENANT
GUARANTEED**

All of our fully renovated Detroit homes will generate a minimum net yield of 10% after taxes and management fees, which equates to at least \$4,800 per annum!

**MINIMUM
YIELD &
INCOME**

With over 30,000 approved government backed tenants looking for suitable property, we can guarantee to get a tenant for your property! Typically tenants stay in homes for 3+ years.

**All Inclusive
Home
Warranty**

All properties and renovations are covered with all inclusive home warranty, courtesy of Land America (a fortune 500 company) meaning no future maintenance issues or expenses.

Renovations and repair include:

- Plumbing
- Heating
- Electrics
- Roofs if necessary
- Kitchens and bathrooms
- Windows and doors
- Repair internal walls and floors
- Complete redecoration and painting
- New carpets, tiling and hardwood flooring
- Gardens and landscaping
- Garages





Renovations: Before & After

The properties undergo complete refurbishment and exceed the department of Housing Urban Development requirements.





Renovations: Before & After (Contd.)

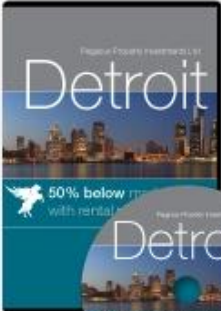
All renovations are typically carried out within 2-3 weeks and are completely project managed.

Before



After

After



Upon successful purchase investors are provided with a detailed DVD video of their property 'before & after renovations'



The Tenants

US GOVERNMENT BACKED RENTAL SCHEME:

Due to the number of foreclosures and people losing their homes, the department of Housing and Urban Development (HUD) has a program where the tenants' rental is paid by the Government directly to the owner - not the tenant. This means you have a secure monthly return on your investment. There is a 2 year waiting list of tenants; currently over 9,000 families are approved for the program and looking for suitable, approved housing. In just Wayne and Oakland counties alone (which form part of metro Detroit) there are 30,000 individuals and families in unsuitable or temporary accommodation waiting to rent suitable homes.

ONE STRIKE – YOU'RE OUT!

This HUD scheme, alternatively known as Section 8, operates a zero tolerance policy. Meaning if any tenant is evicted from their home they lose entitlement to the program again in the future in any US state. Tenants are therefore responsible for the general welfare of their home and this system ensures that they take care of the property and treat it as if it were their own.



PROPERTY MANAGEMENT:

We understand that owning and managing an investment property in a different country may be a daunting prospect for some. This is why we have a dedicated property management company to look after your investment for the future. With over 20 years experience our appointed team are the 'feet on the ground' to maintain and manage your asset.

- Screening prospective tenants
- Regular property inspections and reports
- Online client area to check financial statements and reports
- Handling and connecting utilities
- Resident placement and all documentation
- Collection of rent and government rental vouchers
- Automated accounting services
- Any maintenance taken care of and covered by our Home Warranty
- Eviction and Legal Proceedings handled if necessary

“Our proactive property management style really helps make investments made thousands of miles away seem like next door”



The Numbers

Our figures are completely transparent so you can see exactly what you are getting for your money. On closing you will receive all title deeds, completion statements and documentation. Typical turnaround time is 6-10 weeks from reservation.

Purchase Process & Fees	Cost & Timescales
Step 1	
Reservation/Acquisition Costs	\$6,300 USD (*£3,980 GBP)
Incorporation of LLC (if required)	
Step 2 (2-3 weeks from reservation)	
Details of property are provided	
Deposit remaining purchase funds in escrow	\$41,700 USD (*£26,350 GBP)
Purchase documents sent	
Stage 3 (1 week)	
Closing takes place	
Acquisition/Closing Costs	
LLC Incorporation	
Title company closing cost	Included in price
Compliance fee	Included in price
Tital insurance	Included in price
ACR Inspection report	Included in price
Disbursements	Included in price
Annual tax proration	Included in price
Total Costs to Purchase	\$48,000 USD (*£30,330 GBP)
Stage 4	
Refurbishment	(2 weeks from closing)
Section 8 home inspection	
Lettings	(4 weeks from refurbishment)

Example/Typical Investment	
Property Purchase Price	\$48,000
Gross Rental Income (government backed)	\$800
Gross Annual Income	\$9,600
Gross Yield	20%
Annual Deductions	
Management Fees 10%	£960
Annual Taxes	£3,500
Building Insurance	PAID
Net Rental Per Annum	\$5,140
Net Yield	10.70%
7 Year ROI	
Total net rental income over 7 years	\$35,980
Conservative market value at 5% capital growth	\$112,568
Total capital invested	\$48,000
Net return on investment	209.47%

Realistic 5% capital growth calculation based on estimated current market value	
2010	\$80,000
2011	\$84,000
2012	\$88,200
2013	\$82,610
2014	\$97,241
2015	\$102,103
2016	\$107,208
2017	\$112,568

Optimistic 8% capital growth calculation based on estimated current market value	
2010	\$80,000
2011	\$86,400
2012	\$83,312
2013	\$100,777
2014	\$108,839
2015	\$117,546
2016	\$126,950
2017	\$137,106

*Dependant on current exchange rate. Figures above are intended as examples. All purchases are calculated in US Dollars. Purchases are to be made in US Dollars or GBP Sterling at the current US Dollar exchange rate. The Reservation Fee is non-refundable. In the event that the property you secure cannot be delivered, we will source you an alternative property of comparable type.



Exit Strategies

Sell to your tenant and become the bank:

'Land contracts' enable you to sell the property to your tenant at a set price agreed from the outset that is typically higher than the current market appraisal. The tenant then pays you this money back over 5-20 years at up to 11% interest. For example you agree to sell the property back to the tenant at \$80,000 on a land contract over 20 years at 11% interest. This means they pay you \$837 per month for 20 years, totalling \$200,880! If for any reason they fail to keep up with the repayments they forfeit the money paid so far and you retain ownership of the property enabling you to start the process again with a new tenant.

Sell the property on the open market:

As you are purchasing at the bottom of the market and below initial build cost, the prospect of long term capital growth is very good. You can then sell the property in the next 5-7 years at a substantially higher price or when the market has fully recovered. This is in addition to the long term net rental income received.

Refinance the property:

When mortgage finance and banks relax lending criteria you can refinance the property to withdraw your initial investment tax free and still have equity in the property. The net rental income will still exceed the mortgage payment which will provide you monthly cash flow.

Buy to let:

Buy a property and enjoy gross rental yields of over 20% until you decide to cash in on the equity by refinancing or selling the property. This strategy provides a significant long term income and long term capital growth.





Detroit - Q&As

We have assembled this list of Frequently Asked Questions to help you. If your question is not covered here, please feel free to contact us.

Q: What happens if I don't like the house you have secured for me?

A: The good thing about this area is that all the properties are identical. They all look the same, they have very similar floor plans and they rent for the same amount after we renovate them. This is an investment property and you should be basing your decision on the returns and not the colour of the carpets!

Q: How do I know the property you find for me will be in a good area?

A: As we are offering you a turnkey solution, a fully renovated and tenanted home, it is in our interest as well to find you the right property in the right area, as if we didn't pick the right area we wouldn't be able to rent the home. Ultimately we want you to be happy and to come back and purchase more homes.

Q: Why are all your prices fixed?

A: For simplicity and so we have criteria to work to. We then know what the home needs to rent for in order to offer you the minimum net yield that we guarantee. We also calculate how much the renovations are going to cost and the maximum we can then bid for the home on your behalf.

Q: Is my money secure?

A: Yes – 100%. We open you your own individual client escrow account for you to deposit funds into.

Q: Can I use the property as a holiday home?

A: Not really as these are investment properties and an opportunity for you to get a very good return on investment. You could use the property as a holiday home in the future if you wish, by giving the tenant notice that you do not want to renew the tenancy.



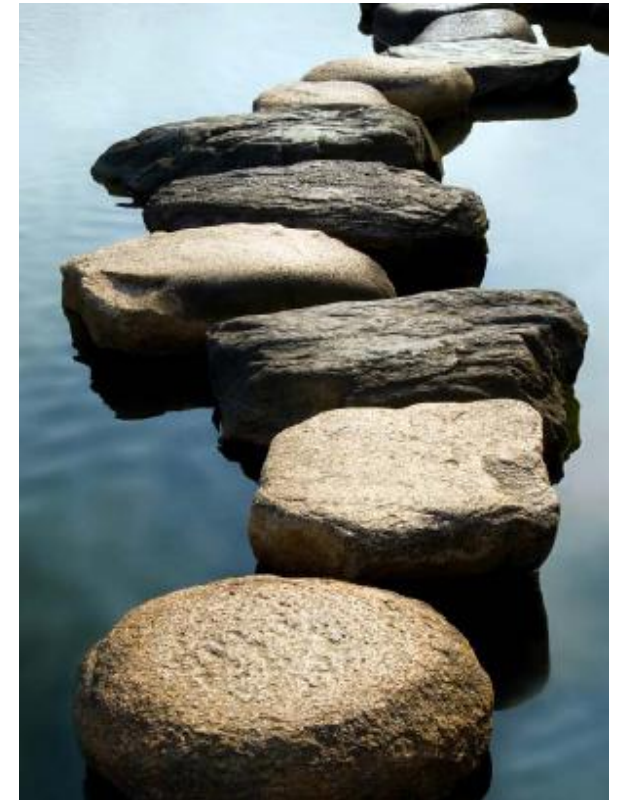


Next steps

- If you are interested in this development then please speak to a Property Consultant at The Worldwide Property Group who will explain the next step in the reservation process.

Tel: 01235-553569

Email: enquiries@w-wideproperty.com



Whilst every care has been taken to ensure the accuracy of the information contained in this document, The Worldwide Property Group does not guarantee or take responsibility for their accuracy



The Worldwide Property Group and the AIPP & FIABCI

AIPP

We are proud to be accepted as a Member of the Association of International Property Professionals (AIPP) and as such in an effort to improve the professional standards of the international property market, Members of the AIPP have voluntarily committed themselves to industry regulation.



When you see a company is a Member, it means:

- A Company has been vetted and approved.
- A Company has submitted to industry standard training.
- A Company has agreed to follow the AIPP Code of Conduct, one established to help and reassure you, the buyer, by ensuring Members follow professional guidelines.

What is the AIPP?

The AIPP has been set up to guide and to regulate the international property market and to provide quality assurance to customers. Members have signed to follow all aspects of the AIPP Code of Conduct. The work of the AIPP and that of its Members will improve the quality of the service and product delivered to the consumer when buying property overseas. It is a non-profit organisation.

In short, AIPP membership is the stamp of approval for international property companies. On our website and in all our literature, you will see the AIPP Member Logo from now on. It's a reminder to you at all times that we are following professional industry standards and working hard to deliver customer satisfaction through honesty, integrity and accountability.

You will see no difference to the quality of professional service we are already offering you. It's good to know though that the company you are dealing with has met and will continue to meet industry standards of professionalism in the international property market.

FIABCI



By being members FIABCI (The International Real Estate Federation) we have instant access to a global network of professionals in 60 countries. FIABCI is a team of experts that via education and discussion integrate to ensure businesses and clients have access to the professionals that are needed to support projects in real estate investments.

The Worldwide Property Group cannot offer financial advice and is not authorised by the Financial Services Authority to do so. Please be aware, the purchases of overseas properties are not investments which are regulated by the Financial Services Authority. All investors should seek relevant advice in relation to their personal circumstances before proceeding. The Worldwide Property Group acts as a promoter and / or introducer for third parties.