



**Foreclosure-homes.com**  
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## **EXECUTIVE OVERVIEW**

### **Market Conditions**

The local South Florida Real Estate market has been impacted severely by the housing and financial crisis and the ensuing economic recession and unemployment surge. Values are down 30 to 50% from 06 and nearly 1 in 10 homes is in mortgage default. Toward the last quarter of 09 and first quarter of 2010, however, sales have increased almost 50% to same quarter sales last year, although average sales price has continued to decline slightly.

What's more important, the buyer sentiment has changed. Good credit, good income, large down-payment buyers for the most part are no longer sitting on the fence. Cash investors have come back into the game, making the bottom range of the local inventory (now dominated by REO's and Short Sales) virtually a seller's market again where it is already typical to see homes at this position being sold in weeks for more than the asking price. The current administration has infused billions of stimulus dollars into the industry. Programs such as HAMP and HAFA continue to move the consumer at large in the right direction. FHA has waived the house "flipping" rules and so have conventional lenders at LTV's lower than 80%.

This is why the principals of [foreclosure-homes.com](http://foreclosure-homes.com); a Florida corporation with years of experience in real estate research, sales and management, strongly believe the local market has reached the bottom and it's poised for demand, increased sales and growth in the near future.

[foreclosure-homes.com](http://foreclosure-homes.com) has partnered with Weichert Realtors - International Group, a team of professionals with over 40 years in the industry, to provide cash investors the safest and most comprehensive solutions for acquisition, rental, resale and portfolio build up available.

### **Market Niche**

The field of county court auctions has been left largely unexplored by investors due to relative high risk, a high stress environment, lack of experience, lack of knowledge and the control of special interests around the operating bodies.

The truth is that a court auction has a curative effect on the title of any property by wiping out 2<sup>nd</sup> or lower position lien holders. What's more important, a bid done correctly from the beginning allows the property to be acquired at 50 to 75 cents on the dollar relative to current REO and Short Sale comparable sales.

[foreclosure-homes.com](http://foreclosure-homes.com) and its partners have developed, successfully tested and are currently running a systematized and safe approach that allows the investor a never before achieved level of sophistication and ease throughout the entire process, including customized pre-screening reports, field inspections, bid recommendations and execution, and the appropriate exit strategy depending on investor preferences. Never before has the investor enjoyed the combined experience, legal counsel, and state licensing elements presented here.



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## Proposal

[foreclosure-homes.com](http://foreclosure-homes.com) and its partners are seeking cash investors interested in acquiring properties in the county court auctions and facilitating the flipping, necessary repairs, property management or portfolio levels as directed by the investor. Through its data systems, disciplined approach, exclusive sources of information and a skilled staff of professionals it constantly achieves successful transactions, from acquisition to resale at a gross margin of 25 to 30% and a net ROI of 10 to 15% monthly!

[foreclosure-homes.com](http://foreclosure-homes.com) is willing to provide its services separately for a fee or customize a desirable package in a profit sharing basis depending on individual investor needs.

## Services

- ✓ Customized search reports of upcoming auctions based on specific given metrics such as property type, size, geographic area, etc.
- ✓ Pre-Auction title research of selected properties including HOA dues, Property taxes, current liens, Plaintiff final judgment amount, etc.
- ✓ Pre-Auction Marketing analysis including current competing comps, recent closed comps with days-on-market, rental analysis and more.
- ✓ Field inspection of the asset to establish occupancy, general physical condition of the property, local area assessment and marketability
- ✓ Complete financial statement of preliminary income and expenses of the entire transaction with net gains, ROI% and timeframe.
- ✓ Escrow management and accounting of all funds.
- ✓ Bid recommendation and bid execution
- ✓ Optional full lien search of the property
- ✓ Optional legal advice and access to staff attorneys
- ✓ Optional clean-out and lock-out services
- ✓ Optional eviction services
- ✓ Complete resale of the property to end users at top dollar in minimal timeframe including marketing, contract negotiation, transaction coordination, financing and title closing services through our in-house real estate partners.



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### Benefits

- ✓ The ability to acquire properties with minimal risk at 25 to 50% under the current REO/Short Sale values for immediate resale or portfolio management and rental.
- ✓ The ability to be represented by licensed and experienced professionals in a highly specialized field and up to now controlled by special interests.
- ✓ Complete research, analyses and reports that provide the entire financial picture of the transaction before the investor funds any part of it.
- ✓ Legal advice and legal representation as needed.

### Minimal risk of loss

- ✓ No risk of loss whatsoever and no expense incurred by the investor before placing a bid
- ✓ No risk and no expense if investor is not a successful high bidder
- ✓ Prior agreement to and issuance of a mortgage instrument upon successful high bid as needed will secure the interest of the investor throughout the life of the transaction
- ✓ Minimal risk upon acquisition since the court auction effectively wipes out any 2<sup>nd</sup> or lower position liens from title and pre-auction reports will identify any other potential pitfalls prior to funding the bid
- ✓ Minimal risk of delay in the process since field inspection will ensure property is not occupied (subject to the appropriate investor strategy) and provide real time images of the condition of the property for investor assessment prior to funding.
- ✓ Minimal risk of low gains since a complete financial report is presented in pre-auction and market conditions would not likely change during the life of the transaction give the gross margins and buyer demand.



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## Summary

With the advent of information technology and the combined market elements of the local real estate market, [foreclosure-homes.com](http://foreclosure-homes.com) and its partners believe there is a tremendous opportunity for cash investors to participate in a professional, safe and very lucrative operation that will ensure sizable revenues as well as solidify business relationship of mutual growth for years to come.

## Noteworthy

### [House flipping or "condo arbitrage?"](#)



Miami's newest real estate trend is so-called "condo arbitrage," quick flipping of bulk deals

A recent situation where a buyer purchased 19 units in a Miami condo, then sold them in 20 minutes for a \$200,000 profit may not be house flipping per se, but it is a trend Condo Vultures calls "condo arbitrage." There have been multiple examples in recent weeks of similar quick-flipping of bulk purchases of condos, and could be a sign the market is bottoming out. Many of the purchases are now in cash, and could be due in some part to the Federal Housing Agency's lifting of the ban on using FHA-insured mortgages to buy homes that had been sold less than 90 days before. [Housing Watch]

[Foreclosure Activity Increases 7 Percent in First Quarter 2010 According to RealtyTrac U.S. Foreclosure Market Report](#)



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RISMEDIA, April 15, 2010—RealtyTrac, a leading online marketplace for foreclosure properties released its U.S. Foreclosure Market Report for Q1 2010, which shows that foreclosure filings—default notices, scheduled auctions and bank repossessions—were reported on 932,234 properties in the first quarter, a 7% increase from the previous quarter and a 16% increase from the first quarter of 2009. One in every 138 U.S. housing units received a foreclosure filing during the quarter.

Foreclosure filings were reported on 367,056 properties in March, an increase of nearly 19% from the previous month, an increase of nearly 8% from March 2009 and the highest monthly total since RealtyTrac began issuing its report in January 2005.

#### [Investor Interest in Real Estate Triples in 12 Months](#)



RISMEDIA, April 16, 2010—According to a new Move, Inc., survey, interest in real estate as an investment has more than tripled in the past year. In fact, 17.2% of potential home buyers today say they plan to purchase a home in the near future as an investment compared to just 5.6% in March 2009.

The survey also found just over ten percent (12.3%) of Americans planning to purchase investment property in the near future say they will pay for the property using 100% cash, and 12.8% will use cash for more than 50% of the purchase price and finance the rest. Almost half (49.2%) say they will buy the property with less than 50% cash down and finance the remainder. The U.S. Census Bureau reported that one in three U.S. homes are owned free and clear, without a mortgage.