# We Can Help You Build, Grow & Maintain Your Portfolio



## Carod Properties

REAL ESTATE BROKERAGE REAL ESTATE INVESTMENTS
REAL ESTATE MANAGEMENT



## About Carod Properties

Carod Properties is Charlotte's premier Real Estate and Property Management Firm. Our Brokers are licensed in North Carolina and South Carolina. Our goal is to provide professionalism in the spirit of excellence through our determination in providing outstanding customer satisfaction.

We offer a full range of real estate investment and property management services that can be tailored to each investor's specific needs. Our extensive portfolio consists of single family homes, townhouses, condos, apartments, and commercial properties.

Carod Properties gives you the peace of mind of knowing that your properties are being professionally managed by experts that have the same goal as you - to maximize the profit of your real estate investment.

Ask us about our Free Investment Property Analysis. You'll receive: Comparative Analysis of the Rental Market, Current Trends, Cash Flow Analysis, and Property Management Needs.

Whether you are a new investor or a seasoned investor looking to grow or maintain your portfolio, we can help. We look forward to putting our investment expertise to work for you!

## Investment Services

#### **Build & Grow Your Portfolio**

With our extensive experience in investment properties, we know where and what to look for in properties to provide the best return on your investment. We can help you find an investment property that meets all of your investment criteria and guide you on the best route to take to reach your goals.

#### **Acquisitions & Sales**

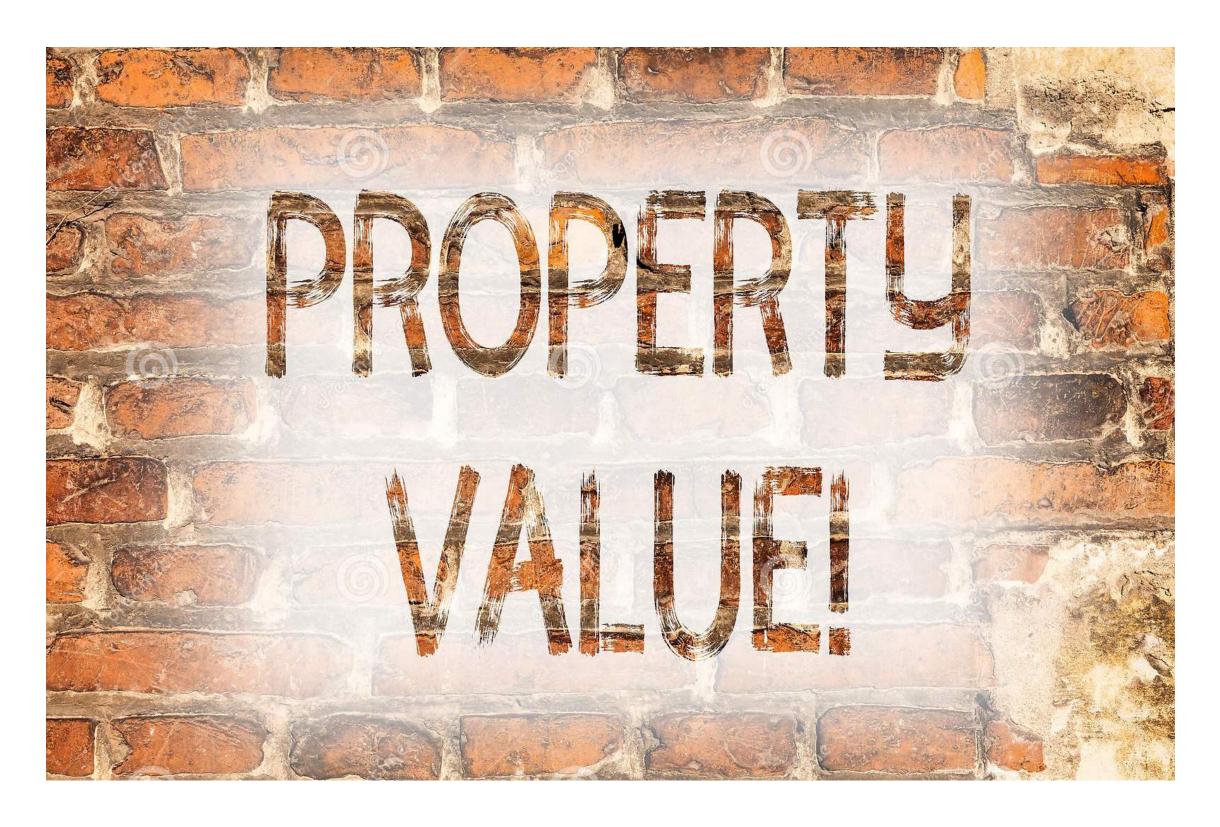
We provide all of the data, analytics, and guidance you need to make informed decisions. We understand the competitive market and real estate trends and will help you make the most profitable choices. Whether you are looking to acquire an investment property or sell one, we can help.

### Investment Property Analysis

Our Investment Property Analysis will provide you with a Comparative Analysis of the Rental Market, Current Trends, a Cash Flow Analysis, and Property Management Needs.

#### Management

Our #1 goal is to maximize your ROI. Carod Properties' complete array of services make it easy for investors to sit back and enjoy the income generated from their investment properties without having to worry. Our clients have greater peace of mind knowing that their properties are being taken care of by our superior team.



#### **Evaluating An Investment Property**

#### Knowledge Is Powerful!

Your real estate portfolio hinges on one simple aspect: the numbers. These numbers are the foundation to any real estate investment. They provide transparency and can help you make the decisions that will get you closer to your investment goals. Your portfolio should be comprised of each of your investments broken down by the various numbers.

#### Return On Investment (ROI)

How do you know if you are getting a good return on your real estate investment? Calculating the return on investment (ROI) on your income property is critical to knowing how your investment is performing, or when comparing one investment to another. In order to successfully decide whether a property is worth buying, an investor must run the numbers to calculate two types of returns: Cash-on-Cash Return on Investment, and Total Return on Investment.

#### Cash on Cash Return on Investment

The cash on cash (COC) return on investment is the before-tax cash flow (BTCF) divided by your initial cash investment. The formula looks like this:

## Cash on Cash Return on Investment = BTCF / Initial Cash Investment

Your before-tax cash flow is calculated by subtracting your annual mortgage payment from your Net Operating Income (NOI). The net operating income is simply the property's total income minus its total operating expenses. (Note that mortgage payments are not part of operating expenses.)

#### Total Return on Investment

The total return on investment (TROI) provides a better and more complete measure of a property's financial performance. That's because it factors in amortization and appreciation gained over time.

## Total ROI = (BTCF + Net Sales Proceeds - Initial Cash Investment) / Initial Cash Investment

In order to calculate the total return on investment, one must project the BTCF for each year of expected ownership as well as the net sales proceeds from the sale of the property.

#### **Capitalization Rate**

The Capitalization Rate (known as "Cap Rate") is used to compare an income property with other similar income properties. It can also be used to place a value on a property based on the income it generates. The Cap Rate is calculated

by taking the property's net operating income (NOI) and dividing it by the property's fair market value (FMV). The higher the Cap Rate, the better the property's income and market value. The Cap Rate is calculated as follows:

#### Capitalization Rate = Net Operating Income / Market Value

The Cap Rate merely represents the projected return for one year as if the property was bought without financing ("all cash"). But since we don't normally buy property using all cash we would use other measures, such as the cash-on-cash return, to evaluate a property's financial performance.

#### Rent-to-Value Ratio

The Rent-to-Value (R/V) Ratio provides a quick measure of a property's cash-flow and income potential. It is conceptually similar to the Price-to-Earnings ratio used to determine whether common stocks are over- or under-valued. Our opinion is that an R/V ratio of 0.7% is a minimum with an ideal number closer to 1.0%. Obviously, the higher the better!

The R/V ratio is calculated by dividing the gross monthly rental income into the current fair market value of the property. For example, a property that's worth \$100,000 today and rents for \$1,000 per month would have an R/V ratio of 1.0%.

We use the R/V ratio to quickly evaluate every single property we look at before we consider doing further due diligence on it. It is one of our many "rules of thumb" to quickly screen for potentially good properties.

## Building Your Portfolio

Whether you are a first time investor or a new investor just starting out, Carod Properties is here to guide you.

With our extensive experience in investment properties, we know where and what to look for in properties that will provide the best return on the investment. We can help you find an investment property that meets all of your investment criteria and guide you on the best route to take to reach your goals.

The first things that need to be determined are your investment goals and your financial plan. The next step is to formulate a strategy.

The factors to be considered before purchasing a residential rental property are: Location, Rentability, Expenses, and Appreciation. These are the main considerations, of course, you'll be looking at the age of the property, expected repairs over time and any necessary improvements as well.

After we have found potential properties for you to purchase, we will run a Comparative Market Analysis, take close look at the expenses that would be incurred, and then negotiate a deal that works for you.

Your investment goals are our priority!





## Growing Your Portfolio

Carod Properties is here to help you with all of your real estate investment needs and that includes strategically helping you to grow your portfolio!

If you already own an investment Real Estate property and are interested in the idea of growing a portfolio, there are a few key tips to keep in mind for success.

Obviously, you want the best return on your investment - there are a few things you can do before buying that can help you determine the viability of an investment, such as:

- know your budget and expected investment returns
- evaluate market conditions and the best property options
- explore financing options
- determine the cash-on-cash returns
- consider a property with multiple units

It isn't enough to just find a property and purchase it. It's important to find the ideal property that will be the best addition to grow your portfolio. Finding the right location is a great place to start when considering the highest amount of potential ROI, along with the condition and price of the property.

We can keep you up to date on the status of the market, past sales in the areas that you are interested in, and the trends to keep in mind when thinking about your next property purchase.

## Maintaining Your Portfolio

When people hear the term property manager, they often visualize maintenance work, paperwork, and tenant complaints. However, a Property Manager really isn't a landlord. A Property Manager is responsible for making a rental property investment work. Our job is to plan and execute to reach the highest ROI on your investment.

It's all about a strategy to building value and then capturing that value. That is what we do!

Our management services are tailored to fit each individual investors needs. We can help with Rent Collections, Deposits, Tenant Management, Quarterly Drive Ups, Weekly Vacant Home Updates, Lawn Care and Maintenance Services, Evictions, Inspections, and much, much more!



## How Can We Help?

We are an experienced team that understands the individualized needs of our clients and how to maximize the efficiency and value of each investment property.

Whether you're looking to purchase, sale or would like to enlist the help of a dedicated property management professionals, we will provide you with incomparable service and personal attention every step of the way.

Our goal is to help you generate, maintain, and increase the value and profitability of your investment properties.

We have years of investment property experience and we would like to share that expertise with you. How can we help you reach your real estate investment goals? Remember, your goals are our goals.

Click Here For A Free Investment Property Analysis

# Give us a call today! 1-877-62-CAROD



www.carodproperties.com