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Investing in **LAND CONTRACTS**



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Land Contract facts

- Ø No maintenance costs
- Ø No property management fees to pay
- Ø Hands off, passive investment
- Ø No running costs
- Ø Title stays in your or your company's name until maturity
- Ø Minimum 15% net ROI on our program
- Ø Strong demand for home ownership in our target areas
- Ø Built in exit strategy
- Ø Secured investment strategy
- Ø Limited opportunity throughout 2010/11



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What is a Land Contract?

A land contract is a passive investment that guarantees the investor a monthly income from a high cash flow, turn-key property.

The big difference between buying a land contract and owning a typical rental property is that by owning the land contract, all your income is net – all taxes, insurance, and management fees are paid by the land contract buyer, as well as any ongoing & running costs.

This means that you, as land contract owner have no responsibility towards the upkeep of the property, or taxes, insurance, management, etc. Your LC buyer pays you every month until the land contract is paid in full.





Why Invest in Land Contracts Now?

A Land Contract or LC is a medium term investment secured by way of owning property title. LC's have been around since the 50's – it's nothing new. The use of them is determined by the property and financial markets. In the past, a resurgence of LC's was due to high mortgage interest rates and would-be home owners could never afford the repayments. Now, they've returned because people can't get a mortgage in the first place – lenders are not lending.

Whatever the reasons are that LC's are more relevant now than in others, it always tells us the same thing - owning property is still the cornerstone of the American dream. People of all walks of life want to own their own home and right now, Land Contracts present buyers with an opportunity to do just that.



How it works?

Investing in Land Contracts with us couldn't be easier. When you buy an LC with us you are firstly investing in the property whilst at the same time delivering the LC to your end buyer.

All this has been done for you by us.

Steps:

- Ø Property is acquired
- Ø Land Contract buyer is found and terms are negotiated
- Ø Purchase agreement is written
- Ø Land Contract is written
- Ø Title company is instructed
- Ø Completion takes place
- Ø **Cash flowing from day 1**



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The benefits to the Land Contract buyer

Monthly LC repayments are around 25-30% less than the average monthly rent in the same areas. This means that the LC buyer is better off financially to stay in the property for the full term of the contract, as renting would be more expensive.

No need to deal with the banks until they have been in the property long enough to have established a solid payment record. We are helping people get back into home ownership whilst they rebuild solid credit.

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Your exit strategy

Because the land contract buyer is already in place, and paying less than average rents and under the terms of the LC contract to repay there are no incentives for them to default - they are now home owners.

Your exit strategy is after 10 years (the full term of the land contract) when the LC will reach its maturity and have been repaid in full. The LC buyer will then take full ownership of the property free and clear.

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To show you exactly what profits you can make from land contracts here's a working example

Land Contract Buyer pays:

Sale Price to LC Buyer (before interest is applied :) \$50,000

Interest rate: 10%

Term: 10 years

Monthly Repayments: \$660.75

Investor Returns:

Land contract discount price to investor: \$30,000

Annual income: \$5,328

ROI (Return on Investment): 17.7% (per year)

Total Contract Value (TCV): \$79,290



No management, maintenance, refurbishment, property taxes, insurances or anything else to outlay.

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A SIGN OF CONFIDENCE IN INTERNATIONAL PROPERTY

The Association of International Property Professionals (AIPP) exists for one reason and one reason alone: to improve standards of professionalism in the international property market.

When you see that a company is a Member of the AIPP it means that they have been vetted and approved, and that they have voluntarily agreed to follow and be bound by the industry Code of Conduct.

By using AIPP Members, you get:

REASSURANCE

...that a Member must act professionally

and

RECOURSE

...to the AIPP if problems occur

The badge of membership is a reminder to you, the buyer, that a company must follow professional standards, and act with honesty, integrity and transparency.

As a Member of the AIPP, we have voluntarily committed ourselves to industry regulation. To verify our membership, to read the Code of Conduct, or to find out more about the AIPP, visit www.aipp.org.uk or www.aipp.ie.

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