



MICHIGAN
PROPERTY
PORTFOLIO

2013



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*An opportunity to invest in tenanted, fully managed residential properties in the USA, yielding a **minimum 12%** net rental income per property with potential for capital growth.*

Key features of this proposal

- The opportunity to purchase a portfolio of homes priced between \$45,000 and \$65,000 each
- Detached single family homes
- Fully refurbished and newly tenanted
- Property net rental income averages 14% of purchase price
- Guaranteed 12% net rental income per property for 2 years - **with monies held in Escrow**
- Full property management in place during the life of your investment
- Carefully chosen communities for potential capital growth
- Buy at approximately half the cost of building new
- Structure set up - new company, US bank account and tax registration (LLC formation, ITIN and EIN)
- Transparent investment process





A Buyer's Market

The residential property market in Michigan presents a rare investment opportunity: high yields combined with excellent prospects for capital growth. Each of our properties in Michigan offers a minimum 12% guaranteed net rental income for two years and exposure to a housing market that is starting to rise from post-crisis lows.

We prioritise high income over longer-term capital growth because the former is within our control, while macro-economic trends have been especially hard to predict in recent years.

Location is key: we only operate in prosperous, economically viable neighbourhoods. After targeting an area we then search on a street-by-street basis, before selecting the outstanding individual properties. This ensures our homes are desirable to potential tenants, as well as representing great value for investors.

We make sure our districts are in relative proximity to the city of Detroit, benefiting from the city's job market and infrastructure links, without being economically dependent on the city's fortunes.

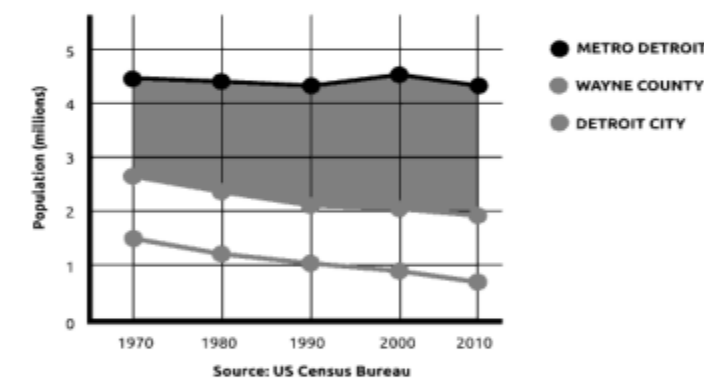
The Auto industry is a major employer in the area, with Ford, GM and Chrysler headquartered in Greater Detroit. All three recently reported strong results, gaining combined market share for the first time in 20 years. Federal and private investment in Detroit has also helped re-generate the Downtown area, attracting a number of smaller businesses. The Technology and Medical sectors are growing particularly quickly, as the city continues to diversify its economy.

From a cultural point of view, Michigan has abundant resources: well-established universities, sports teams and museums. The University of Michigan at Ann Arbor ranks in the top 20 of universities worldwide, attracting young, educated people to live and work in the local area.

The Metro Detroit Area

Detroit city is only one component of Metro Detroit (3,888 square miles), which is comprised of six counties-Lapeer, Livingston, Macomb, Oakland, St. Clair and Wayne. Time was when the fortunes of Metro Detroit were tied to those of the city. This is no longer true; many of the satellite municipalities have established independent economies and now represent a greater proportion of the Metro area's wealth than Detroit city.

This is expressed statistically in the graph below



While the population of Detroit city has declined, this rate of decline does not correlate with that of Greater Detroit as a whole. In fact, if we omit the population decline from Detroit city from the results then Metro Detroit's population would have actually increased by 24% over the given period.

This increase is a combination of people moving from Detroit city to suburban districts and a significant number of people moving from other parts of the country, attracted to job opportunities in Metro Detroit's emergent communities. The census figures show that adults between 18 and 64 account for a healthy 63% of the Oakland, Macomb and Wayne population (the suburban areas of Metro Detroit).

DISTRICT FOCUS

WARREN Macomb County

Warren (pop. 134,000) lies on the Clinton River about 7 miles (10 km) from the Lake St Clair shores which provides the mainly catholic population with parks, golf courses and water-borne leisure activities. The city is home to the General Motors Technical Centre, Chrysler, Campbell Ewald (part of a worldwide group of marketing and advertising agencies) and the US army's arsenal.



EASTPOINTE

Macomb County

Eastpointe (pop. 32,442) is famous for its summer festivals and winter events, many centred on the John F Kennedy Memorial Park. It boasts the best fresh water boating in the area. Its neighbours are the fashionable Grosse Pointe and St Clair shores. Lake St Clair is just 5 miles (8Km) to the east. It is proud of its educational facilities that stretch from pre-school through to adult colleges. Commercially, it is more of a resort than a city.



Pockets of opportunity

The statistics paint with a broad brush; some places have fared better than others;

properties in some areas are on the way to recovery, others are not. We have researched the areas where the pockets of opportunity still exist: Warren, Southfield, Eastpointe, Redford, North Rosedale, Bagley, Sherwood and University City (see map). We are also watching other promising communities.

Our search for suitable property is guided by the following:

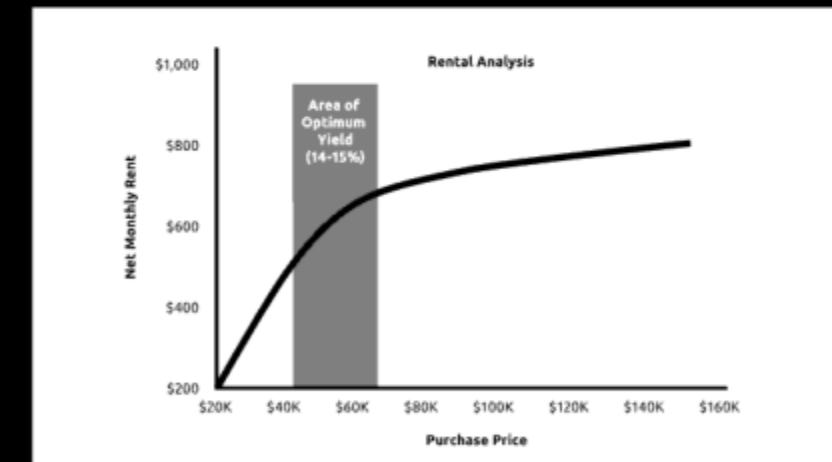
- The houses are brick built, detached and in good condition
- The properties have potential for capital growth
- The ratio of rental income to purchase price is unusually high
- There is a sustained demand for rental property
- There is a good and improving infrastructure of educational, social, health and transport facilities
- There is an expanding commercial/ industrial environment offering well-paid jobs.

This map shows areas where these criteria can be met.

MAP OF METRO DETROIT



OPTIMUM YIELD



This graph indicates the way typical net rentals rise fastest on properties worth up to \$65,000 and then flatten out. Below \$40,000, the properties are expensive in relation to the cost of refurbishment and stability of tenancy. The average optimum yield on properties worth between \$45,000 to \$65,000 is between 14-15% sometimes more.

Quality Assurance

When we find a suitable property, we seize the opportunity to buy, make whatever reparations are necessary and let it to people of good standing. This is your assurance of value and our commitment.

We sell the house tenanted, in good condition and fully refurbished at a price that provides the buyer with a first class investment.

We will also continue to look after your interests during the whole period of ownership and will even help you with an exit strategy when required.

The Investment Process

Clarify and transparency are the hallmarks of our business.

We will answer your questions with candour and make arrangements for you to visit the properties if you wish.



The investment process is divided as follows:

PRE-PURCHASE

PROPOSAL: We suggest a portfolio of properties that approximate in value your intended investment. We encourage you to consider this carefully.

RESERVATION: If you are satisfied, you complete a Reservation Form (see pocket inside the back page).

AGREEMENT: Within a few days of your reservation, you will be sent a standard US Purchase Agreement form.

SCHEDULE AND TRANSFER OF FUNDS:

Your US attorney or Title Company will send you a scheduled date for the completion of each property in your portfolio known as Closing Dates. These documents must be signed and returned to the attorney or the Title Company in the USA as soon as possible. The total amount of your funds must clear before the earliest closing date. Note that penalty charges may be incurred for late clearance.

POST-PURCHASE

CONTRACT: Once the funds have cleared, we will assign ownership of the properties to you. The attorney will record the deeds with the city's administrative offices and a copy of the deeds sent to you for safekeeping.

APPOINTMENTS: After purchase, Real Time Investments will, on your behalf, undertake:

- Instruction of a Property Management company
- The appointment of a Portfolio Manager
- The appointment of Power of Attorney for building insurance purposes
- Accountancy services as required.

Your post-purchase pack will contain full details of the above and other essential information.

COLLECTION OF RENT: The rent will be collected on a monthly basis and the net amount (see page 10) distributed monthly or quarterly.

NORTH ROSEDALE

Wayne County

North Rosedale (pop. 3,380) is part of the Rosedale Park Historic District, a tree-laden neighbourhood of great charm. It is noted for the Englishness of its architectural styles and street names. The quality of house building together with its strong community spirit made it impervious to the troubled times experienced by some of Detroit's southern suburbs. Apart from good shops and local offices, North Rosedale is a mature, safe, residential area.



SOUTHFIELD

Oakland County

Southfield (pop. 71,739) is principally an upmarket business area whose daytime population soars to 175,000. It is visually expressed by the Golden Triangle, a cluster of five contemporary golden skyscrapers providing over 2 million sq ft of offices. It is also one of the most desirable residential communities with a nationally recognised education system, a byword for cosmopolitan entertainment and 770 acres of parkland.



Our rental guarantee

Our rental guarantee covers the net rent obtained from each property in your portfolio and for two years

from purchase. If your net rental income per property exceeds our guaranteed 12%, you will keep the surplus. That is, the rental guarantee does not limit the actual yield on any property in your portfolio.

Net rental income is what remains after property management fees, property tax and buildings insurance has been deducted from the gross rent (see table opposite). Any costs of maintenance for a property in your portfolio (labour, parts and materials) are **not** included. The net rental income is adjusted annually to take account of changes in property tax and insurance rates.

The rental guarantee period provides a level of reassurance that your income is safe while you get to know the characteristics of the US property market. It covers both foreseen and unforeseen eventualities the most common of which is the dead period and costs incurred of a change in tenancy.

After two years, we will continue to look after your investment with due diligence and always keep you informed by email and through your secure on-line portal.

Purchase example based on ten properties

PURCHASES (one time costs)		\$
Purchase price of ten portfolio properties		500,000
Legal fees		4,500
Company formation, ITIN ¹ registration and associated costs		600
Title insurance		4,000
Other costs		2,500
TOTAL		511,600

Property taxes for the portfolio are paid in advance and hence an allowance to pay the prorated amount will need be added on the closing statement

¹ ITIN - Individual Taxpayer Identification Number required by the IRS

REVENUE		Monthly (\$)	Annually (\$)
The NET rent is equal to the GROSS rent less: Property management fees, building insurance and property tax ²			
GROSS RENT		9,000	108,000
Less: Property Management		720	8,640
Property Taxes ²		1,667	20,000
Buildings Insurance		563	6,750
NET INCOME		6,050	72,610

NOTE: All utility bills are paid by the tenants

² Although Property Taxes are paid in advance, we include it to arrive at a valid net rental figure for the relevant tax year.

HOW DOES THE GUARANTEE WORK?		\$	\$	\$
Suppose:	net annual rental income is	Unlikely ³ (11%)	Guaranteed (12%)	Expected (14%)
	Equivalent to	55,000	60,000	72,610
	Guaranteed supplement	5,000	-	-
Total rental income retained		60,000	60,000	72,610

³ For example, in the event of one property being vacant for a short period.

Management

Good management of the property is essential and we have a first class team who keep you updated on a daily basis. Its remit is as follows:

- Make regular external inspections to ensure the property and its grounds are in good condition
- Ensure that the tenants are still in residence and report any irregularities
- Make regular internal inspections to ensure the fabric of the buildings remain in good condition
- Respond to emergency call outs from the tenants
- Attend to any repairs and/or replacements necessary.

If there is a change in tenant, an immediate search for a new tenant will be initiated. The loss of rent and the costs of finding a new tenant are protected by our guarantee. The cost of repairs and dilapidations are, as specified earlier, not covered.

Collection of rent

Our administrative team will be responsible for the monthly rent collection and the bookkeeping. Your secure on-line portal will keep you up to date.

Changes of tenancy, defaulting tenants and other problems will be dealt with immediately to ensure that any income disruption is minimized. The 12% guarantee protects you from these eventualities for the first two years. US law is also firmly on the side of the owner in the case of tenants defaulting on payments.

Personal tax

The personal tax position will vary depending on your status and country of residence. For example, if you are investing as an individual or as a corporate entity. The US has reciprocal tax agreements with most countries so that the tax taken by the US is credited against your personal tax liability in your country of residence.

As a foreign investor you only get taxed on your income earned and assets held in the USA. It does not apply to any income earned or assets held outside the USA unless you are a US citizen.

We can provide general advice and introduce you to specialists who can help.

Escrow account

When we create a portfolio for a client an Escrow account is opened for that portfolio in the name of the investor and a sum deposited by Real Time Investments to the value of 12% of the purchase price of each property. Your account is reviewed after 12 months and any shortfall in the actual net rental income is made up to 12% from the Escrow account.

REDFORD Wayne County

Redford (pop. 51,622) is the arguably the prettiest suburb of Metro Detroit. The Rouge River meanders through it fringed by parkland, a stunning display of colour in the fall. It is said Redford reflects the face of America: a population of all ages, races and religious backgrounds. It is a residential area providing a workforce for the surrounding commercial and industrial enterprises.



Portfolio examples



Clockwise from top left: Bagley, 3 bedrooms. North Rosedale Park 3 bed rooms. Redford, 3 bedrooms. Eastpointe, 4 bedrooms. Redford 3 bedrooms. Southfield 3 bedrooms.

Access to Information

Investors will have their own secure on-line portal. Your Portfolio Manager will keep you up to date with information about your investment on a regular basis.

This will include:

- Monthly accounts showing income and outgoings
- Cash flow reports
- Reports on tenancies, dilapidations, emergency call outs, repairs and other costs
- A two-way messaging service
- Archived documents (e.g. management and tenancy agreements)

Of course you are always welcome to phone the UK or USA teams. Details are on the back page.

SHERWOOD FOREST

Wayne County

Sherwood Forest (*pop. 1,100*) has been a part of Wayne County's heritage since 1917. The neighbourhood is known for its architecturally distinctive homes, its quiet, winding streets, Sunday jazz in Sherwood Park, its convenient city location and its talented residents. The quality of the village is strictly monitored by the Sherwood Forest Association resulting in being named a Detroit Historic District in 2002.



UNIVERSITY DISTRICT

Wayne County

University District (*pop. 71,739*) lies next to the Detroit Mercy University and the prestigious 36-hole Detroit Golf Club. Although most of the houses are Tudor in style, they range from Italianate and Queen Anne to Spanish Mission and Art Moderne, all part of the golden age of housing when craftsmen worked with the best materials. Turkel House (right), just inside the University District, is a Frank Lloyd Wright showpiece.



Real Time Investments

R

Real Time Investments is a property investment company focused on residential housing in the USA.

We have been operating in this market since 2008.

Our specialist teams in the US are responsible for sourcing investment opportunities and maintaining the properties in our care and on your behalf. We also have affiliated US legal and tax experts who make the investment process as simple as possible.

Our objective: to deliver actual returns.

We own all of the properties on our books, ensuring they are income-generative before selling them to investors.

There is little that is predictable about financial markets at present. That's why we aim to lock-in present value, securing steady, high yielding sources of income for our international clients. You have access to any financial information about your investment at any time through your own secure on-line portal. Our commitment to you extends throughout the term of your ownership and for each of the properties in your portfolio.

The next step

P

Property prices have bottomed out and are now starting to rise, while the rental market is buoyant:

a true buyer's market. If you are interested in making an investment at this time please do contact a member of our team.

We will be on hand to answer any questions and can create a prospective portfolio of properties for your consideration.

See back page for contact details.

DISTRICT
FOCUS

BAGLEY *Wayne County*

Bagley (pop. 41,167) is a quiet residential area for people who work in the surrounding industrial and commercial areas. It is conveniently located for public transport to the principal city areas. An active community council encourages the local population to enjoy the many facilities of Bagley and provides scholarships to graduating residents to good local schools and colleges.



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