



# USA PROPERTY PORTFOLIO

Opportunities for affordable, cashflow property investments  
in Charlotte, North Carolina, USA



March, 2008



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# 1. THE OPPORTUNITY IN USA PROPERTY

## 1.1 VALUE, CURRENCY AND CASHFLOW ADVANTAGES

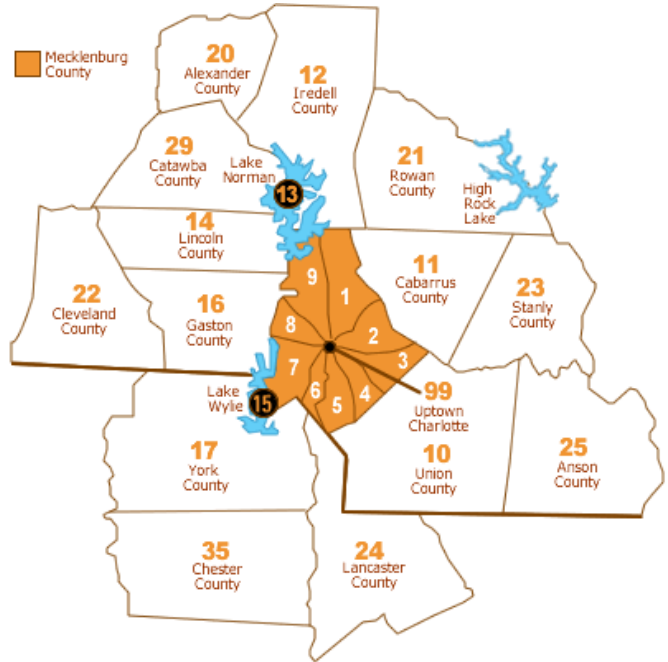
- In 2008, the USA is a **challenging market** for property investors.
- For **sellers**, the issues of oversupply, the global credit crunch and lower levels of consumer confidence have resulted in falling prices, higher supply, lower demand and tightening mortgage availability.
- However, for **buyers**, there are some positives – lower interest rates, lower purchase prices, higher rental yields, and more availability.
- These changes in the market offer opportunities for:
  - **value investors** who are looking to purchase assets that have been intrinsically undervalued due to the market's current swings of sentiment;
  - **foreign investors** whose currency has strengthened against the dollar;
  - and income-oriented investors, where falling prices, foreclosures and willing sellers provide a supply of properties producing **positive cashflow**.
- Neither is the USA one large, homogenous market. Different cities and states are at **different stages of the property cycle**; and local economic, population factors mean some markets are better positioned than others to take advantage as the national picture improves.
- BuySide has identified **Charlotte in North Carolina** as a city which:
  - provides affordable levels of housing;
  - can supply a steady flow of lower priced properties for purchase;
  - is one of the very few cities where prices continued to rise in 2007;
  - has a strong local economy and job growth;
  - attracts high levels of net immigration;
  - and has avoided the highs and lows of the US property market.
- As a result, BuySide has launched the **USA PROPERTY PORTFOLIO** – a way to access the USA property market with local guidance and a one-stop-shop approach geared to the needs of Irish property investors.



## 2. INVESTMENT STRATEGY FOR CHARLOTTE

### 2.1 LOW COST PROPERTIES PROVIDE CASHFLOW OPPORTUNITIES

- Charlotte provides buyers the opportunity to invest in affordable property and achieve **capital appreciation over the medium-long term** (5-7 years) through investment in properties that have sufficient cashflow to be cash-positive over the term of ownership.
- In particular, Charlotte has areas of small, existing, single family home properties within a **3 mile radius of the city centre**.
- These properties are income producing properties which offer excellent opportunities for investment at present due to their **ability to cashflow** in the short term, while appreciating in value at above-average due to their proximity to the city centre. Gross rental yields of 8%-12% are possible.
- Charlotte is a city of neighbourhoods. The best opportunities lie in lower income **neighbourhoods within close proximity** of the city centre. These are being regenerated and values have the potential to rise above average in the next few years, as the city changes due to rising incomes, an influx in population and more jobs.
- In order to gain swift, expert access to the market, BuySide has partnered with local company **City View Capital, LLC**. Using the principals' combined 50 years' experience and their knowledge of Charlotte neighbourhoods and streets, City View will provide a one stop shop service covering procurement, sales negotiation, contracts, legal, mortgages, property refurbishment, letting and property management and resales. City View Capital will source the properties direct from home owners and through its extensive network of established sellers.
- To participate**, buyers will need to put themselves firstly in a position to be able to buy these properties, through having a US bank account, a tax ID number and funds in the US bank account to be able to pay for deposits, closing costs, appraisal, inspections etc. Once buyers are able to buy, they can then choose individual properties.



## 2.2 EXAMPLE OF CURRENT OPPORTUNITIES

### Property 1



<b>Price:</b>	\$58,000
<b>Address:</b>	822 Cantwell, Charlotte 28208
<b>Description:</b>	Fully rehabbed, rent ready property on huge lot, on emerging West Side and close to Downtown.
<b>Property Type:</b>	Single Family Home
<b>Lot Size:</b>	0.330 acres
<b>Estimated Monthly Rent:</b>	\$600
<b>Annual Property Tax:</b>	\$536
<b>Other Features:</b>	Appraised at \$74,000

### Property 2



<b>Price:</b>	\$57,000
<b>Address:</b>	319 Goff Street, Charlotte 28208
<b>Description:</b>	Rent ready, 2 bedroom / 1 bath property in emerging West Side of Charlotte.
<b>Property Type:</b>	Single Family Home
<b>Lot Size:</b>	0.187 acre
<b>Heating Type:</b>	Baseboard
<b>Estimated Monthly Rent:</b>	\$595
<b>Annual Property Tax:</b>	\$612



## Property 3



**Price:** \$69,000  
**Address:** 2400 Rachel Street, Charlotte, NC  
**Description:** 2 bedrooms / 1 bath in Druids Hills neighbourhood. ALREADY RENTED

**Property Type:** Single Family Home  
**Lot Size:** 0.18 acres  
**Size:** 1,600 sq ft approx.  
**Year Built:** 1963  
**Tenanted:** Yes  
**Monthly Rent:** \$700  
**Annual Property Tax:** \$582

## Property 4



**Price:** \$61,000  
**Address:** 4212 Anita Court, Charlotte  
**Description:** Close to retail and Interstate. Solid brick exterior on this 3 bedroom brick home. Tenants already in place paying \$600 per month.

**Property Type:** Single Family Home  
**Lot Size:** 0.25 acres  
**Year Built:** 1962  
**Tenanted:** Yes  
**Monthly Rent:** \$600  
**Annual Property Tax:** \$822 per annum

## 2.3 CASHFLOW EXAMPLE

### Property 3



<b><u>PURCHASE COSTS</u></b>	
Price:	\$69,000.00
Completion Costs (4%: appraisal, inspection, legal)	\$2,760.00
<b>Total Purchase Costs</b>	<b>\$71,760.00</b>

<b><u>OPERATING CASHFLOW</u></b>	
<b><u>Income</u></b>	<b><u>Per annum</u></b>
Rent (\$700 per month):	\$8,400
Void / Vacancy (1 month)	\$700
<b>Annual Cash In</b>	<b>\$7,700</b>
<b><u>Costs of Operating</u></b>	
Annual Insurance Cost	\$420
Annual Property Tax	\$582
Annual Repairs Budget	\$500
Rent / Management Fee (10% of rent;)	\$840
<b>Annual Cash Out</b>	<b>\$2,342</b>
<b><u>Net Income (before borrowing)</u></b>	<b>\$5,358</b>
<b><u>Borrowing Costs</u></b>	
(75% mortgage of \$51,750, 30 year @ 7.5%, repayment and interest*)	\$4,342
<b><u>Net Income (after borrowing) = POSITIVE CASHFLOW</u></b>	<b>\$1,016</b>

<b><u>INVESTMENT INDICATORS</u></b>	
Gross Rental Yield ( <i>before</i> completion costs)	12.17%
Gross Rental Yield ( <i>after</i> completion costs)	11.71%
Net Rental Yield ( <i>before</i> borrowing costs)	7.77%
Net Rental Yield ( <i>after</i> borrowing costs)	1.47%

\* Source: www.bankrate.com

## 2.4 CASE STUDY

### Property:

- Residential Rehab House in Plaza Midwood area on Belvedere Street in Charlotte, NC.
- Approximately 1000 sq ft with 3 Bedrooms / 1 Bath.
- The house on Belvedere Street was a one-story single family residential dwelling. It was purchased on March 1, 2005 for \$235,000 and rented out for \$900 per month. The house was originally built in 1925 and is a 1000 square feet 3 bedroom/ 1 bath unit. It is located in the Plaza Midwood area of Charlotte. This area is an older neighborhood that began transitioning in late 2000. It is now considered to be trendy, artistic and desirable. One additional plus to this area is its close proximity to Uptown Charlotte as it is less than 5 miles away. This property did not require rehab repairs.



### Investment Summary:

- Purchased March 2005: \$235,000
- Rented for 23 months at \$900 per month
- Sold March 2007: \$295,000
- Gross Return on Investment ( 23 months ): \$80,700



# 3. WHY THE CHARLOTTE PROPERTY MARKET?

## 3.1 CHARLOTTE IS A STABLE HOUSING MARKET

- If you had to summarise the Charlotte property market, the words “steady”, “undervalued” and “**counter-cyclical**” would come to mind.
- Charlotte has bucked the national trend. While other markets have moved from boom to bust, Charlotte has retained **steady growth** throughout. The property market did not experience the housing boom between 2001-2006 as spectacularly as in other cities, as Charlotte emerged from the last recession later than most of the country for various reasons, including the lagging technology, aviation and energy industries.
- There is **no single secret** to Charlotte’s success. With a strong local economy, employment growth and moderate house prices which never ballooned out of sight during the boom years, there is still demand from buyers. The influx of residents to the area has provided a boom to the area’s real estate market. While other cities struggle with expansion and real estate pricing fluctuations, Charlotte enjoyed one of the lowest office vacancy rates in history and the lowest in the United States in 2007. In summary, Charlotte remained in 2007 as one of the few markets in the US to: gain value in property appreciation, gain population, and see the unemployment level drop.

## 3.2 PRICES IN CHARLOTTE ARE AFFORDABLE

- Charlotte is one of the **most affordable** cities in the USA. In a study of 25 US cities, Charlotte was found to have the most third affordable real estate on a cost per sq ft basis<sup>1</sup>. A recent 28 day average was \$92.64 per sq foot.
- A comparison with other investment locations shows that Charlotte is 40% the price of New York and 78% of Chicago.

**Chart: Median Sales Price of Existing Single-Family Homes for Metropolitan Areas**

Area	2005	2006	2007
US National Average	\$219,000	\$221,900	\$217,800
<b>Charlotte MSA</b>	<b>\$197,000</b>	<b>\$212,400</b>	<b>\$215,400</b>
New York MSA	\$495,200	\$539,400	\$540,300
Chicago MSA	\$264,200	\$273,500	\$276,600

• Source: National Association Of Realtors, Feb 14, 2008: End Q4, 2007 Figures

- Like other US cities, Charlotte has its fair share of distressed, foreclosure and vacant properties which can be purchased at **below their appraised value**.

<sup>1</sup> Radar Logic



### 3.3 PRICE GROWTH OUTPERFORMS OTHER CITY MARKETS IN 2007

- Charlotte has **outperformed** many other “popular” US property markets in 2007. As the chart shows, Charlotte prices have risen much more substantially than in New York or Chicago:

**Chart: 2007 % Price Changes in US Metropolitan Statistics Areas**

Year	Quarter	Charlotte MSA	New York MSA	Chicago MSA
2007	4	6.08%	0.85%	1.62%
2007	3	8.20%	1.95%	2.32%
2007	2	9.11%	3.16%	3.60%
2007	1	8.77%	4.36%	4.88%

\* Source: Office of Federal Housing Enterprise and Oversight (OFHEO), Q4, 2007

- In the last year, Charlotte has defied national home price figure of a decline in house prices of -8.9%. The *S&P/Case-Shiller Home Price Indices*, one of the leading measures of U.S. home prices, showed Charlotte as the MSA with the **highest levels of price growth** in 2007 – and one of only 3 MSAs to experience positive annual growth rates:

**Chart: 2007 % Price Changes in US Metropolitan Statistics Areas**

Area	2007 Q4 Level	1-Year Change (%)
U.S. National Index	170.64	-8.9%
Metropolitan Area	December 2007 Level	1-Year Change %
Atlanta	129.43	-3.4%
Boston	164.59	-3.4%
<b>Charlotte</b>	<b>131.90</b>	<b>2.3%</b>
Chicago	160.03	-4.5%
Cleveland	112.07	-6.3%
Dallas	120.77	-2.4%
Denver	130.98	-4.5%
Detroit	103.30	-13.6%
Las Vegas	196.05	-15.6%
Los Angeles	233.03	-13.7%
Miami	231.71	-17.5%
Minneapolis	155.37	-8.0%
New York	201.80	-5.6%
Phoenix	187.67	-15.3%
<b>Portland</b>	<b>182.47</b>	<b>1.2%</b>
San Diego	202.45	-15.0%
San Francisco	189.232	-10.8%
<b>Seattle</b>	<b>184.88</b>	<b>.5%</b>
Tampa	200.13	-13.3%
Washington	217.78	-9.4%

\* Source: Office of Federal Housing Enterprise and Oversight (OFHEO), Q4, 2007



### 3.4 MARKET SLOWS BUT CHARLOTTE BEST USA PERFORMER 2008

- Charlotte's **price growth** started slowing down on a month-by-month basis in August 2007 and the forecast is for a slowing market into early 2008 until the market bottoms out during the year.
- Even so, Charlotte has **outperformed the entire rest of the US market in Jan 2008**, as the Jan 2008 figures from the S&P Case-Shiller Index showed that Charlotte was the **sole** U.S. metropolitan area to record a gain in housing prices in January among the 20 markets tracked. The year-on-year price of existing single-family homes grew 1.8%, against a background of a national decline of 10.7% from a year earlier.
- The **volume of sales** in the Charlotte market is down 24% year-on-year, according to the North Carolina Association of Realtors<sup>2</sup>. However, Pending Homes Sales figures in Mecklenburg County are up in February 2008, the first time since April 2007. This mirrors the national figures, where pending home sales, which is a forward looking index, were unchanged in February<sup>3</sup>, an indication of market stabilisation.
- In **summary**, the property market is slowing down in Charlotte but it is forecast that Charlotte will have a very shallow dip before national market factors pull the local market back up again. These national factors include lower interest rates and lower prices – and local factors such as high net immigration and a strong local economy means that buyers will be more in evidence as the year continues.

### 3.5 CHARLOTTE IS LEAST OVERPRICED MARKET

- *Forbes* magazine calculated what it considers the most overpriced U.S. housing markets by estimating a "price-to-earnings" (P/E) ratio for each of the 40 largest metro areas. It used ratios similar to P/E ratios for a stock, and an affordability score based on how many residents pulling down a median income could afford to buy a property, assuming a 6 percent mortgage rate. Based on these metrics, Charlotte was the **least overpriced** in the nation:

<u>Most Overpriced Markets</u>	<u>Least Overpriced Markets</u>
1. San Diego, CA	1. Charlotte, NC
2. Miami, FL	2. Austin, TX
3. Sacramento, CA	3. Raleigh, NC
4. San Francisco, CA	4. Detroit, MI
5. Washington, D.C.	5. St. Louis, MS
6. Honolulu, HI	6. Pittsburgh, PA
7. New Jersey	7. Orlando, FL
8. Los Angeles, CA	8. Philadelphia, PA
9. Boston, MA	9. Indianapolis, IN
10. San Jose, CA	10. El Paso, TX

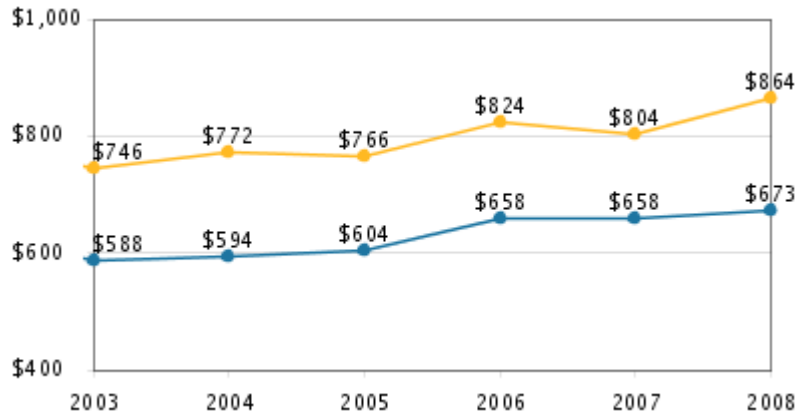
<sup>2</sup> N.C. Association of Realtors, Feb 2008 Figures

<sup>3</sup> National Association of Realtors, March 6, 2008

### 3.6 CHARLOTTE IS A STRONG RENTAL MARKET

- **Renting is popular** in Charlotte. The abundance of banking careers and Fortune 500 presences combined with a low cost of living has made Charlotte a hit with young professionals and new college grads. This lends itself to a strategy of purchasing low-cost homes and renting them as slightly higher prices can yield good cash flow.
- The **vacancy rate** in Charlotte is 9.2%<sup>4</sup>. It is forecast to move between 9%-11% in the next 18 months. To give this perspective, this compares to an all time low of 6.6% in 2000. The forces operating in the rental market include a lowering of the vacancy rate due to the inability of first time buyers to get on the property ladder, allied to an increase in the vacancy rate as more condos enter the rental market due to investors' inability to sell their buy-to-let properties. *Real Data Apartment Research* believe that in Charlotte, "there will not be as many people pushed out of homeownership in this region as much as you're going to see marginal buyers who can't afford a home forced to stay in the rental market".
- Meanwhile, **average rent amounts are rising**. *Real Data Apartment Research* information indicates that average rents jumped 4.5% last year, ranging from \$650 to \$896 for one-, two- and three-bedroom units. Average rental rates rose 4% in 2006<sup>5</sup>.

- A separate study from [www.apartmentratings.com](http://www.apartmentratings.com) indicates average rent amounts in Charlotte to be €673 for one beds and \$864 for two beds. The **forecast for 2008** is for a 2.3% rise for one beds and 7.5% for two beds<sup>6</sup>. These are of course averages; the same website cites ranges of one beds from \$653 to \$900.



- Together with lowering prices, this indicates **high gross rental yields**. With properties with price levels of \$50k - \$100k, average gross rental yields vary between 8%-12%.
- After payments for annual property taxes, insurance, utilities (e.g. water) not generally paid for by the tenant and letting/management fees, **net rental yields** are 6%-10%.

<sup>4</sup> Real Data Apartment Research, Charlotte

<sup>5</sup> Real Data Apartment Research, Charlotte

<sup>6</sup> Apartmentratings.com



## 3.7 NATIONAL FACTORS PROVIDE BENEFITS ALSO

- Irish buyers have a significant reason – **currency advantages** - for buying in the US market at present. Foreign investors can take advantage of the current weakness in the dollar against the Euro.
- Due to this, **properties priced at \$100,000** would cost:
  - €64,000 in March 2008
  - €75,000 in March 2007
  - €83,000 in March 2006
- **Interest rates** too are in decline. Since the start of 2008, the US Federal Bank has reduced rates significantly, resulting in an easing in mortgage rates. The average 30 year fixed mortgage rate for a US resident is approximately 5.5%; Irish buyers could expect to pay 1.5%-2% points above this.

## 3.7 WHAT MEDIA SAY ABOUT CHARLOTTE PROPERTY MARKET

- "Newcomers to Charlotte are finding an oasis in the biggest U.S. housing slump in 16 years. Homes are still affordable because Charlotte wasn't a target of the speculative second-home buying common in Florida and California".  
*Source: Excerpts taken from Article Published on Bloomberg.com September 19<sup>th</sup> 2007*
- "You're most likely to find undervalued real estate in cities where the real estate boom was driven by sustainable factors like job growth and economic expansion—like Charlotte, NC. The city has quietly become one of America's leading financial centers"  
*Source: Forbes Online November 2007*
- "So there's big money in Charlotte. But based on price-per-square-foot numbers from Radar Logic, a New York-based real estate research firm, the city boasts the third-cheapest real estate in the country, behind Detroit and Atlanta, Ga. Detroit's woes are well worn, and Atlanta has an inventory glut and a fast rate of home construction. But Charlotte is without an inventory problem and has a dipping rate of home starts, according to NAHB.  
*Source: Forbes Online November 2007*
- "When home prices and local wages rise in tandem, you get a homeowner's dream - a 'fairly valued' market that sidesteps the dynamics of bubble and crash...This market is currently undervalued by 13%."  
*Source: Smart Money, December 2007*

# 4. ALL ABOUT CHARLOTTE, NORTH CAROLINA

## 4.1 CHARLOTTE – THE QUEEN CITY

- With the excitement of a cosmopolitan city and the ease of **Southern charm**, Charlotte presents a unique atmosphere where big city style meets down-home appeal.



## 4.2 LOCATION – THE GATEWAY TO THE SOUTH

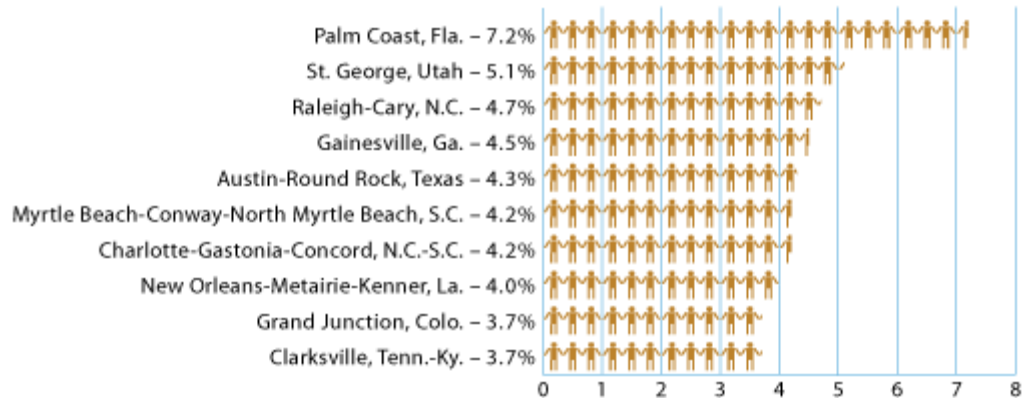
- In the Piedmont region of the Carolinas, Charlotte is located in the State of North Carolina, in **the heart of the Southeast**, two hours east of the Appalachian Mountains and three hours west of the Atlantic Ocean. New York is 631 miles to the northeast and Atlanta is 256 miles to the southwest.
- Charlotte, in **Mecklenburg County**, lies along the state's border with South Carolina to the south; the other bordering states are Virginia to the north, Tennessee to the west and Georgia to the south west.



- Charlotte is the largest city in the state. Its mid-city size population of 695,995 disguises the fact that it is also the **nation's 5<sup>th</sup> largest urban region** - Charlotte has 7.1 million people living within a 100-mile radius and is one of the major distribution centres in the Southeast. In addition, more than 60% of the country's population lives within a two hour flight of Charlotte.

- And **Charlotte is growing**. It is the 7<sup>th</sup> most popular city in the USA for immigration; the population grew 4.2% in one year. In 2008, its annual in-migration figure is forecast to be 50,000 people; by 2028, the population is expected to grow to 1.2 million; the county from 902,803 to 1.7 million; and the Metropolitan Statistics Area (MSA) from 1.7 million to 4.8 million. Currently 13,000 people live downtown in the city; by 2028, that is forecast to be 100,000.

10 Fastest-Growing U.S. Metro Areas: July 1, 2006- July 1, 2007



Source: U.S. Census Bureau, Population Estimates  
 USCENSUSBUREAU

## 4.3 RICH IN HISTORY

- Charlotte has a rich American history steeped in the discovery of gold and the pride of the Scots-Irish settlers. Settled in the 1740's, the Queen City was founded in 1769 and named for Queen Charlotte, wife of King George III of England.
- It attained city status with America's first discovery of gold in 1799 but the goldrush was short-lived and the gold prospectors moved to California. The cotton industry moved south from New England at the same time and agriculture, including tobacco, became the major revenue provider for the region up until the Civil War.
- After the Civil War, textile industries sprang to life when the city became a cotton processing center and a railroad hub. Through the success of the railroads, Charlotte became the Carolina's largest city and a Southeastern textile and distribution hub.
- The city's neighborhoods and development continued to expand with the addition of the streetcar system followed by skyscrapers, suburbs, and leading businesses. City planners like the renowned John Nolen helped to shape Charlotte's modern day suburbs like Myers Park and Dilworth.
- As businesses continued to flock to Charlotte, the city's banking industry gained real momentum in the 1970's and 1980's under the leadership of financier Hugh McColl. McColl transformed the North Carolina National Bank into the present day Bank of America. Today, it has the combination of both Bank of America and Wachovia Bank.



## 4.4 BANKING IS BACKBONE OF CHARLOTTE AS BUSINESS CENTRE

- Both companies and individuals are attracted to the thriving Charlotte region. Anchored by the **second largest banking community in the USA** and booming with economic and commercial activity, Charlotte has all the advantages of one of the most rapidly growing metropolitan areas in the nation; yet the people are warm and friendly and many areas still retain their small town flavour.
- Charlotte is first and foremost a banking city. With more than \$2 trillion in assets, it is the second largest financial center in the nation, behind only New York. 2 of the nation's largest banks, **Bank of America and Wachovia**, are headquartered here. In total, 20 banks with more than 229 local branches, as well as a Federal Reserve Branch, are located in Charlotte.
- A second component of Charlotte's success is its role as the **nation's 5<sup>th</sup> largest urban region**. As a result, Charlotte has emerged as a distribution and transportation centre for the entire urban region.
- The major manufacturing industries include as the traditional furniture and textile industries. **Newer industries** include aerospace, electronics, printing, plastics, industrial machinery and metal working industries.
- Charlotte serves as the subsidiary headquarters for many major national and international companies. 328 of the Fortune 500 companies have facilities here, **9 of which are headquartered in the Charlotte area**, ranking Charlotte 6th nationally in the number of headquartered firms.



## 4.5 MAJOR TRANSPORTATION HUB

- Getting to Charlotte is easy from anywhere in the country or world, garnering its nickname the "**International Gateway to the South**". Charlotte/Douglas International Airport, the national hub of US Airways, carries on average more than 500 flights a day. It offers non-stop service to over 120 destinations worldwide via eight major domestic airlines, two foreign flag carriers, including Lufthansa, and seven regional carriers. The airport ranks 12th nationwide in operations and 18th nationwide in total passengers moved. International travel is convenient with non-stop flights to 28 international destinations, including London, Mexico City and Munich, Germany.



- By road, Charlotte offers drivers **convenient access** to the Queen City by way of its highly efficient and growing interstate highway system. I-77 and I-85 connect Charlotte to cities in the Northeast, Southwest and Midwest. Convenient I-40, less than one hour north, provides an important east/west link with coast-to-coast access.

- The Charlotte region is also **the center of the country's largest consolidated rail system**. Two major rail systems, Norfolk Southern Railway and CSX Transportation, link 27,000 miles of rail between Charlotte and 22 eastern states. Each offers piggyback facilities combining with 484 trucking firms located here. Direct connections are provided to the Ports of Wilmington, Morehead City and Charleston. Amtrak provides daily passenger rail service to the north and south, with connections to the east/west lines accessing most of the United States, as well as its Piedmont train to Raleigh and Carolinian train to New York.



- Charlotte has a €400 million **light rail** service called The LYNX Blue Line which open in 2007, is 9.6 miles long and operates from I-485 at South Boulevard to Uptown Charlotte. With 15 stations including seven park and ride locations, the LYNX Blue Line links to dozens of bus routes. In addition, the Gold Rush rubber-wheeled trolley service offers two circulating lines in Center City.



## 4.6 WEATHER – A MODERATE CLIMATE

- Charlotte's weather is often described as **pleasant, moderate and sunny**. Frequently characterized by clear blue skies and bright sunshine, the average summer temperature is a pleasant 76°F. Unlike summers in some other Southern cities, very hot weather conditions (90° + F) usually occur only 36 days each year in Charlotte.
- In winter, only half of the winter days fall below freezing. Snow is infrequent, with an average annual accumulation of less than six inches.
- The fall in Charlotte, which extends well into November, is one of the most beautiful times of year. Spring with its array of vibrant colors runs mid-March through May. Both fall and spring seasons are relatively long and moderate, providing a slow progress before the more extreme summer and winter months. While summer brings the heaviest rainfall, March is the wettest month and November the driest.



## 4.7 RECENT AWARDS FOR CHARLOTTE

- No. 1 Top Large County for Recruitment and Attraction (July 2007, Expansion)
- No. 1 Most Educated Workforce: Cities (July 2007, Business facilities)
- No. 2 Economic Strength Ranking (July 2007, Policom Corporation)
- No. 5 America's Best Housing market (May 2007, Forbes Magazine)
- No. 5 N. American Cities of the Future (April 2007 fDi Magazine)
- No. 2 Best City for Entrepreneurs (Sept 2006 Entrepreneur magazine)
- No. 6 Smartest Cities (June 2006, Bizjournal.com)
- No. 9 Top 10 hottest cities for jobs growth (May 2006, Business 2.0 magazine)

## 4.8 FAST FACTS ABOUT CHARLOTTE

- 2nd largest banking center (controls over \$2 trillion in assets)
- Cost of living below the national average
- 7<sup>th</sup> fastest growing area in the USA
- 21st largest city in the USA
- City, County and State AAA bond ratings (one of only 2 cities to achieve this rating.)
- Unemployment 4.6% (December 2007)
- 6th in number of Fortune 500 headquarters
- 12th most active airport in the country
- Average of 587 airline flights daily
- International Business Hub with over 600 Foreign Owned Companies
- Current Median Income is \$50,579 (top 6% in USA)
- Current Median Income in Households with Children is \$81,345 (top 3% in USA).



## 5. OUR SERVICES

The objective is to provide income-producing properties which offer excellent opportunities for investment at present due to their **ability to cashflow** in the short term, while appreciating in value at above-average levels due to their proximity to the city centre.

BuySide Property and City View provide access to a whole range of services to help buyers with their purchase in the USA, including:

### 5.1 PRE-PURCHASE SERVICES

#### 1. E-mail Registration

BuySide and City View will prepare profiles of individual properties and circulate these using e-mails to interested buyers. To receive these e-mails, buyers need to register with BuySide.

#### 2. Preparation to be in a position to purchase

Irish buyers have to be organized before they can be guaranteed to be able to act within the necessary timeframe to purchase an existing US property:

- Open a **US bank account**.
- Have **funds available** in the US bank account to pay for earnest monies, deposits, appraisals, inspections etc.
- Apply for a **US International Tax Identification Number (ITIN)**
- If using a **US mortgage**, get pre-qualified and/or pre-approved for a mortgage.

### 5.2 PURCHASE SERVICES

#### 3. Sourcing

Using the principals' combined 50 years' experience and their knowledge of Charlotte neighbourhoods and streets, City View will source the properties direct from home owners and through its extensive network of established sellers. For example, Mike Knight has spent 7 years selling these types of properties (and buying for his own account) and understands Charlotte neighbourhoods down to street level.

#### 4. Negotiation

Once a property has been identified as available for sale, City View will negotiate with the owner to either list the property for sale or secure the purchase of the property directly with the owner.

#### 5. Contract Process

When a buyer makes a decision to purchase, City View will help the buyer through the contract, deposit and title agent process, through to completion on the contract.



## **6. Legal Assistance**

- Typically the legal process in a US property transaction is carried out by a title agent. Usually, if a mortgage is involved, the bank stipulates the title agent; if a bank is not used, City View can provide access to a number of reputable title agents to complete the transaction.
- For additional, buyer-side legal advice, a number of local attorneys can be recommended if buyers wish to receive independent legal advice.

## **7. Mortgage Process**

City View will help to co-ordinate the mortgage process with the contract completion process.

## **8. Handover Process**

If required, City View will arrange appraisals, inspections, snagging and keys acceptance services

# **5.3 POST PURCHASE SERVICES**

## **9. Landlord Insurance**

City View will provide details of buildings and contents insurance companies, so that the property can be insured from Day 1.

## **10. Refurbishment / Rehabbing**

When properties are tired and need repainting etc – or if more extensive refurbishment is required, City View can organise contractors to complete this work.

## **11. Furniture**

If the property requires new furniture, this can be arranged.

## **12. Letting & Property Management**

Letting and property management services can be provided in-house from City View's associate real estate companies or externally through other asset management firms.

## **13. Tax Accountant**

In addition to registering for an ITIN number, tax accountant service can be arranged to perform annual US Federal and state tax returns.



# 6. OUR TEAM

## 6.1 CITY VIEW CAPITAL, LLC

### ABOUT CITY VIEW

- **City View Capital, LLC** was founded in 2007 as a real estate investment and development firm focused in the Charlotte Metropolitan Statistical Area of North and South Carolina.
- City View is focused on the acquisition and management of **income-producing real estate** in emerging markets. City View Capital will source the properties direct from home owners and through its extensive network of established sellers. It takes a hands-on, proactive approach to asset management and secures relationships with top-quality leasing and property management firms for all assets.
- City View will provide a **one stop shop service** covering procurement, sales negotiation, contracts, legal, mortgages, property refurbishment, letting and property management and resales.
- City View relies on the combined **50+ years of experience** of its principals and staff as realtors and real estate professionals. In the Charlotte market, City View uses its vast array of industry connections in the residential, commercial, development, and political arenas to make sure that the investment packages and opportunities presented to clients are carefully chosen.
- City View is currently involved with and/or has members in positions on the following **organizations**: CRRRA Leadership Development Board, CRRRA RPAC Committee, NC Realtors Board of Directors, Charlotte Chamber of Commerce, Real Estate and Builders Industry Coalition, EO Accelerator of Charlotte, Impact Fund Program of Foundation of the Carolinas, Commonwealth HOA Board, & Charlotte REIA Board.

### CITY VIEW'S MANAGEMENT TEAM

#### Michael Knight, Chief Executive Officer

- Michael is a **Charlotte native** who has spent the past seven years focusing on the real estate market, specifically the investment segment.
- A **North Carolina State University graduate**, Michael has always felt a connection to the Carolinas. Michael helped finance part of his education expenses by becoming an independent sales person for a graphic production and sales company while in college.



- Michael attained his license in both North and South Carolina.
- He assists clients in various real estate transactions ranging from general brokerage (primary residence or residential investment properties) to commercial and land purchases.
- Being a Native of Charlotte, Michael has a solid network of friends, colleagues and active members of the community. Michael is **active in the community** with the local campaign of Edwin Peacock and is active in the Impact Fund, a charity organization established to provide grants to local philanthropic organizations.
- Michael was invited and thus became a member of the prestigious **CRRA's Leadership Development Program**, as well as a member of NCAR and the Carolina's Multiple Listing Service.
- Mr. Knight conducts an Education Course with Bill Gallagher (Leading Real Estate Trainer) to educate other members of the realtor profession on real estate investing and how better to serve their clients who are investors. He has currently trained **over 2,000 realtors and licensees** through this course.
- In 2007, Michael was contacted by **ABC News Nightline** and interviewed along with former Bank of America CEO, Hugh McColl and Land Acquisition Specialist Carl Fochler to discuss why Charlotte is a premier real estate market in the United States.

## Mike Ivie, Chief Operating Officer

- Mike is a **Charlotte, North Carolina resident** owning multiple companies specializing in services to include rental properties, commercial and wholesale properties, real estate investment coaching and various mortgage lending programs.
- Mike began purchasing **distressed area properties** and turning them into homes of distinction using the knowledge he had gained as a hands on tradesman. Using that knowledge, as well as that of a select group of other area craftsman, Mike began acquiring rundown homes, remodeling them, and then offering them for sale at fair market prices.
- Mike initially began City View Capital as a way for investors to purchase property with a hands off approach to real estate. With his **two decades of real estate experience**, investors can utilize his knowledge while capitalizing on strong investment opportunities and profitable returns.



## 6.2 BUYSIDE PROPERTY INVESTMENTS LIMITED

### ABOUT BUYSIDE

- **BuySide Property** is an overseas property agent with properties for sale in the UK, USA, Greece, Poland and France.
- BuySide is an **Irish business**, which helps individuals create wealth through investing in overseas property. From offices in Dublin and Wroclaw Poland, we offer a professional approach to property investment - one that is beyond the time constraints or resources of individual investors. It is designed for people who are too busy making money to manage it. It works with professionals and business owners to find out what their investment goals are - and then matches these to overseas property investments.
- In 2008, the company is concentrating on property opportunities in **the UK, the USA, Greece, Poland and France.**

### DENIS CODY

- The founder and Managing Director of the company is **Denis Cody**. His immediate background since 2003 is as a Director of Investor First Limited, a property investment company based in Dublin.
- Prior to working in property investment, Denis has **15+ years experience** in sales, product development, financial services marketing, client services and communications. He has spent 8 years working outside of Ireland in the UK and the USA and held senior management roles in credit card software company Orbiscom, web based training company Intuition and the Financial Times newspaper in London and New York



# 7. Next Steps

## 7.1 SIGN UP TO RECEIVE OFFERS

- In order to receive offers, buyers must sign up with BuySide.
- After registration, they will receive updated lists of properties available for sale by e-mail. If they are interested in a specific opportunity, investors can work with BuySide and City View Capital to a successful purchase.

## 7.2 GET PRE-QUALIFIED FOR A MORTGAGE

- If using a **US mortgage**, get pre-qualified and/or pre-approved for a mortgage.

## 7.3 OPEN A US BANK ACCOUNT

- Buyers need to open a **US bank account**, which can be done on-line.
- After that, they need to transfer enough funds into their US bank account, in order to be able to react quickly enough to specific opportunities. The need to have the amount of funds available which will allow for earnest monies, deposits, appraisals, inspections etc.

## 7.4 START REVIEWING INDIVIDUAL PROPERTY OFFERS

- Buyers will receive individual property information by e-mail. When they wish to get further information or discuss these further, City View will be happy to provide more information over the phone and by e-mail.

## 7.5 TRAVEL TO CHARLOTTE ON AN INSPECTION TRIP

- If buyers wish to travel to Charlotte, to see individual properties or just to get an overview of the and understanding of the market, City View will meet with them in charlotte and help buyers to visit neighbourhoods and inspect individual properties.