

❓ Acworth Mobile Home Complex Investment Proposal

1. Executive Summary

This proposal outlines the acquisition and operation of a 4-unit mobile home complex located in Acworth, Georgia. The property consists of 3 individual mobile homes and 1 SFR, all on public water, septic. 439 Oak st has been updated ready to be leased; the other 3 properties are leased. Each could use estimated \$5,000 in cosmetic rehab . The goal is to generate stable monthly rental income with opportunities for future value growth and passive cash flow. Unit # 2 has the upside to finish the above garage into a 1 bed / 1 bath for \$20,000 and rent out for \$1,000 per month as a potential 5th unit.

2. Property Overview

Unit #	Size	Bedrooms	Bathrooms	Monthly Rent
Unit 1	437 Oak St	2	1	\$1,375
Unit 2	439 Oak St	3	2	\$1,585
Unit 3	442 Cherry	1	1	\$850
Unit 4	440 Cherry	2	1	\$1,575

Total Monthly Rental Income:
 $\$1,375 + \$1,585 + \$850 + \$1,575 = \$5,385$

Annual Gross Rental Income:
 $\$5,385 \times 12 = \$64,620$

3. Market & Location Highlights

Acworth, GA is a strong rental market due to:

- Proximity to **Interstate 75** and commuting access to Atlanta.
- Growing population and increasing demand for affordable housing.
- Stable local employment sectors including healthcare, manufacturing, and services.
- Attractive lifestyle with nearby lakes, parks, and community amenities.

These strengths support consistent tenant demand and rental stability.

4. Operating Income & Expense Estimates

Projected Annual Income

Income Type	Amount
Gross Rental Income	\$64,620
Less Vacancy (5%)	– \$3,231
Effective Gross Income	\$61,389

Estimated Annual Operating Expenses

Expense	Amount
Property Taxes	\$1,840
Insurance	\$1,228
Repairs & Maintenance	\$4,910
Miscellaneous	\$1,228
Total Operating Expenses	\$9,206

5. Net Operating Income (NOI)

Effective Gross Income: \$61,389

Operating Expenses: – \$9,206

➡ **Net Operating Income (NOI): \$52,183**

Valuation Methodology

The value of income-producing real estate is commonly determined using the **Income Capitalization Approach**, which calculates value based on the property's ability to generate income.

Value = Net Operating Income ÷ Capitalization Rate

For small residential income properties in Bartow County, a **10% capitalization rate** reflects a conservative market position accounting for property size, asset class, and investment risk.

3. Valuation Calculation

NOI: \$52,183

Cap Rate: 10% (0.10)

$\$52,183 \div 0.10 = \$521,830$

Indicated Market Value: \$521,830

4. Value Conclusion

Based on the current stabilized Net Operating Income of **\$52,183** and a market-supported **10% capitalization rate**, the indicated value of the property is:

\$522,000 (Rounded)

This valuation reflects:

- Current income levels
- Conservative underwriting
- Small asset risk profile
- Market-supported return expectations

Cap Rate As-Is Value

8% \$ 652,287

9% \$579,811

10% \$521,830

Cap Rate As-Is Value Less \$30,000 Repairs Adjusted Value

8% \$652,287 – \$15,000 **\$637,287**

9% \$579,811 – \$15,000 **\$564,811**

10% \$521,830 – \$15,000 **\$506,830**