

Four Secrets To A Successful Rental Investment Overseas— How To Buy And Manage For Maximum Rental Yield

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The Four Secrets to Success



Secret #1: The Rental Manager



Secret #2: The Market



Secret #3: The Location



Secret #4: The Asset



Medellin Rental Investment Analysis

Medellin, Colombia

Long Term Unfurnished (Yearly)						
Purchase Price	Monthly Rent	Occupancy	Mgmt Fee	Yearly Rent	Gross Return	Net Return
COP 450,000,000	COP 2,400,000	97%	6%	COP 28,800,000	6.2%	4.9%
				\$11,060		
HOA/Yr	TAX/Yr	Maintenance	Management	Utilities	Total Expense	
COP 0	COP 2,287,620	COP 2,000,000	COP 1,728,000	COP 0	COP 6,015,620	\$2,310
Using present value as of 1/1/15						
Long Term Furnished (≥ 30 days)						
Purchase Price	Monthly Rent	Occupancy	Mgmt Fee	Yearly Rent	Gross Return	Net Return
COP 450,000,000	COP 5,077,800	95%	23%	COP 60,933,600	12.9%	7.2%
COP 8,000	<== Furniture			\$23,400		
HOA/Yr	TAX/Yr	Maintenance	Management	Utilities	Total Expense	
COP 3,753,600	COP 2,287,620	COP 2,300,000	COP 14,014,728	COP 4,433,643	COP 26,789,591	\$10,288
Short Term (< 30 days)						
Purchase Price	Monthly Rent	Occupancy	Mgmt Fee	Yearly Rent	Gross Return	Net Return
COP 450,000,000	COP 10,416,000	85%	23%	COP 124,992,000	23.6%	15.7%
COP 8,000	<== Furniture			\$48,000		
HOA/Yr	TAX/Yr	Maintenance	Management	Utilities	Total Expense	
COP 3,753,600	COP 2,287,620	COP 2,500,000	COP 28,748,160	COP 4,433,643	COP 41,723,023	\$16,023

Medellin, Colombia

Exchange Rate	2604	per USD		
Furniture Cost	Furniture USD			
\$20,000,000	\$7,680	<== What furniture costs		
\$10,335,311	\$3,969	<==What furniture earns/year		



Cuenca Rental Investment Analysis

Cuenca, Ecuador

Long Term Unfurnished (Yearly)						
Purchase	Monthly Rent	Occupancy	Mgmt Fee	Yearly Rent	Gross Return	Net Return
\$85,000	\$575	97%	6%	\$6,900	7.9%	6.7%
				\$6,900		
HOA/Yr	TAX/Yr	Maintenance	Management	Utilities	Total Expense	
\$0	\$150	\$500	\$414	\$0	\$1,064	\$1,064
Long Term Furnished (≥ 30 days)						
Price	Monthly Rent	Occupancy	Mgmt Fee	Yearly Rent	Gross Return	Net Return
\$85,000	\$850	95%	15%	\$10,200	10.4%	6.7%
\$8,000	<== Furniture			\$10,200		
HOA/Yr	TAX/Yr	Maintenance	Management	Utilities	Total Expense	
\$1,200	\$150	\$575	\$1,530	\$150	\$3,605	\$3,605
Short Term (< 30 days)						
Purchase						
Price	Monthly Rent	Occupancy	Mgmt Fee	Yearly Rent	Gross Return	Net Return
\$85,000	\$1,000	85%	20%	\$12,000	11.0%	6.8%
\$8,000	<== Furniture			\$12,000		
HOA/Yr	TAX/Yr	Maintenance	Management	Utilities	Total Expense	
\$1,200	\$150	\$625	\$2,400	\$150	\$4,525	\$4,525

Cuenca, Ecuador

Exchange Rate	1 per USD		
Furniture Cost	Furniture USD		
\$8,000	\$8,000	<== What furniture costs	
\$65	\$65	<==What furniture earns/year	



Panama City Rental Investment Analysis

Panama City Apartment
 1-Bedroom Furnished Loft
 High-end tourist location

				Long-Term	Short-Term
Purchase Price	\$	145,000			
Furniture	\$	15,000			
Mortgage	\$	(118,000)			
Net Cash Investment	\$	42,000			
Monthly Rental Income				\$ 1,600	
Daily Rental Income					\$ 125
Vacancy Factor	5%			\$ 80	40%
Net Monthly Cash Flow				\$ 1,520	\$ 2,250
Expenses					
- Rental Management	8.333%			\$ 127	20%
- HOA				\$ 170	\$ 170
- Utilities				\$ -	\$ 365
Total Expenses				\$ 297	\$ 985
NET MONTHLY INCOME				\$ 1,223	\$ 1,265
Annual Income				\$ 14,680	\$ 15,180
Yield Calculation	Value	\$ 200,000		7.34%	7.59%
Cash on Cash Calculation	Mortgage	\$ 815			
	Net Cash Flow	\$ 408			
	Annual Cash Flow	\$ 4,900			
	Cash on Cash Yield	11.67%			