

ROI Strategies

“Lease to Own” Home Sells

We have received a full-price offer on one of our Lease to Own homes in Dayton, Nevada that a tenant walked away from about two years ago.

After the Lease to Own tenant left, we decided to rent the property instead of putting it back on the market; we would have lost money on the sale, and we fully expected the market to go up in value, which it has. The renters recently moved out, so we figured it was a good time to sell.

In readying it for sale, we choose *not* to spend the time and money on detailed work, as every room needed substantial improvement. Instead, we gave it the old “lipstick on the pig” rehab and put it on the market to see what type of offers would surface. We priced it for less than comparable homes in the neighborhood since it needed a fair amount of work. Even so, the first week was dead which we thought was very unusual since that’s usually an indicator that a property is priced too high. Fortunately, halfway through the second week we received and accepted a full-price offer. **It is a good deal for ROI Strategies since the fund will make money off the sale, and it will be a good deal for the buyer who can fix it up and benefit from the increased value.**

North Dakota Back on the Market

Last month, we reported a sale on our home in North Dakota, but it fell out of escrow the day it was supposed to close. We then had another offer which we accepted, but that offer fell

through as well. **The property is back on the market; we hope to have it sold well before the start of another brutal North Dakota winter.**

Polo Estates Video Tour

A monthly investor update wouldn’t be complete without a report from Major, our man on the ground at our Polo Estates mobile home park in Columbia, South Carolina. This time, Major put a 360-degree camera on the front of his truck and drove around the park’s twenty-three acres. **If you have ever wanted to see Polo Estates, here is your chance!** Go to <https://urlzs.com/ABTPS> to watch a YouTube video tour. (Tip: You can adjust the camera angle 360 degrees as Major drives through the park by clicking and dragging your mouse in the direction you want to view.) Quick reminder, though — Polo Estates is *not* luxury living. But if you saw it before we took ownership, you’d be amazed at the transformation. **Now, it is a clean, safe community where residents are proud to live.** Major shot the video in April when we were still making some improvements; now that improvements are nearly complete, we’re working on filling the empty lots with new homes.

Buy and Hold Fund

Production Ramping Up

We continue to rebuild our inventory of homes and are back to having a little over \$4 million in inventory. Not all of the homes have been sold to the buy and hold fund yet, as they are still going through rehab.

I am happy to report that our rehab crews and

construction managers in both Cleveland and St. Louis are kicking butt! It's true what they say: "Getting the right people on the bus and in the right seat makes all the difference in the world." For the past six months, getting the right people in the right seats has been a little *rough!* But we believe we have turned a corner. **The proof is in the fact that production is ramping back up to where it should be.**

Jackson a Contender Again

We don't report much about our portfolio city of Jackson, Mississippi, because we are not currently buying homes there. We stopped buying in Jackson not because of the market, but because we had some challenges getting the homes rehabbed in a timely manner. However, our team members here in Reno have worked hard at finding some promising local contacts who are doing a bang-up job on the rehab front. We are making steady progress, and it is only a matter of time before all of our Jackson homes are through the rehab stage and have new tenants in them. **Once that happens, we will reevaluate the profitability of buying there again; we are already looking at a package of 18 homes.**

In Company News

Hughes Capital is in the process of hiring a CFO — a new position for our company. At the time of this writing, we've whittled it down to two highly qualified candidates. (By the time you receive this update, the new CFO will be in place.) We are very excited, as this person will bring a lot of

leadership not only to the accounting department but to the business as a whole.

Having a seasoned CFO on board will provide a valuable point of view in the analysis and strategic thinking for our current and future financial models. This will be a benefit for all of us.

Until next time,



Steve Sixberry

Greg Hughes