

## Who We Are

**Foreclosureedge** is a division of Westminster Realty, a California licensed Real Estate Brokerage Company. Peter Winn, the owner, of the Westminster Group of Companies, has been in business in California since 1987.

Mr. Winn is widely recognized as an expert in purchasing foreclosures, having been involved in over 1500 purchases and sales throughout California in the last twenty years. Based in San Diego and Los Angeles, he has built a highly experienced team of trained professionals, proficient in all aspects of market research, title, property evaluation, renovation and resale of foreclosed properties. Mr. Winn predicted the widespread downturn in the California market back in 2006 and ceased purchasing property in February 2007.

Since then, he has been carefully analyzing the various metropolitan markets in the State, giving careful scrutiny to the developments built within the last 12 years most severely hit by the sub-prime mortgage crisis. He has identified seven specific areas where he sees "blood in the water", markets where values are falling the most. These areas have a high concentration of relatively new product or older product that has been significantly upgraded, that needs minimal or no fix, with good infrastructure (roads, freeway access, schools and shopping). They are close to large established employment areas. Values have dropped precipitously in these areas principally due to the majority of the homes being purchased with the oversupply of easy mortgage money. Mr. Winn and Westminster have tracked these areas closely in order to predict when it is time to buy back into these markets and profit from this downturn. They have began purchasing in two markets and have identified three more where the time is right to begin buying.

Mr. Winn owns an extensive portfolio of rental properties throughout California and Hawaii, in addition to owning a number of land development projects on Maui. He also operates two successful Boutique Hotels in Panama that he designed and built from the ground up. He has been quoted as a foreclosure market expert in numerous AP news articles.

**Foreclosureedge.com**

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**PROVEN FORECLOSURE  
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**A Westminster Realty Company**



**Your Partner in Purchasing Foreclosure  
Properties since 1987**

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## Investing with us

Westminster Realty's owner, Peter Winn, has developed the **Foreclosededge** program to enable the ordinary private investor to gain access to the lucrative world of purchasing foreclosures for cash on the "Courthouse steps".

Currently foreclosure auctions throughout the State present possibly the most amazing opportunity to build wealth quickly we will ever see. Banks are now selling off properties for cash at auctions for little as 10 cents on the dollar.

What we are seeing is the market moving from an over inflated value to an under inflated value caused by the scarcity of financing and the global downturn.

This over correction has created purchasing opportunities at prices we have not seen for twenty years in California. This has led to property values in certain areas falling way below what Mr. Winn describes as the "fundamental value" or in other words, the property's inherent value based on the rental value with adjustments made for location, age, condition, maintenance, and vacancy.

For the past seven years, the real estate market has increasingly moved away from valuing property based on the "fundamentals", a formula based on using a gross income multiplier.



This was abandoned due to the surge in values created by the oversupply of cheap "no doc" and "teaser rate" financing in the market.

The current market demonstrates an over correction in the other direction as a result of scarce mortgage loans as lenders retract in fear of adding to their already massive portfolios of "upside down" loans.

This creates an enormous opening to buy back into the market at steeply discounted prices well below "fundamental value".

### EXAMPLE # 1:

SFR in Stockton, CA, built in 1970.

- 3bed/1ba. Approx. 1,050 sf.ft.
- Upgraded in last few years. Good location.
- Fix less than \$2,000.
- Purchased for \$34,000 at auction.
- Previously valued at \$300,000.
- Sold to retail buyer for \$72,000 in 90 days.
- Profit after costs \$31,000.
- Investor profit \$13,000 in 90 days on investment of \$38,500.

**(That is 34,000 + 2,000+2,500=\$38,500)**

That's 33% return on capital in under 90 days!!!

### EXAMPLE #2:

Duplex in Stockton, built 1980.

- Unit A, 3 bed/2 ba; Unit B 2 bed/1ba.
- Renovated 4 yrs ago. New roof / interior upgrades.
- Located in a safe established area, close to good schools, fwy and major employment centers.
- Current rents \$850 and \$750.
- Purchased at auction 12/08 for \$94,000 cash.
- Fix 5K . Rents can be increased easily to \$950 and \$850.

**Based on GRM of 8, this property is worth \$172,000.**

**\$1800x 12=\$21,600x8= \$172,000.**

At auction, the loan balance was \$326,000. The bank reduced the bid to \$94,000 to dispose off the property. This clearly proves that the market had ballooned way past its fundamental value. For the savvy investor this is a "NO BRAINER" because even if you cannot sell it or refinance it, who cares!!! It will yield significant cash flow as a rental!

If you take the total rental income for the year (\$21,600) and subtract 25% for expenses and vacancy, you end up with \$15,000 in your pocket.

Taking your \$94,000 and adding your fix, in this example \$4,000, you end up with an annual return on capital that's over 15%!!!

This property will sell now for around \$140,000, so you can choose to hold it or to sell it while collecting 15% interest. Try to find a safe investment in this market that just about guarantees you this kind of yield.

## Why are We Offering Such a Deal?

Because there are so many opportunities coming in the next year, we cannot buy even 10% of them on our own or with existing loyal investors. So we need your money!

This is why we are offering THE DEAL!!

### THE DEAL

- You give us your capital in one of two ways (\$35,000 minimum). You either give the funds to us and we select a property for you or you can make your own selection from the property listings we have in our exclusive website.
- We sign an agreement that clearly states that we can only use the funds to buy a foreclosure within the parameters we have established with you.
- You will have an option: a) transfer the property to your name and hold title 100%. b) hold a Deed of Trust for the amount you invested.
- You sign an agreement to partner with Westminster and split the profits 50/50 at close of escrow.
- You pay exactly what we paid at the auction plus a \$5,000 buyer's premium, plus the fix up cost (generally less than \$5,000 and stated upfront when you buy it).
- We do all the work from start to finish.
- Westminster Realty lists it for sale!

When the property sells, we notify you as soon as escrow is opened. During that period, you will have an opportunity to take the title of the property in a way that gives you the maximum tax protection. Within ten days before close of escrow, you will receive escrow instructions stating that your initial investment, plus your fix cost are credited back to you. We also credit back to you half of your \$5,000 buyers premium. Then we split the net profit after closing costs 50/50.

