

Paul Poncin @ Associated Bank

Moving up in Investment Real Estate a Bankers Perspective



People You Should Know What is in it for them? Motivation?



Realtor



Mortgage Lender



Image Envision · 29252

Lawyer

People You Should Know

What is in it for them? Motivation?



Banker



Accountant



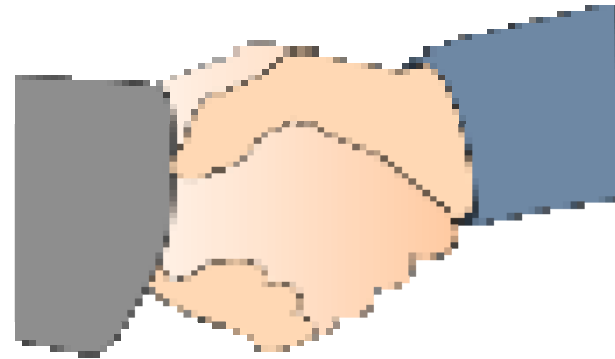
Contractor

People You Should Know

What is in it for them? Motivation?



Property Manager



Title company or Closing agent

Single Family Homes



Risky Investment

High Risk/High Reward

Easiest Point of Entry/ Least amount of capital required

Do we make money on rents?

\$1200 Rent

\$1000 loan payment

Owning

- How will you take title?
 - Your name
 - Vs
 - LLC
 - Corporation
 - Limited partnership



Property Valuation

Rents need to make us money

Profit + depreciation + Interest = cash flow

Lender is going to subtract from that point

- Vacancy
- Management fees
- Reserves
 - Do we have anything to add back?



Keeping Track of Your Properties

Keep a schedule of real estate

Update constantly

Address	Type	Purchase price	Loan balance	Market Value	Payment	Rents	Taxes	Insurance	
123 Main	SF	100,000	78,000	125,000	430	1000	900	1000	
456 Front	Dup	115,000	88,000	140,000	550	1400	1600	1400	
789 Oak	MF	400,000	280,000	450,000	1980	5200	4000	2400	

Property Matrix

- Where do your properties fit in?

Appreciation

Sales ★	Stars Keepers
Dogs	Fence Riders Capital may be dead?

Income

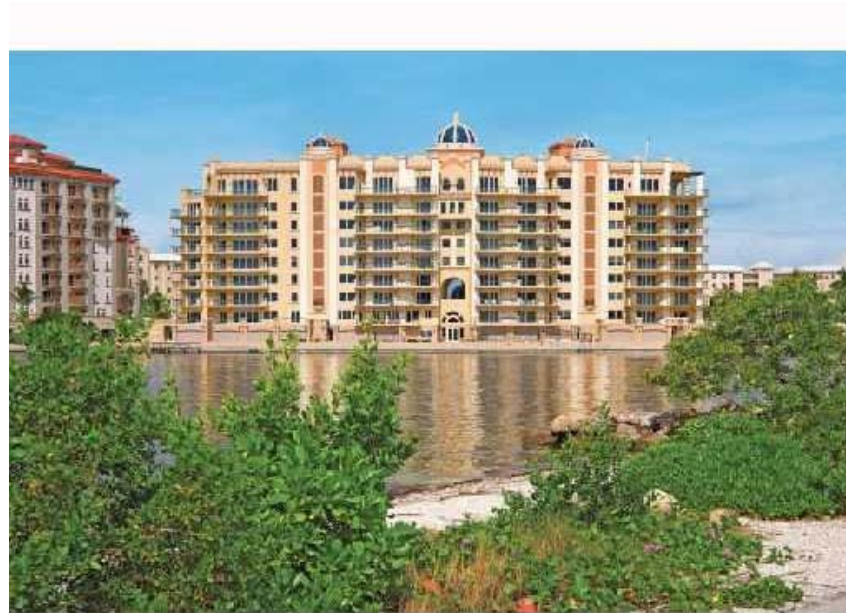
Selling

- Don't forget about Contracts for Deed!
 - 30 Years @ 7%
 - Balloon loans vs Mortgages



Why Buy Bigger Properties

- Income?
- Appreciation?



How Do We Move Up?

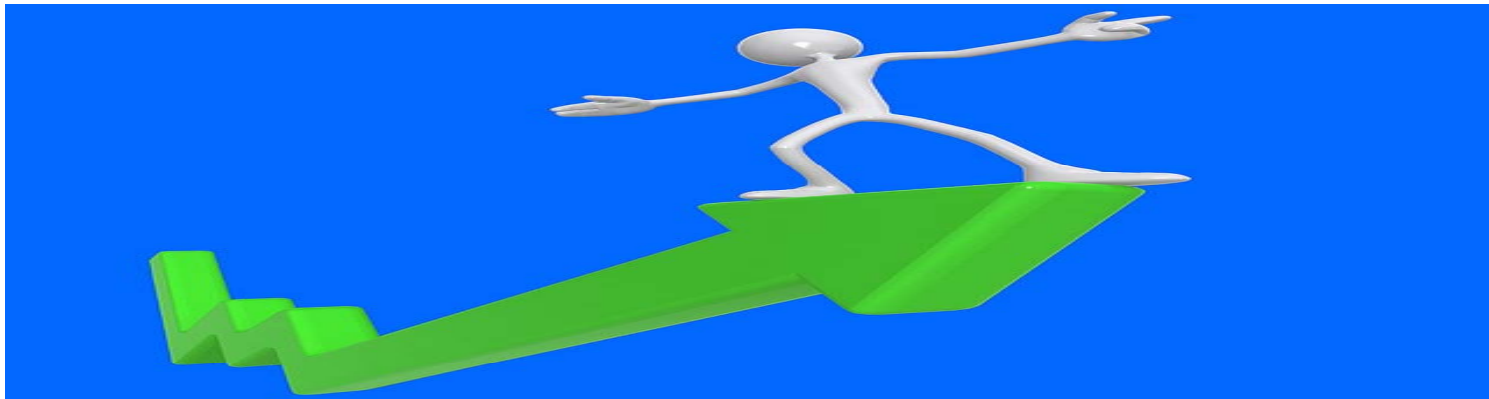
- Find a realtor that works with commercial properties
- Consider 1031 exchange
- Take advantage of depreciation rules – cost segregation
- Leverage
 - Move up Vs Pay down

- Fixer upper Vs Buy and hold



Ideal Portfolio

- What does that look like?
- What pleases the lender?
- When do you bring in a property manager?



Ultimate Goal

- What is yours?
- What should it be?
 - **20 units free and clear**



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