

# Investment Strategies

Per many investors, wholesale, fix & flip, rehab, short sale, subject to, lease option, commercial, land development, new construction, etc. are considered "investment strategies." To us these are mere methods of doing business within the real estate business given certain and projected market conditions and cycles in specific cities and states. First and foremost, whether you are buying a \$60K SFR for immediate resale or a \$10M commercial property anchored by Wal-Mart, investment real estate ventures are always capital intensive, relatively speaking. Therefore, the decision to buy and sell an investment must be made carefully taking care that realtors and lenders are not realizing a greater ROI than the investor. Hence, we see investment strategies a little different as broken down below.

**Short-term:** Wholesale and fix & flip are methods of real estate investing used to generate immediate cash. These methods can be implemented with limited resources, with potential ROI of 100%+ per annum. Although time consuming and considered "work," some form of these methods should be implemented to allow for the availability of new monies to the investor for longer term investments. Fix & flip properties are readily available throughout the country. We spend months researching markets for fix & flips and at times have spent years in cities buying and selling as many as 20 properties per month. This allows us the opportunity to establish solid relationships with realtors, lenders, and contractors for the long term gain of all parties involved.

**Mid-term:** Once a consistent income has been established with short-term investments, it is wise to buy and hold similar properties as rentals. This is to be done only in areas that will realize a minimum of 50 % - 75% appreciation in the next 5 - 7 years. When bought and sold properly, a property will always double in value between 7 - 12 years.

**Long-term:** Buy and hold commercial properties for long term income. Commercial is a more stable investment and follows residential. Values are established by rents, therefore unless you're developing commercial property in a hot market on land you have owned or controlled for a number of years, large gains must be realized over a long period of time, usually 15+ years.

As outlined above, with our investors we participate in a variety of real estate investing methods concurrently. Whether a market is appreciating, depreciating, or flat, every market offers opportunity. This is even more evident during correction periods. As outlined above, it becomes apparent that by combining methods of investing, it is possible to start with limited resources and quickly build a portfolio that creates income for today, while simultaneously building a portfolio to establish income and security for the future.