

Norris & Stevens

APARTMENT INVESTORS JOURNAL

Creating Value in Investment Real Estate®
Brokerage and Management for Apartment Investments

Where Are You in Your Investment Property Life

The real estate transactions you conduct today are the basis for growing your wealth in the future. Building wealth is the reason you have chosen to invest in real estate. But many experienced investors are entering into transactions that are not well-planned and implemented. A transaction such as this could cost you hundreds of thousands of dollars, and it could take your portfolio years to recover. The root of this problem can be traced to one single concept — understanding where you are in your investment property life cycle.

There are four fundamental drivers to creating wealth with real estate investments. These drivers are appreciation, cash flow, principal accumulation and tax benefits. By maximizing the benefits from each building driver, you can significantly maximize your wealth and the wealth you leave your family.

But this takes time, a well planned investment

strategy, working with a broker who is committed to your strategy, and understanding where you are in your investment life cycle.

The decisions you make at the beginning of your investment life cycle will likely be very different from those you make towards the end of your investment life cycle. At the beginning of an investment life cycle, investors are willing to maximize risk. By taking the highest loan-to-value [LTV] and having minimal equity, investors will maximize tax benefits and build additional equity through appreciation and minimal principal accumulation.

Cash flow on a good investment will be in line with market returns. However, many investors who do not have a pension and live off the cash flow will make decisions that maximize cash flow and place less emphasis on other drivers of real estate wealth.



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Investors who are less concerned about living off the cash flow, and wish to leave their highest value of properties in the family trust, will want to maximize appreciation and tax benefits. All these strategies and actions are correct as long as they are compatible with your strategy and where you are in your investment life cycle.

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At Norris & Stevens, we are committed to developing a longterm relationship with you. Our brokers will conduct an in depth investment property portfolio review, and work with you to develop a personalized, longterm strategy for building wealth.

Whether you own one property or several, we will analyze each property for performance and potential tax benefits. Then, based on your individual needs and goals, and where you are in your investment life cycle, we will recommend what, if any, changes should be considered.

There are many moving parts in developing and implementing an investment plan. Norris & Stevens' brokers will work closely with you as your investments mature and your strategy evolves over time. Our purpose is to ensure that all components of your real estate investment portfolio work synergistically to further your financial goals—now and in the future. We look forward to hearing from you so that we can begin our wealth-building partnership!