HOW TO FIND A GOOD INVESTMENT PROPERTY

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1. Focus on a particular asset type. Multifamily, shopping center, mobile home parks, industrial, assistant living. Don't look at every single property that's for sale, but rather focus your search to a particular set of parameters.

2. Do you want a triple net deal with a long term lease or a multiple tenant deal that requires management but provides a higher return?

3. Are you more interested in cash flow or appreciation?

4. Do you have time and ability to fix up the property to create value or do you want a stabilized investment. Put together pro forma of what you are looking for so you understand the equity requirements, loan possibilities and profitability of a single investment.

5. Focus on a particular geographic location (Brokers call this your "Farm"). In order to be successful you need to understand your submarket. Know where you want to invest, and (just as important) where you don't want to invest. Operating expenses will change with different locations so focusing on a particular location will help you underwrite with consistency and at a faster pace. How far from your home base are you willing to go? Generally location has a major impact or cash returns. Primary markets usually have lower returns than secondary markets.

6. Research loan options. Find out what loan options are available and try to get preapproved for a loan so you know how much equity is required and how large an investment is necessary. Knowing how much your debt is going to cost you and what percentage of the purchase price you can borrow will often determine how much you can afford to pay for a property.

7. Anticipate how your assets are to be managed. If you're going to do it yourself, how much time will each investment take to manage? If you're going to hire an outside management company, make sure you know all the associated costs. Do they pay the payroll costs? Do they pay for the management software? Do they have the same objectives and goals that you do with the investment? Will they manage it the way you want them to?

8. Stay in front of brokers. There is an abundance of buyers in the marketplace today. Brokers may not necessarily think of you as the first person to contact when they get a listing or hear of an opportunity. Research whom the active brokers are and touch base with them at least twice a month. Also find smaller brokers who may not have access to so many buyers. Sometimes they can be a good source of deals that may not be as widely marketed.

9. Differentiate yourself. If all terms and conditions are equal, it will then just be about who is paying the highest price. Find ways to be able to do something different than other buyers. Can you do your due diligence quickly? Are you willing to put non-refundable money up on day one? Can you avoid a loan contingency? Can you pay all cash? Are you prequalified for the Loan? Can you provide proof of funds? Do you have a list of references (can you have someone the Seller knows vouch for you?)

10. Be a Seller friendly Buyer. Try to make this transaction as convenient as possible on the Seller because they may have other assets that they want to sell. If you're a good buyer, they may call you first the next time even before the broker. Try to schedule your inspections all for the same time so you're only burdening the property and the

tenants once. Know what you need from the seller and ask for it up front. Keep the seller updated and avoid surprises. They may have other transactions that are dependent on yours, or may have investors that are anxious to close. Keeping sellers up to date will help avoid any stressful or embarrassing situations.

11. Understand Brokers. Brokers today are more about volume and less about servicing the Seller. Brokers want to know that if a deal goes into a contract that it is going to close and they can move on to the next commission. If a broker brings you a deal, even if the answer is no, get back to him right away so he can move on to the next buyer. A quick yes or no is much better than a long maybe.