



REAL ESTATE PURCHASE COMPARISONS

When economy turns the major request is as follow - Single Family house, Townhouse, Condo, Duplex, land, 5 or less, Commercial, 5 to 100, large Apt, Land

INVESTING ON	ADVANTAGES	DISADVANTAGES
Trailer & Weekly Rentals	<ul style="list-style-type: none"> The cash flow is great The amount you have to invest to get started is minimal The return that you get on your cash flow is good Depreciation, Installment contract, Land contract, Exchange 	<ul style="list-style-type: none"> You deal with a lot of management hassles, transitions, & turnover You will spend money to keep the cash coming in. Analyze the situation well, and make sure you count your time & money so you can make a good return on your investment.
Single Family Homes	<ul style="list-style-type: none"> They are easy to rent. They are easy to sell. They appreciate fairly nicely. Depreciation, Installment contract, Land contract, Exchange 	<ul style="list-style-type: none"> If you own a little house here and little house there on scattered sites, they are management-intensive. If your tenants are low and moderate income (or at nay level of income) and you do not screen them well, you may face plenty of repairs when they move out.
Condo- Minimums Townhouse	<ul style="list-style-type: none"> Condominiums are fairly easy to rent. Sometimes they are easy to sell but not as easy as single family homes. Condominium owners are only responsible for the interior; common areas are kept up by the management association. Depreciation, Installment contract, Land contract, Exchange 	<ul style="list-style-type: none"> Condominium have maintenance and management fees that range form \$60 to \$300 a month to cover insurance and upkeep of common areas. These sometimes eat into your cash flow.
Duplexes, Triplexes, quadruplexes	<ul style="list-style-type: none"> They are easy to finance most of the time because they are deemed residential R.E This means that anything with fewer than four units can be financed through a residential loan, so they are easier to finance. Remember that properties that are easy to finance are easy to buy and sell. They have more than one unit bringing in rent, which helps the cash flow. They are fairly easy to rent because people would rather live with 1 or 2 neighbors than with 400 in a large apartment building. Depreciation, Installment contract, Land contract, Exchange 	<ul style="list-style-type: none"> They are harder to sell than houses in a slow market. Single family, three-bedroom homes are the easiest group to sell They are harder to finance than single family homes. There biggest disadvantage I also one of their advantages: because more people are paying rent, collecting rent becomes complicated. Rent paying situation creates more turnovers, more repairs, more phone calls, and more management headaches.
Small Apartment Buildings 5 to 100	<ul style="list-style-type: none"> You receive great cash flow. You can usually hire an on site manager to take care of things because all of the tenant live in one place and are not scattered. You can have economics of scale because the entire apartment is in one place. Depreciation, Installment contract, Land contract, Exchange 	<ul style="list-style-type: none"> As the number of units goes up, vacancy and repair rates go up, which translate into more turnovers, more repairs, more people, and more headaches. It is harder to sell an apartment building than a home if the market goes bad because it is an investment property. It is more difficult to find financing for an apartment building than for a home. Rarely will a bank or mortgage company loan more than 60 and 80% of the purchase price of small apartment building.
Large Apartment Building	<ul style="list-style-type: none"> Large Apartment buildings provide economies of scale. Large Apt. Bldg. are easy to mange with all tenants in one place. Finding great deals on apt. Bldg. becomes more competitive with 100 to 200 unit complexes because many large commercial co. invest in these. Than you may be competing against large R.E co. and institute with tremendous amounts of capital. However, many R.E investors profit well from the small complexes than have from 10 to 50 units. Depreciation, Installment contract, Land contract, Exchange 	<ul style="list-style-type: none"> They can be hard to finance because of size. They can be though to sell in a down market.
Commercial Property strip ctr., office bldg. Comm. Warehouse, Industrial	<ul style="list-style-type: none"> The tenants generally take care of all the repairs, unlike in residential properties. The rents can be lucrative, especially for big spaces. Depreciation, Installment contract, Land contract, Exchange 	<ul style="list-style-type: none"> Commercial property is more difficult to finance than residential property. Commercial property often requires time to find another tenant that suits the space. This means that you have to be willing to pay the note or pay the costs, taxes, and insurance while the space becomes rented and retooled for a new tenant. Commercial property stays empty longer than residential property when the economy is down.
Land Developments	<ul style="list-style-type: none"> A land development gives you the potential for tremendous profit because you are dealing with a bigger chunk of land. A land development will likely increase in value, especially if you improve it with roads and services. Depreciation, Installment contract, Land contract, Exchange 	<ul style="list-style-type: none"> You have to have real money because that land does not produce any income. You have costs (e.g. mortgage, taxes, and insurance) while you are holding the land. You can sell easily in prosperous time; however, in hard times, you may have difficulty selling it.

Please be advised all above have more issues, call us for more details.