IDEAL REALTY & MGMT, INC. _www.irmandco.com_

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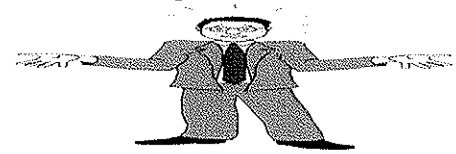

REAL ESTATE PURCHASE COMPARISONS

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	• 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	• 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 you investment.
Single Family Homes	• They are easy to rent. • They are easy to sell. • They appreciate fairly nicely. • Depreciation, Installment contract, Land contract, Exchange	• 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**	• 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	• 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	• 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	• 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	• 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	• 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	• 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	• 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	• 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	• 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	• 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	• 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.

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APARTEMENT, COMMERCIAL, INDUSTRIAL REAL ESTATE ANALYZING

What is important for you Zip code, sq. ft., Lot sq. ft, Year build, Animates etc. etc.
YOUR BUDGET, TASTE AND WHAT YOU QUALIFY FOR MUST BE IN SYNC.

INVESTING ON	ADVANTAGES	DISADVANTAGES
Sale comparison approach	• Compare the subject property to similar properties recently sold and calculates an average price per unit or square foot to determine value. It is mostly used common way approach	• Information only
Gross rent multiplier	• A rough estimate of value take the sale price and divide by monthly potential gross rental income. This method determines the value of a property based solely on potential rental income for the first year.	• Information only
Direct capitalization (cap rate)	• Take the net operation income (NOI) and divide by sales price, it is expressed as a % of the sales price offered or a % of the price an investor is willing to pay.	• Information only
Cash on cash	• Looks at cash invested up front not borrowed dollars	• Information only
Demographic/trends analysis	• Projects potential appreciation and potential obsolescence by closely examining economic indicators, building and demographic trend	• Information only
Internal rate of return (IRR)	• Measures the average annual yield (percentage earned) on each dollar for as long as it remain in the real estate investment	• Information only
Net present value of discounted cash flows (NPV)	• Determines the dollar value of an initial investment by taking the sum of the present value of all future cash flows netted against (or compared to) the initial cash investment,	• Information only
Capital Accumulation	• Take into account return of an on investment in the circumstance where money returned is reinvested during the property's entire holding period.	• Information only
Area, City, Zip code	• The best areas always keeps is value location • More safety for your tenants • Within the same city you may have up to 5-7 Zip codes • If you can not afford it try the buy few mile radius to your favorite Zip Code	• It is more expensive for more desirable Zip code
Sq. Ft. of Improvements	• Having the correct Sq. Ft. its good you can always remodel	• The price is higher
Lot Size	• Its always beneficiary because you can always build front back sides in consideration of building and safety setbacks	• Sometime it may be costly for maintenance and the city will require you to do so
Year Built	• The older the Structure the lower than you can remodel it	• It may need extensive of repairs no matter how much you remodel the facial the core is old
Anonymities	• They won't be any additional cost for it just the remodeling and maintenance	• The more Anonymities for higher the price

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