OCTOBER
2021

Peak Possibilities

Your Monthly Guide to Informed Real Estate Decisions

ICOR™
Investment Community of the Rockies
COLORADO'S REAL ESTATE INVESTORS ASSOCIATION

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Trust but Verify...

by Troy Miller

Suzanne Massie, an American scholar, met with President Ronald Reagan many times between 1984 and 1987. She taught him the Russian proverb Doveryai, no proveryai (Trust, but verify). The proverb was adopted as a signature phrase by Reagan.

And quite frankly that phrase/practice should be adopted in our real estate industry. During my career, I have noticed areas that go "unverified" especially when it comes to partnerships and joint ventures:

1. How easily beginner investors are drawn to perceived success like a moth to a flame

2. How investors will cut corners on business matters to save the expense of attorneys, business planning, property managers, and other professionals-services that are there to protect them

3. Simply relying on someone's word or a handshake to do business

Join ICOR
October 12th–14th
from 6–8:45 pm
The Cost & Benefit of Due Diligence for Partnerships & Joint Ventures

At last month's meeting, my final thought was around a matter that took up a great deal of my time. When joining ICOR, members agree to a code of ethics (www.icorockies.com/code-of-ethics). In my tenure, I've only been called to act upon a matter that was deemed unethical now twice, (nine years since the first one). For reference, when a complaint is made, ample time is given to the accused to respond to the matter. If the matter involves agreements and contracts, ICOR will engage its legal counsel to review and provide direction. Both parties are then brought together to share our findings and make a ruling on the matter resulting up to dismissal from the organization. In a recent conversation, someone asked me how that helps the matter, and in response, I said simply that it would prevent this from happening again within ICOR.

To my knowledge, there isn't a meetup or investing group that goes above and beyond to provide that type of advocacy or accountability for their members.

Over the past month, it occurred to me that taking time to have a conversation on updates to your due diligence process is worth taking the time to do so! Especially since every single individual I spoke to fell into one of the three scenarios I mentioned previously.

As we head into ICOR's October monthly meeting, I will address three common mistakes from investors regarding their level of experience.

1.Perceived Success: **"I want to help mentor others!" "I've got access to everything you need to get started!" "It will be easy, I promise!"** Beginners, I know it's hard and daunting but nothing about this business is easy. The only saving grace is that it does get easier over time, and specifically you get better over time. My friend Dave Lund once said to me, "You remove the fear by becoming an informed investor, you show up, surround yourself by the right people and they will help guide you." Unfortunately, there are people whose intentions are not in the right spot and prey upon beginner investors for their own personal gain, and those people present themselves as subject matter experts. As a beginner, we sometimes rely on their word because the "carrot" they dangle will get us closer to our own success, and that's where trouble begins. In the same way you look at a property, don't get emotional, refrain from making hasty decisions based on what you are told. You ultimately need to know what is most important to you and consistently follow your own due diligence process...just like you screen your tenants to avoid fair housing issues. Be consistent and trust in your own process.

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October @ ICOR

Monthly Meeting | October 12–14th

The Cost & Benefit of Due Diligence for Partnerships & Joint Ventures

The expression goes that you can go faster alone, but further together. And for many in real estate, partnerships and joint ventures are a critical part of their investing strategy.

Partnerships come in the form of general and limited partnerships. While joint ventures can include any number of creative means including real estate contribution, construction, construction management, credit, capital, or overall connections.

But the challenge comes in the due diligence process.

It's important to have a due diligence checklist to ensure that you don't overlook anything. It allows you to see what existing obligations, liabilities, problematic or reoccurring behaviors, and overall, financial risks you may be opening yourself up to.

In the same way you avoid fair housing issues, it may be helpful to create a checklist that includes items that are most important to you for a fair and unbiased review of the person/business you are about to potentially partner with. Those checklist items might include:

- Outstanding liabilities including loans (commercial, private, or otherwise, and what is the state of the loans)
- Any previous litigation
- Tax preparation and reporting
- Previous deals that have been completed, and discussing the transaction with previous partners
- Connecting with their professional team including attorneys, accountants, cpas, or others
- Relationships with past contractors and tradespersons
- History of licenses and permits when applicable
- Examples of paper trail of deals that share transparency and accountability

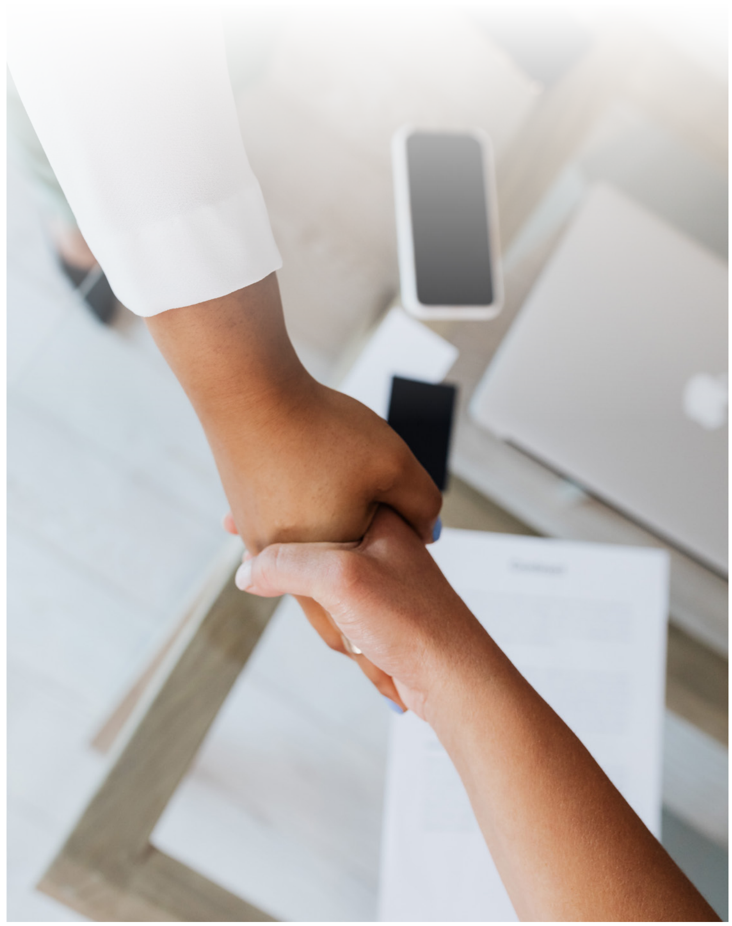
These are just a few ways to begin your due diligence checklist. Join ICOR in October for a panel discussion on **"The Cost & Benefit of Due Diligence for Partnerships & Joint Ventures"** for the chance to learn and finalize your checklist and process to ramp up your real estate business through working with others.!

For full details or to register visit www.icorockies.com/events

Colorado Springs
Tuesday, October 15th
Hyatt Place Colorado Springs
503 Garden of the Gods Rd West
Colorado Springs, CO 80907

Denver
Wednesday, October 13th
South Metro Denver REALTOR Association
6436 S Racine Cir
Centennial, CO 80111

Northern Colorado / Fort Collins
Thursday, October 14th
The Group Classroom
2803 E Harmony Rd
Fort Collins, CO 80528



SATURDAY, NOVEMBER 13TH | DENVER, CO | 9AM – 3PM

Shared Housing Academy: Investing in Government Subsidized Shared Housing

If you could **TRIPLE** the income from your Single Family rental property while having true **IMPACT**… would you? According to the Latest figures from the US Government, here are 70,000,000 people facing housing insecurity today. That is a huge problem, and the good news is, there is a **Very Lucrative Solution**. And the answer is Gene Guarino & Sherri Candelario, the founders of the Shared Housing Academy, will share the 4H2F Formula and his little-known **SECRET** in this session.

In this session:

1. You'll learn how to turn a single-family home into $3,000 to $10,000 or more in Monthly Cash Flow.
2. You'll learn how to tap into BILLIONS of dollars available to real estate investors just like you.
3. You'll Discover how the "4 Homes To Freedom" Formula can set you free in 18 months or less.
4. Learn how to Attract tenants that will respect your property while collecting guaranteed rent payments
5. Learn Why Rent & Eviction Moratoriums DO NOT APPLY using the "4 Homes to Freedom" Formula

You will learn how to capitalize on this mega-trend opportunity and become financially resilient in any market to come! Gene will introduce you to Sherri Candelario PhD. the country's leading authority on the topic of Recovery Housing. Don't miss your opportunity to have true IMPACT & maximize your cash flow using the 4 Homes to Freedom Formula

Shared Housing Academy

REGISTER AT
www.icorockies.com/events

$99 for Members
$149 for Non Members

Join ICOR at an upcoming Monthly Meeting for the deepest discount on this workshop!

ICOR Business Member Directory

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Trust but Verify...

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2. Cutting Corners: Real Estate investing is a business…and not a hobby. Again, another reason ICOR stands out is that we are not a "club." ICOR is a trade association of likeminded business owners looking to stay current with laws, codes, and best practices. Business owners know and prepare for the cost of doing business. Clubs are for hobbyists, and hobbyists dabble and do something leisurely. If I cobble my lease together with articles that I like or don't like, it may negate the entire lease nullifying the entire document or process. Don't fall into the trap of "hiring myself to do the job of a trained professional" in the hopes of saving some money to make the numbers work. If you aren't up to being a business owner and all that goes with it, you want to reconsider if investing is for you.

3. Someone's word or a handshake: My friend Jeff Watson, a fellow investor and attorney, once impressed upon me that in real estate, "If we're good enough friends to not have a contract, we're good enough friends TO have a contract." This goes for partnership agreements, promissory notes, change orders, construction draws, and operating agreements. Often, I have heard of investors solely relying on talking through things and documenting on a bar napkin at most. Truthfully, I have seen agreements that were perfectly lawful, but the individual was unethical and deceptive in nature, making the agreement only as good as the word of the person who inked it. This takes me back to #2, in having an attorney review your agreement to ensure it provides you with the protection or support you need to feel comfortable. Better yet, give the person you are working with the old gut check. If you don't feel good about it, chances are there's a reason why that perhaps you should explore.

At the end of the day, the decision is yours to make. There is inherit risk that comes with investing that you must feel comfortable with assuming. Remembering what I said, be consistent and trust in your own process, and if you haven't created one or it's been a while since you've reviewed…join me at October's meeting to discuss doing due diligence on your next partnership and joint venture!

OUT OF STATE INVESTING EXPERT

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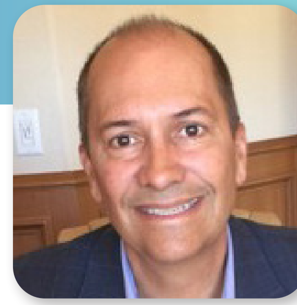

Notes vs Properties: Which is Best 4 U?

By now you've heard all of the sales pitches...."buy properties now before they are all gone" or "they aren't making anymore land" or "more millionaires have been created through real estate investing that any other profession". I tend to agree with each of those points but I also think there is more than one way to take advantage of the current, super strong real estate market: for example, instead of investing directing in real estate properties, perhaps consider investing in notes. What's that you say? "I don't understand notes. Notes are boring. There's no appreciation upside. How secure is my note really?" All good points but in my opinion there is nothing boring about earning 8% fixed on your money, especially in todays fiscal climate where the government has all but eliminated our ability to save money in any traditional sense (think CD's or money markets that pay 1-2% if you are lucky) with its never ending QE and loose fed policies. But maybe I'm just old fashioned. And no, there is no appreciation upside but there are also no late night phone calls from tenants to fix their toilets, no stress because your tenant cannot pay rent but you still have to pay the mortgage, and no property managers to follow up with. Both properties and notes have their rightful place, so which one is right for you?

To be clear, notes are not for everyone. But you need to understand the basics before you decide if they are right for you. A note is basically an agreement to pay, codified in the form of a promissory note, that either may or may not be secured with a deed of trust (DOT) or mortgage on a property which acts as the collateral for the loan. There are performing and non performing notes. There are 1st, 2nd, 3rd and even 4th lien or mortgage notes. And it can all be very confusing.

Here are my stripped down thoughts on notes, based on 25 years in the mortgage banking and real estate finance industry: **1.** Don't ever buy an unsecured note. Ever. Life is too short and there is no collateral/property securing the note. **2.** Don't ever buy a non-performing note. Non-performing means the borrower is not paying. Don't think you are going to buy it for "pennies on the dollar" and get the borrower to suddenly pay. I've tried, very difficult to do and way too much brain damage. **3.** Only buy 1st lien/1st Mortgage fully performing notes. These are top of the line, secured notes, and if the property ever goes into foreclosure, you are the one who will get paid first. **4.** Make sure the loan to value on the note is low (typically < 75% of the value of the home. This gives you tremendous down side protection should the borrower fail to pay and you end up foreclosing. 5. If you can get a note buy back guarantee, take it, take it, take it.

Its pretty simple really. If you are looking for a consistent income stream (we call it "mailbox money") where all you do is collect a check every month with none of the follow up, maybe buying a note makes sense for you. We work with clients mostly in their 50's to 70's who buy notes from us to supplement their retirement income, while avoiding the volatility and risk of the stock and bond markets, and their money is secured by a 1st mortgage on a quality property with a note buy back guarantee. Again, real estate is not one size fits all and in the current fiscal environment we are all trying to make lemonade out of lemons and that starts by thinking outside the box. So...maybe a note is right for you....

TAX EXPERT

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Not Nuclear Science, But I Tell People It Is

We are living in a challenging time for real estate professionals. If you are not living in concern about what is happening, you may be in denial. The threats to the real estate professional are many such as rising inflation, increasing regulations and governmental control, missing qualified laborers, and the elevating threat of war and terrorism – just to name a few. So, what does this have to do with nuclear science?

During World War II – one of the toughest times in this country's history – our scientists worked on a secret project called the Manhattan Project. Hollywood has told their story with a movie featuring Paul Newman called "Fat Man and Little Boy". Along with my personal favorite, starring Sam Waterston called "Oppenheimer." These films depict the hard work and dedication that the Manhattan Project entailed in detail. However, to boil the story down to its bare bones, scientists were organized to plan, implement, and then measure the results of building a nuclear weapon to end the war. While you may not be building a nuclear weapon, these scientists outline key steps for every real estate activity you may pursue.

Their plan was in writing and it declared specific steps including start dates and completion dates. The implementation was carefully engaged, and they documented each step in order to accurately measure their results. Finally, they consulted the best minds available at the time to ensure that they had the best information available for their project. You might say real estate trade or business is not nuclear science. This is a correct observation. However, you would benefit from adopting this mindset around everything you do. No matter the size of your real estate activity, whether it is a trade or business. You should act accordingly. You should plan, implement, and measure your results. It matters. It really should matter to you.

You should surround yourself with the best advice you can have regarding your real estate activity. But you should not rely on their spoken words – good advice is in writing. Every real estate professional should have a detailed written tax plan – that explains how to legally reduce their taxes and save cash. These plans should document where the information is sourced including the tax law, revenue procedures, and any applicable tax court cases. It should explain what to do, when to do it, and how to do it. Most importantly, your tax plan should tell you why you're doing it.

Your first priority should be promptly implementing these strategies and reducing the amount of estimated or withholding taxes you pay now. Keeping your money in your pocket is always a good thing. Finally, you should measure your results. If you know how much cash saving you plan to achieve then you should prepare your taxes and measure your cash savings each year. Reflect on your taxes and look to see what may be missing from your tax strategy, the presence of which would make a difference next year.

Although real estate activity is not nuclear science, it is important to you. You should do everything you can to keep the money you worked hard to earn. At Stone CPA and Advisors, we offer a Discovery Session designed to look for mistakes and missed opportunities in your unique tax situation. We won't be able to help you build a nuclear bomb, but we can help identify how much cash you can save with a detailed tax plan so call us at 970-668-0772.

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5 Favorite Upgrades for Your Flip

You've acquired the house you've decided to flip it for a profit but now the list of needed-wanted improvements is growing as your budget seems to be shrinking and you are wondering how to prioritize. As we've met with them, they've all brought up these issues again and again. These are common issues for our fix & flippers from across the country and they've shared with us five of their tried-and-true upgrades that get them the most return on their investment and help minimize days on market when it comes time to sell. From top to bottom, here are their 5 favorites:

1. New countertops
2. Updated plumbing fixtures
3. Additional storage space
4. New flooring
5. Improve curb appeal

New Countertops

The kitchen and master bathroom are the most important spaces a buyer considers when choosing a home. If the countertops in either space are stained or dated, replace them. If you're budget is tight and you must choose one space, focus your efforts on the kitchen - the most used and visible space in home. A growing trend and cost-effective alternative to new countertops is to paint existing countertops with epoxy paint. The number of color options is excellent, and the quality and durability are improving; just make sure you hire a qualified, competent epoxy specialist.

Updated Bathroom Plumbing Fixtures

Plumbing fixtures are a focal point of the bathroom and f that focal point is dated, leaking, or hard to use (hard water damage) the overall impression of the bathroom renovation is lessened. And for $200 this issue can easily be avoided. New plumbing fixtures with new countertops is a quick way to make a space feel new and add style without breaking the bank.

Additional Storage Space

Eventually everyone runs out of space to store all their belongings. Luckily there are some creative ways to add storage space that will attract more buyers. For example, the garage is an excellent place to add a simple tool bench with shelving below and peg board above. A banquette (built in bench seating around a bay window) can add space for tablecloths, appliances, pet food, or other kitchen items. Bedroom closets are another great space that is often underutilized for storage. For $100 you can add built in storage in a bedroom closet that will be a major selling point. Each time you maximize the storage capacity in a dead space, you add value to the property. And remember to leave storage space empty when you show the home, as it makes the space seem bigger.

New Flooring

The fastest way to change the look of a home is to replace old flooring. Our office room, one of the largest rooms in our home, went from being the least used room to the most used room when we replaced stained, old carpet for laminate wood flooring. The project took us 4 hours to complete and was just over $350. New flooring provides a clean, elegant look that markets a home as move-in ready.

Keep in mind the value of replacement flooring and make it commensurate to the projected value of the home as a whole. For example, replacing vinyl flooring with Carrara marble tiles would not be a smart use of your budge in a 1,100 sq ft home in downtown Phoenix. You want to spend your budget on those materials that will increase the value of your project, not price it out of the range of buyers for that area. One of our builders has a catch phrase he regularly uses that perfectly captures this idea, "As nice as..." Your goal is to upgrade the features of the house, like the flooring, so that they are as nice as the comps, and that's it.

Improve Curb Appeal

You never get a second chance to make a first impression. And curb appeal is a buyers first impression of the home. Little things can make all the difference. For example, upgrading a mailbox, adding new house numbers, planting flowers in a flower bed, installing new exterior lighting fixtures, and applying a fresh coat of exterior paint can quickly change the look of a home and generate more initial interest to more buyers. According to the research conducted by Remodeling.net, "'Curb appeal' and 'first impressions' are strong concepts in real estate because they have a big impact on how much money prospective home buyers are willing to pay for a home. If they start out thinking the house looks good - is in good shape, has 'good bones' - they begin to fit all the new information they learn once they walk through the front door around these positive impressions."

There are many ways to improve a property but only a few have the kind of proven return on investment that make sense. These 5 upgrades are consensus winners and will provide the greatest bang for your buck while increasing both marketability and profitability.

CHRIS TANNER / CTANNER@NDTCO.COM / NDTCO.COM

Crowdfunding With IRAs

It would be an understatement to say the financial landscape has changed in the past decade. Businesses accept payments with Square, investors buy stocks through apps while listening to podcasts, and cryptocurrency went from geek niche to cultural phenomena overnight. Alongside these is another monumental shift: crowdfunding.

What is crowdfunding?

Crowdfunding is a type of investment in a business or venture. However, unlike angel investing or stock purchases, crowdfunding typically involves smaller sums from a large group. Here are some examples.

- **Rewards-based crowdfunding:** This type of crowdfunding is the most well-known, thanks to Kickstarter. In rewards-based crowdfunding people invest in a company in exchange for a reward, typically a discounted final product or service.
- **Donation-based crowdfunding:** This is charitable crowdfunding, in which people donate their money expecting nothing in return. Donation-based crowdfunding is typically used by charities looking to fund a project, or to help with medical bills or recovery expenses via sites like GoFundMe.
- **Debt-based crowdfunding:** This type of crowdfunding is used when a company needs a large sum of money to cover some kind of expenses or acquisition. In exchange for donations the recipient typically promises some kind of repayment to those donating.
- **Equity-based crowdfunding:** In equity-based crowdfunding, investors put their money into a company in exchange for shares. This type of crowdfunding gives startups the chance to grow through funding, and investors the opportunity for a potential return on their investment.
- **Real estate crowdfunding:** This type of crowdfunding involves multiple people pooling their money together to fund any kind of real estate project. Real estate crowdfunding can be as simple as buying a rental property with multiple people, or funding a new building entirely.

How does crowdfunding with an IRA work?

Crowdfunding with a self-directed account is surprisingly straightforward, thanks largely to the 2011 JOBS Act. Crowdfunding with a self-directed account involves only a few simple steps.

1. Verify you have the right kind of tax-advantaged account. Crowdfunding through your IRA or Solo 401k requires a self-directed IRA or Solo 401k.

2. Choose a trust company specializing in self-directed IRAs or Solo 401ks to custody the asset you're interested in. This company will handle the details of ensuring your assets are used to crowdfund the asset of your choice.

3. Open and fund your account. This is typically done via a transfer or rollover of existing funds from an IRA or Solo 401k, or you can choose to contribute new funds subject to contribution limits.

4. Select what kind of investments you'd like to make, real estate crowdfunding or another type of crowdfunding.

5. Complete the investment process and monitor your account for performance.

Four Red Flags When Crowdfunding

Crowdfunding can make for great investment opportunities and generate excellent returns. But, like all investing, crowdfunding involves risks.

The company has no online footprint

If you Google the company or founders and find nothing, this is a big red flag. Any enterprise trying to raise money should have some level of awareness around their product or opportunity. And if nothing else, the founders should have some kind of presence online.

The opportunity guarantees returns

Some opportunities really are too good to be true. Language like "guaranteed returns" or "double your investment" and so on is a sign the company is trying to mislead you. There are few guarantees in life, and investments are far from them.

The math is funky

This point is especially relevant when you're dealing with real estate crowdfunding. Closely examine the numbers when looking at investment properties. If the account holder claims you'll make a certain amount but you're not arriving at the same number after expenses, taxes, and other costs are factored in, double check the math. You may need to move on.

The valuation is inflated

When you're looking at crowdfunding a startup, pay close attention to the valuation. It's not unheard of for companies or crowdfunding platforms to inflate the valuation of a startup to draw more investors. Start your New Direction Trust Company account today and begin building a better retirement through self-directed account investments.

Crowdfunding a better retirement with NDTCO

Using your self-directed IRA account to invest in real estate, private equity, and debt-based crowdfunding is not only possible, but potentially very lucrative. With New Direction Trust Company you can quickly start investing in real estate using your own self-directed retirement account.

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Is My Property Covered Against Water Damage or Flood?

When homeowners or real estate investors are looking to purchase a new property, they often forget to ask, "is the property in a flood zone?" The good news is you have choices; you can purchase flood insurance if your property is in a flood zone or is not in the flood zone. I always recommend purchasing flood insurance for that added protection of an unplanned flood. Currently, you can purchase flood insurance through FEMA or through the WYO "Write Your Own" flood program through private insurers.

Flood insurance is available for homeowners, business owners, and even renters.There is a difference between how water losses are considered a flood and a covered hazard insurance water loss.Hazard insurance policies would provide coverage for Water Damage that occurs as a sudden and accidental discharge of water. This can often be from a broken pipe, toilet, refrigerator, washing machine, or HVAC system that doesn't drain properly, causing a flood.The resulting damage can be severe, depending on the leak's location and the amount of time it has been leaking. Water damage can often occur on second floors and then leak to the lower levels and cause extensive and expensive claim damage.

I often get the question from investors, "is water damage covered that originates from the roof?" This is always reviewed on a case-by-case basis but can be covered if related to a covered peril from a storm (hail). Even though each claim has its merits, flooding events like surface groundwater or flash flood are typically excluded from hazard insurance policies.

Flood damage is damage to the home, personal property, or commercial building directly resulting from a flooding event. There should be significant rain over a short period to create a flooding event or flash flood. Suppose the rental property or commercial building is in a high-risk flood zone. In that case, the property owner must have a separate flood insurance endorsement or policy to have coverage for a flood caused by weather events.

Flood insurance is often required by the mortgage lenders for properties that are in a designed flood zone. The most common flood policy usually covers the building or home. I always recommend to the investor to include coverage for property inside the building and a loss of rents or additional living expense coverage. These additional costs for additional living expenses and contents can sometimes be greater than the damage to the building or home. I review many flood policies, and I have found that many policies do not include these important coverages. Flood insurance will provide money to repair or even rebuild a home if damaged or destroyed by a flood. When a homeowner has to file a claim, they are only responsible for paying the deductible. As a result, the homeowner retains the home, keeps making their mortgage payments, and everyone will be happy.

According to FEMA, a flood insurance policy covers the following:

- The insured building and its foundation
- Electrical and plumbing systems
- Central air conditioning equipment, furnaces, and water heaters
- Refrigerators, stoves, and built-in appliances such as dishwashers
- Permanently installed carpeting over an unfinished floor
- Permanently installed paneling, wallboard, bookcases, and cabinets
- Window blinds
- Detached garages up to 10% of building property coverage (detached buildings other than garages require a separate building property policy)
- Debris removal

If you notice above, what is not covered is the loss of use/additional living expenses and or loss of rents.

In Colorado, purchasing the right flood insurance can be difficult. Before purchasing your new property, ask to see if the property is in a high-risk designated flood zone before initiating the property purchase.

Feel free to contact me to assist you with the right flood policy for your investment property.

Sure, you have a roof over your head, but do your investments have the right coverage?

How can I help? Let's set up a time to review your policies!
Your Investment Insurance Specialist,
Eve Hoelzel, Licensed Agent Producer

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Rent Growth on Renewals

Is rent growth upon renewals a strategy or has it become a pain point? Is there a way to achieve rent growth and avoid turnover at the same time? Who is in the driver's seat?

It is a common misconception that to keep the perfect renter, an owner should avoid increasing rent. It is possible to do both. Here are a few strategies that will help you in achieve the desired rent growth, while avoiding unnecessary turnover.

1. Time your rental expiration correctly. Don't let your leases expire the week before Thanksgiving. This is never a good time to have a rental hit the market. You want your leases to start and end in the peak moving season from May-August. This will ensure you are renewing at the right time; hence help you get your desired renewal rate. Here's the rationale: peak rental season means that rents are often higher than at non-peak times, enabling you to obtain a rate increase.

2. Know your rental market. If you know the market has taken a huge jump in rents—as the Denver rental market has over the past 3-5 years—and your renter is considerably under market, then you are in a good position. This is the time to remind your renters that leaving your rental property will mean they will be paying market value, or significantly more in rent then your renewal offers

3. Offer incentives. Maybe it is a free carpet cleaning, an offer to paint a room in the house, or an appealing gift card. Be creative and get to know your residents because people will stay longer when they are treated with respect and goodwill.

4. Work well in advance of lease expiration. Renewal offers should be communicated to residents at least 60-70 days prior to the lease expiring. This simple courtesy gives you and the resident plenty of time to digest the change. It will also give your resident time to do some market research, which will show them that your property is appropriately priced. In giving your residents time to think through a rent increase, they will likely come the conclusion that the stress and cost of moving far outweighs the renewal increase.

Knowing your rentals' value enables you to push rents appropriately, giving you an advantage in negotiating rental increases. Whether you get the renewal or have a resident move out, there is nothing to fear because you know your property's worth. Knowing this takes the anxiety and fear out of either scenario.

PRIVATE BANKING SYSTEM EXPERT
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Private Money Lending and Private Family Banking

If you've been in the real estate investing world long enough you may have dabbled with the idea of getting on the other side of the table and being a private money lender. After all, when you started out in the real estate world, chances are you were trying to utilize friends and family's cash for short term private money loans for your rehab before you build relationships with good lenders. Or, perhaps you haven't been interested in wholesaling and rehabbing but have a sum of money and wanted to jump right into private money lending and help others get started in their business.

As with any endeavor, we always recommend you meet with a lawyer, establish your business, get the required insurance, and learn the ropes. As you explore your options, you see there are limited places to store your cash while it is not loaned out.

Most of us think that savings accounts are the only option. It's a good starter place to store cash, quickly accessible, and you know right where your money is located. Savings accounts sometimes earn the .05% interest rate while just sitting , but then you receive an insulting 1099-INT at the end of the year and have to pay taxes on that interest! At least you made good money while it was being loaned out. Other high interest yield accounts are also popular, or perhaps qualified accounts (i.e. Self Directed IRA, et al). In each case above, your money is growing on what remains in the account. The money outside is the real money maker.

Have you ever considered Whole Life Insurance as a place to store your money?

Properly structured whole life insurance from a mutual carrier can be substantially advantageous as a place to store your wealth. The single most advantageous benefit (in the context of this conversation) is that when accessed correctly, the money inside your policy is growing uninterrupted even while it is loaned out. Let me say that again. Your cash value grows year over year as if it never left even while it is loaned out to someone else!

For example. If you have $200,000 in cash value stacked up in your policy, and the cash value was projected to grow by $25,000 that year, it would still do so, even if the $200,000 was loaned out the entire year to a real estate investor.

Your cash value grows and you made your gains on the money that was loaned out. The growth in your policy is income tax free… when structured and accessed properly. The cash value grows as if it never left. You have living benefits and a death benefit. And that's just the start. There is simply no other vehicle in which you can do this.

Every real estate investor should be exploring this option now. Let us help you take advantage of the most secure and profitable place to store your hard-earned money.

Call, text, email or send a carrier pigeon to discover what your own Private Family Banking System can accomplish!

ICOR™
Investment Community of the Rockies
COLORADO'S REAL ESTATE INVESTORS ASSOCIATION

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MONTHLY MEETING INFORMATION

October Meetings

ICOR – Colorado Springs **In Person** Tuesday, Oct 15, 6 PM-9 PM (MDT)	**ICOR – Denver** **In Person** Wednesday, Oct 13, 6 PM-9 PM (MDT)	**ICOR – Northern Colorado / Fort Collins** **In Person** Thursday, Oct 14, 6 PM-9 PM (MDT)

Subgroups

Join these topic-based communities of like-minded investors, share "Haves & Wants", network and learn in small groups.

***NEW* Beginner Investor Subgroup** **Virtual** Thursday, Oct 7th **Rental Property Subgroup** **Virtual** Wednesday, Oct 20th	**TrueNorth Group Planner** **Virtual** Saturday, Oct 23 th **Stone CPA Community Discussion- Q&A** **Virtual** Thursday, Oct, 21st	**Fix&Flip Property Tour** **In Person** Thursday, Oct 28th **Shared Housing Academy** **In Person** Saturday, Nov 13th

Find out more and register online at www.ICOROCKIES.com/events