FEBRUARY 2022

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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Table of Contents

Three Tips for Valuing Your Time As An Entrepreneur

By Shawn Dill, Forbes Councils Member

As an entrepreneur, it can often feel like there aren't enough hours in the day.

To make the most of your working hours, maximize your earning potential and keep your sanity, you must treat your time as your most precious resource.

When I first started my entrepreneurial journey, I struggled with being in charge of my own time. But over the course of my career, I've learned the work habits that are most effective to help me thrive. Today, after helping thousands of other entrepreneurs along their journeys, I've seen that many of us have challenges as we take responsibility for ourselves.

If you struggle in this area, these three strategies can help.

Join ICOR
February 8th – 10th
from 6-8:45 pm
Real Estate Investing TED Talk: "Four Places Investors Waste Time & Money"

1. Calculate the value of your time.

Everyone has the same 24 hours every day. As such, you must develop an acute understanding of what your time is worth. It isn't enough to say, "A lot." It is vital for you to calculate the value of your time by looking at your production. Divide your revenue by the number of hours you provide your service to determine what one unit of providing that service is worth.

This is critical because, without a specific understanding of the value of your time, you are unable to know which activities are most valuable and worth doing. You might be pleasantly surprised by the value at which you arrived. However, some might also reach the conclusion that, because they're working 60 hours a week and not all of that is going toward providing a service, they are diminishing their hourly rate.

This is technically true, but there are a few ways you can prioritize how you spend your time so that this is no longer the case. The next strategy will help with that.

2. Track how you spend your time.

Write down everything you do in a day. As you do, think about the value of each task. Is it a $20-per-hour task? Or is it valuable enough to be worth the value of your time you just calculated?

Your first task is to find a way to delegate as many of the tasks as possible that are below the value of your time. If you can, hire an assistant (virtual or in-person) who can handle the tasks not directly linked to generating revenue.

If there are financial limitations to delegating these tasks, be as efficient as possible. Try to allocate the bulk of your time to $1,000-per-hour tasks. In my experience, doing so can help produce more revenue that will eventually allow you to hire the necessary staff. The ultimate goal is to eliminate your $20 tasks via delegation.

Throughout my experience, I've found lean business practices can help lead to this efficiency. My business, for example, does not have 100 employees. We staff as lean as possible by employing virtual assistants and ops teams. Keep your expenses as low as possible while freeing up your time to engage in your big, revenue-producing activities.

This exercise will also reveal the time vampires you need to slay, such as binge-watching an entire season of your favorite TV show over the weekend.

Continued on page 3

FEBRUARY MEETING INFORMATION

February @ ICOR

February 8th – 10th from 6 to 8:45 pm

Real Estate Investing TEDX: Four Places Investors Waste Time & Money

Why did you get into Real Estate Investing in the first place? Was it to spend more time with family, to work less, to have the chance to travel more? Now consider how much time you are spending on your real estate business.

No matter how hard we wish for more, there are only 24 hours in a day. And of those 24 hours, the question shouldn't be how many hours you could dedicate to real estate investing, but how many do you WANT to dedicate to it.

Real estate investing technology has made big strides in saving time and money, which is a major priority for investors planning to expand their real estate business.

This month, in ICORs Ted Talk-style meeting, we focus on the major areas where real estate investors lose time including:

- Screening Tenants, Leasing, and Managing our Rental without a Property Manager
- Wasting time in the Rehab process running for materials, managing the flow, and making sure our properties finish on time and under budget
- Countless hours scouring all available resources and spending dollars on marketing to find deals
- And ultimately, doing all the things in your business that you could hire out or train someone else to do
- And then we'll discuss the systems that will let you scale your business successfully.

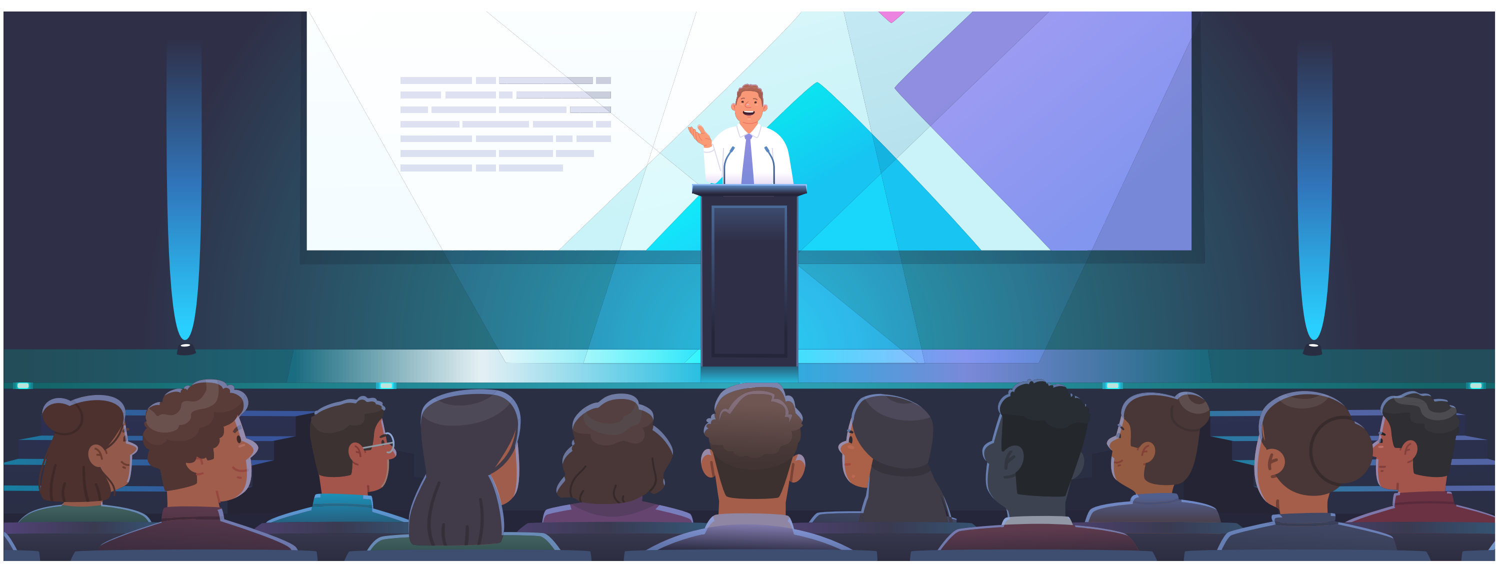
In February, get your time back, and focus on the highest and best use of your time in your real estate business while building and growing your real estate portfolio!

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

Colorado Springs
Tuesday, February 8th
Hyatt Place Colorado Springs
503 Garden of the Gods Rd West
Colorado Springs, CO 80907

Denver
Wednesday, February 9th
PPA Event Center
2105 Decatur St
Denver, CO 80211

Northern Colorado / Fort Collins
Thursday, February 10th
C.B. & Potts
1441 E Horsetooth Rd
Fort Collins, CO 80525



Three Tips for Valuing Your Time As An Entrepreneur

Continued from page 1

There is a balance between your business duties and personal life, so it is crucial that you develop the discipline to eliminate these vampires. The way to drive the stake through their heart? Again, write them down. Don't shy away from admitting how much time they suck from your productivity. It is an eye-opening exercise with tremendous results.

3. Be conscious of your time.

To become more efficient with your time, check up on it every day. Know where it is at all times, and strive to never let it get away from you. I believe if you approach the investment of your time in this way, you will see the results immediately.

In the same way that professionals recommend you check up on your money, it's also critical to account for your time. Think of it this way: You don't give the barista $100 for your morning coffee and pay no attention to the change you get back. In the same way, you should not allocate 30 minutes to a task and not account for it.

Each week, look through the tasks you did. Constantly evaluate your actions against the value of your time you've calculated. Dedicate time to thinking about how to move more of the low-value tasks off your plate. To that point, as you initiate these methods, document the accumulation of minutes, half-hours, hours and even days you save. Not only can you allocate them toward vacation or time on the links, but you can also put that time back into your business. Furthermore, with each hour you add back to your life by being efficient with your time and eliminating time vampires, the more opportunities you might be able to create to put money back in your pocket.

SATURDAY, MAY 7, 2022 | CAÑON CITY, CO | 9AM–1:30PM

Real Estate Market Tour: Building Cañon City

We will tour a small part of the city with Entrepreneur and business owner, Stan Bullis, as he shows us how he acquired over 100,000 square feet of real estate, and continue to bring Cañon City into a new Golden Era.

During the tour, we'll walk each of the 7 properties and learn how they were purchased, restored, and opened back up. Stan will share his vision for Cañon City as well as how a little-known financial tool called Infinite Banking, played an integral role in all he has acquired.

You'll learn from Wealth Strategists and Real Estate Investors, Olivia McGraw and Jason K Powers on how Unbridled utilized Federal and State Historic Tax Credits Opportunity Zones, Infinite Banking and just being in the right place at the right time. In partnership with the City of Cañon City, Unbridled's vision for redevelopment and restoration will surely last for generations to come.

In addition to the tour, we will sit down for lunch at Unbridled's farm-to-table restaurant, Fremont Provisions.

During our meal, we'll look closer at the ins and outs of these real estate developments and show you how you can take advantage of the lucrative financial strategy that underpins them all.

We will teach you how to boost your real estate income using Infinite Banking. When Infinite Banking is combined with real estate, it can accelerate your pay down on properties, while building up a cash flow system at the same time.

REGISTER AT
www.icorockies.com/events/real-estate-market-tour-building-canon-city

$20 for Members and Non Members

PRIVATE BANKING SYSTEM EXPERT
OLIVIA McGRAW / OMCGRAW@UNBRIDLEDWEALTH.COM / UNBRIDLEDWEALTH.COM

How Term Insurance Can Prevent a Crisis

My entrepreneurial parents started a homemade ice cream parlor when I was in preschool. They learned the trade from family and found a convenient location across the street from a hospital. Despite overhearing customers say, "they'll never make it," they survived their first Colorado winter in the ice cream business, expanded to soup and sandwiches, and began negotiating a purchase agreement for their building. That's when the unexpected happened. The building owner was tragically killed in a car accident. Thankfully, the property went to his retired parents who were willing to seller-finance and negotiated a fair price. The sudden circumstantial change could have ended several ways and I would like to propose a few alternate endings, beginning with the worst-case scenario and exploring how he could have better protected his assets and family.

Scenario 1: The property owner passes away with an outstanding mortgage. In this situation, the family would have been responsible for managing the assets and coming up with the money to pay off the bank. It was the 1980s, so interest rates hovered around 18%! The family may have wanted to sell the property as fast as possible, pay off the debts, and have some extra cash. Which means they would have needed to sell to the highest bidder—which would not have been young entrepreneurs with two young children who could not get a bank loan to finance a dream. My parents would have either closed up shop or searched for a less favorable location.

Scenario 2: What if the property owner had an inexpensive term insurance policy? His family would have received a significant sum to buy them time and options. Outstanding debts would have been paid off, giving the family other options to decide what to do with the building. Thankfully in this scenario, it may also have resulted in the same outcome for my parents—a seller-financed purchase agreement.

Scenario 3: But what if, when my parents started the business, they had arranged a buy-sell agreement with the owner of the property? Meaning they owned life insurance policy on the owner, and the owner owned policies on them. In this situation, my parents would have received a death benefit payment, giving them the option to buy the property out-right, the bereaved family would have received immediate payment for the building.

If you have any properties, projects, debts or assets that are not protected by at least an inexpensive term insurance policy, let's talk! It is too easy to focus on the task in front of us and simply hope for the best regarding our future. Taking a few moments to let us explore your options and help strategize a plan could mean a best-case scenario for you or your loved ones.

As we launch a new year, email us your name and birthday, and receive a free quote for inexpensive term insurance. Five minutes to protect your family, their options, and their financial future... your future self will thank you.

Email us your name, birthday and put "ICOR" in the subject line:
Jason Powers – jpowers@unbridledwealth.com
Olivia McGraw – omcgraw@unbridledwealth.com

Protect Your Real Esate Investments
Protect Your Family

1 in 3 households would have immediate financial trouble if their primary wage earner died today

50% would have trouble keeping up with basic living expenses after several months

Unbridled Wealth is offering ICOR members individualized life insurance coverage, catered to your unique situation and needs

~ If you were to die unexpectedly, would your loved one have enough money to cover your real estate deals, your funeral & their daily living expenses?

~ Would there be enough money to pay for everything your family relies on you for, if you were suddenly not around?

~ Would your family have to move and change their lifestyle if you were to die prematurely?

~ If your loved one were to outlive you by 10, 20 or more years, would they be able to make ends meet?

Get started with a free consultation and quote!
www.UnbridledWealth.com/ICOR

UNBRIDLED WEALTH SM

Contact Jason K Powers for a free quote
jpowers@unbridledwealth.com
303.250.1755

EVE HOELZEL / EVE.DSTANSFIELD@FARMERSAGENCY.COM / EVEINSURANCECOLORADO.COM

Marshall Fires Awakening with Insurance Questions

In the aftermath of the devastating Marshall Fire in the Boulder County, more than nine hundred homeowners, renters and business owners were left homeless and with a complete loss of personal and business belongings. The Marshall fire destroyed, homes, rental homes, mobile homes, apartments, vehicles, family memories, important documents and security.

According to a report from Karen Clark & Company[1], the accumulated losses by the insurance carriers on damage or destroyed property would be around $1 billion. Compared to other recent fires in Colorado, the Marshall Fire is the most destructive in history.[2]

The first step will be for the insurance companies claims adjusters will be to settle with their customers. This process could take weeks to months depending on the documentation requested and coverage limits. Insurance companies will be reviewing dwelling coverage limits, personal property limits, deductibles and endorsements in order to process an initial settlement for each claim. After the settlements are made and accepted, it will take several months before clean up and reconstruction can begin. As an Insurance Agent, I encourage homeowners to work with your insurance company before assuming they are underinsured.

When you are reviewing your coverage, you need to look for the following sections and endorsements under your policy:

1. **Dwelling coverage:** This is your reconstruction cost to rebuild your home with today's cost of labor and materials. The total dwelling limit is based on the home square feet, features, roof and any customization. The dwelling coverage needs to be as **Replacement Cost** and not as **Actual Cash Value** to avoid being underinsured. Policies have different forms or Replacement Cost coverage. By purchasing these riders, you are protected incase of an unexpected cost increase to rebuild your home.

2. **Extended Replacement Cost:** It increases the coverage for your dwelling by 10%, 25% or 50%. This is normally paid only if the home is reconstructed and not as an extra payment.

3. **Guaranteed Replacement Cost:** Pays the full cost of replacing the home even if this amount exceeds the policy limits. This is the better and best form of coverage to have on your home or investment property.

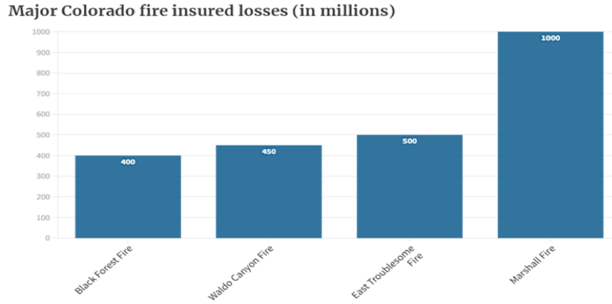
4. **Personal property:** It includes all your personal items such as furniture, electronics, clothing, cooking items, etc. Please confirm with your agent, the items are covered as Replacement Cost vs Actual Cash Value. The coverage can also be found in a renter's policy.

5. **Loss of use:** It is also known as Additional Living Expenses. It pays for additional costs you might incur after a covered event such as the Marshall Fires, makes your home uninhabitable.

6. **Endorsements or riders:** It extends or increases standard limits for your higher value items such as jewelry, antiques, collectibles, electronics, etc.

7. **Building ordinance:** Coverage applies if building ordinance or law enforcement is required as a result of damage directly caused by a peril insured against.

Major Colorado fire insured losses (in millions)



8. **Deductibles:** Colorado has the option to offer a percentage or a flat deductible in a homeowners policy. I always suggest choosing the Flat Deductible when it is available. The deductible is the amount of money the insured or homeowner is responsible for when there is a claim.

If you are worried about being underinsured on your homeowner's policy, you could request a copy of your Replacement Cost evaluation to your agent. It will include the home construction details such as the total square feet, basement finishing, features and fixtures.

After the Marshall Fires, Michael Conway, Colorado Insurance Commissioner, suggested to try to work with your agent and the claims adjuster before hiring an attorney. "Conway said. "Because keep in mind that those attorneys or those other types of contractors, they're going to charge you money too. And it's going to be money that you won't have to go to rebuilding your home."

If you have questions with general questions on your existing claim or about future claims, you can contact me. I could review your policy and provide a guidance how to improve it.

[1] *https://www.reinsurancene.ws/kcc-pegs-marshall-fire-insured-loss-at-around-1bn/*
[2] *https://kdvr.com/news/data/insurers-tally-1-billion-in-damage-from-marshall-fire/*

TAX EXPERT

LARRY STONE / LARRY@COLORADOTAXCOACH.COM / COLORADOTAXCOACH.COM

The Importance of "What Is Missing"?

No matter what industry they are in, successful businesses have many common elements such as advisors/coaches, processes, systems and a continuous exploration into what is missing. Not necessarily what is wrong. When something happens that is unexpected or they want to improve their results, successful entrepreneurs look for what is missing, which if it were present would make a difference.

This endeavor applies to everything—processes, systems, and human interactions. Yes, when having a conversation, one may want to look at what was missing, which would make a difference so they can have an opportunity to obtain different results the next time it occurs.

We believe that you should follow this principle with your tax planning and preparation. That is the reason we review your tax returns with you to look for anything that might be missing. This is a practice that you should follow no matter who prepares your tax return. As an aside, we review your tax return for quality control purposes 3 times prior to reviewing them with you looking for mistakes and missed opportunities. It matters to you that it is correct and that you are doing everything, you are legally allowed to reduce your taxes and save cash.

Sometimes I hear statements like:
• I trust my guy
• I am comfortable with what we are doing
• I am not interested in looking at different ways

Though these statements may be true, I would encourage you to look and see if something may be missing in your tax planning and preparation that if it were present would make a difference. You work hard to earn your money; you should put the same effort into keeping it. You may want to use it for something that matters to you—paying off your mortgage, sending your children to college, building your retirement, or simply paying your bills.

To this end, we are discussing the "Top Ten Mistakes That Cost Real Estate Investors Thousands" on Thursday, February 17th beginning at 10:AM as a component of our Community Q&A program for ICOR (Investment Community of the Rockies). We do request that attendees join 5 minutes early as we plan to start the event on time. We invite you to join us for this conversation and encourage you to share the invitation with your friends and associates. To register for this event, please go to http://stonewealthstrategies.eventbrite.com . This program will provide you with an insight into some of the common missed opportunities to reduce your taxes and save cash.

But what if you are not interested in learning about it? You do trust your guy and are comfortable with what you are doing. I would encourage you to follow the advice of President Ronald Reagan. During the negotiations with the Soviet Union at that time considered a potential aggressor, he stated the following approach "trust but verify." Using this philosophy, he was able to reach a nuclear weapons disarmament agreement with them. A significant accomplishment achieved during the "cold war."

Rather than not discovering something that you may be missing, I would encourage you to attend because knowledge is power, and I want you to be powerful about what you do.

MIKE HILLS / MICHAEL@REALATLAS.COM / REALATLAS.COM

Young Professionals Can House Hack to Achieve Financial Freedom

For millennial home buyers in Denver, getting in on the housing boom requires finding creative ways to make homeownership affordable. House hacking has been proven to be one of the most effective strategies for buying property in expensive markets.

The concept of house hacking has gained traction due to skyrocketing real estate prices in metro markets where home prices are otherwise unattainable to many first-time home buyers. It refers to buying a home with the intent of renting out part of it to cover some or all the expenses. There are many types of house hacking, including the following popular strategies.

Purchasing Multi-Family Properties

This approach may involve buying a small building with two to four units. The owner would live in one unit and rent out the others. Buildings with four or fewer units can be considered a primary residence, which allows the buyer to pay a lower down payment than if purchasing a building as an investment property.

Finished Basements

When finished basements have bathrooms and kitchenettes, they are great options for house hackers. The homeowner can live in the basement while renting out the main home, depending on his or her living situation and income goals.

Accessory Dwelling Units

Accessory dwelling units (ADUs) are separate from the house and have at least a bedroom area, bathroom and kitchen, making them rentable as a studio or full apartment. Before buying a home with an ADU, ensure that renting the ADU is legal in the area.

Multi-bedroom Houses

Imagine owning a four-bedroom house, renting out three of the bedrooms and living in the fourth. This strategy requires giving up some privacy and convenience, but it's a way to own an appreciating asset while also earning passive income from the property.

Homes With Convertible Areas

Many homes have areas that can easily be converted into extra bedrooms that can be rented. For instance, an unused work room or office could be converted into an income-generating rental space. Some expense may be involved, but in an appreciating housing market, it may be worth the cost.

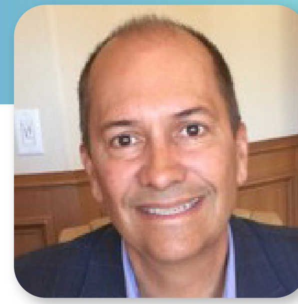
Building Wealth is Liberating

House hacking takes an asset perspective on real estate versus a lifestyle perspective. Many people buy homes because they want a certain standard of living and end up not increasing their wealth as a result, especially when the price tag is high. This emerging trend helps young professionals create a reliable revenue stream while growing their nest egg.

In today's growing sharing economy, house hacking appeals to young professionals seeking a more fluid, adventurous lifestyle. Having renters contribute to their property expenses allows them the freedom to move around, travel or work remotely.

Owning real estate is a great long-term investment but buying a home without a strategy may leave you tied down. Instead, millennials would be wise to consider wealth-building house hacking strategies that enable them to enjoy life in the Mile-High City's vibrant neighborhoods.

OUT OF STATE INVESTING EXPERT
TRAVIS ABBOTT / TRAVIS@INVEST1PROPERTIES.COM / INVEST1PROPERTIES.COM



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…

TADD JONES / TADD@BOOMERANGCAPITAL.COM / BOOMERANGCAPITAL.COM

It Really Isn't Fix-And-Flip. It's Value-Add.

The fix and flip real estate sector really isn't fix and flip anymore, it really is value-add at this point. What is the difference, and why does it matter?

'Flipping' was a term that came about in the heady days of real estate investing in the early 2000s. Home prices were rising so fast that speculators were buying homes with the intent of doing little to no work,, but just 'flipping' it to the next guy. The housing bubble burst and put an end to that, and banks and other financial institutions ended up holding portfolios of these homes, which they did not want to hold. These properties were sold at discounted prices, which again opened an opportunity for speculators. The banks were highly motivated sellers, for a variety of reasons, which led to steep discounts on individual properties. Many of these properties had not been well-cared for and needed some light work to get back into move-in condition. Speculators bought these homes at the artificially low prices, did the light rehab, and sold them at a profit. Minimal fixing became part of the process, and the term was updated to 'fix and flipping'. However these types of properties are now few and far between, and the more financially motivated and short-term players are far fewer in number.

The market has evolved. There certainly are still individual financial players, but now there are the institutions or 'big guys' such as Blackstone/Invitation Homes, Invesco/Mynd, and an ever-changing crew, building out rental portfolios for their own holdings or to be marketed as REITs. And they do make mistakes as well, such as Zillow's ill-fated adventure, may they rest in peace. This group is really acquiring properties for the purposes of being a landlord.

In this ever evolving market there is another important group of players—the tradesmen, and in this case, the 'little guys' that have risen in number. This group resembles the prior 'fix and flip' players as they are indeed planning to fix the properties after holding for a short period of time, but their actions have a very different impact on the homes and neighborhoods they operate in. Previously, homes were being returned to baseline values in a buyer's market; now homes are being updated in a seller's market and true value is being created.

This situation is very similar to what happens in the commercial property market. The commercial property market has 2 main categories: *core* and *value-add*. The core market consists of high-quality properties with high-quality tenants in place, held by investors looking for highly predictable returns that cover a bit more than their costs of capital. Properties are acquired and held for long periods of time. In the SFR market, this is very similar to the current institutional players.

The other category in the commercial property market is the value-add sector. These properties need renovation or repositioning, and are frequently un-tenanted, or in need of new tenants. The risk is higher, and the plan to return the asset to service after renovations and addressing deferred maintenance, basically a 'one-step-back-to-take-two-steps-forward'. This is very similar to the tradesmen currently involved in the market, so we believe it should be referred to as what it is: *value-added*.

This is an important distinction because of perceptions. No one likes to feel like someone else got a 'better deal', or that somehow, they were taken advantage of, and this is certainly not the case with a value-add project. Tradesmen purchase a home and do required work at prices cheaper than what an end purchaser could, which means the finished project is not only delivered in move-in condition, but also at a lower cost than if that end purchaser would have bought the house and paid for and lived through the renovations.

So, it really isn't fix-and-flip, it's value-add. Calling it what it is will help us all accurately portray the importance of what is being accomplished.

CREATIVE DEALMAKING ACADEMY

Saturday, April 23rd & Sunday, April, 24th

VISIT WWW.ICOROCKIES.COM/EVENTS/CDMA2022 FOR MORE INFORMATION

TWO-DAY AGENDA | GUEST SPEAKER ROSTER | LIMITED TIME EVENT PRICING

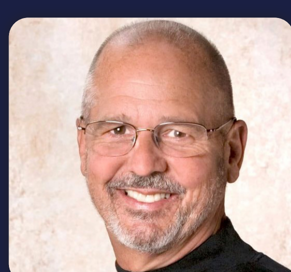
RESERVE YOUR SPOT TODAY!

This TWO DAY content-rich, intensive academy was created to show you what fast, furious, and successful investors are using to navigate the new world of creative real estate finance and deal structuring. We are presenting a forum where local and national experts can present and discuss their own strategies and philosophies. We have called in the heavy hitters to bring you the best of the best in Colorado and across the nation.

Understand, learn and utilize these creative deal-making strategies:

- Creating "financial friends" through Private Lending
- Creative down payment strategies: Options, Substitution of Collateral, and more
- Owner Financing
- Other People's Money
- Leveraging Retirement Accounts: Solo 401(k)s, Roth IRAs, and Health Savings Accounts
- Wrap Mortgages
- Master Leasing

MARIA GIORDANO



BILL COOK

LINDSEY JENSEN

JEFF WATSON

New Direction
TRUST COMPANY

SELF DIRECTED IRA EXPERT
CHRIS TANNER / CTANNER@NDTCO.COM / NDTCO.COM

2021: A Review and Some Updates

2021 was a wild ride, and we saw some fascinating trends both nationally and locally. Let's take a look back at some of what happened in 2021 and look ahead to 2022.

We saw significant increases in the average sales price of homes in the Denver Metro area. According to the Denver Post, there was a 21.3% increase in the price of homes in 2021 vs. 2020*. The national average saw an increase 19% according to a report from NPR. Home prices are expected to continue their climb in Colorado as inventory is at a historic low, interest rates continue to be low, and conforming loan limits have been increased. Starting January 1, 2022, the new conforming loan limits will reach up to $647,200 in most of the U.S. and $970,800 in high-cost areas.

Home prices were not the only thing that saw price increases in 2021. Inflation has steadily increased throughout 2021 as the Consumer Price Index reached 7% in December 2021. That represents the highest inflation the U.S. has seen since 1982. Rising inflation represents an erosion of your buying power.

The Build Back Better Act was in the news for much of the 4th quarter of 2021, and it looks like the Bill has stalled out in the Senate. The roughly 2 trillion-dollar spending Bill has met significant headwind as it made its way to the Senate. Included in the Build Back Better Act are proposed changes to retirement plan law that would significantly change what you can invest in, place new caps on allowable retirement savings limits, and would also eliminate the Roth conversion. As things currently sit, it does not look like the Bill will impact us in 2022 but stay tuned as this is a fluid situation.

The IRS recently released information regarding retirement plan contribution limits for 2022, and here is summary of those changes. The contribution limits for Traditional and Roth IRAs remains unchanged at $6,000 for people under 50, and $7,000 for people over 50 years old. The Simple IRA limit was increased to $14,000, and the SEP IRA limit was also increased to $61,000. Catch up contributions of $3,000 for the Simple IRA, and $6,500 for the SEP IRA also apply. 401K contribution limits were raised to $20,500, and a $6,500 catch up limit also applies. If you have any questions regarding retirement plan contribution deadlines, or contribution limits, please feel free to contact New Direction Trust Company.

**https://www.denverpost.com/2021/09/29/home-price-increase-record/*

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