MAY
2023

Peak Possibilities

Your Monthly Guide to Informed Real Estate Decisions

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

6795 E. Tennessee Avenue
Suite 401
Denver, CO 80224
970-682-4267
icorockies.com

Table of Contents

The New Prosperity

By Troy Miller, ICOR

Think back for a moment. Do you remember why you first went into business for yourself (or want to, if you haven't yet)?

Maybe you were sick of working for "The Man" and letting someone else control your schedule and paycheck. Maybe you were tired of office politics or glass ceilings. Or maybe real estate just sounded more fun, exciting and rewarding.

The list could be a country mile long, but underlying all those reasons was likely the belief that being your own boss would give you freedom, financial security, and control of your time and schedule.

Ring a bell? It should, because that's the hope most investors have when they decide to make the leap to go out on their own.

If you'll look around though, sadly the reality looks very different for 99% once they get into the business.

See, instead of quitting the nine-to-five job and living the good life, most find themselves working longer, harder, and being more stressed than when they had a boss.

Can you relate at all?

Business, work, and making money now consumes your thoughts, time, and attention and the very thing that was supposed to provide freedom now enslaves you.

And here's the tragic ending that most miss until it's too late...

There are severe consequences when your business and life look like this.

Not only is your business SIGNIFICANTLY more likely to fail due to burnout, but your personal life and everything in it takes a nosedive.

This my friend, is the reality for a lot of people.

Here's the great news though—it doesn't have to be that way. Not by a long shot.

Join ICOR, May 9th-11th, for Creating the RE Business You Love That Runs On Autopilot through Processes, Outsourcing, & Automation

If you've ever heard of Lifeonaire, they've started a movement towards helping people create lives and businesses that complement each other instead of compete with each other.

This means you can have both a life and business you love. You DON'T just have to choose one or the other.

One of the ways they help business owners is by getting them out of the CEO role (which really stands for Chief Everything Officer) and create true businesses that are systemized, automated, and profitable.

As proof in the pudding, Jason Wojo, the guy who runs Lifeonaire, recently won the prestigious iKON Business Of The Year award from Keap (fka Infusionsoft) for the results he's been able to achieve (a 7-figure business with less than 20 hours per week of work).

(If you're not familiar with Keap, they're the world's top sales and marketing automation platform and have over 125,000 users!)

Why is this important to you?

Continued on page 3

MAY @ ICOR

Creating the RE Business You Love That Runs On Autopilot through Processes, Outsourcing, & Automation with Jason Wojo

In 2022, our friend Jason Wojo won the prestigious iKON Business of the Year Award from Keap (formerly the Infusionsoft CRM), the world's #1 sales and marketing automation platform. At May's meeting Jason is going to reveal the same strategies and tactics that you can swipe and use in your own business!

If you're not where you want to be in your business because you're working too much and not making the money you want...We've arranged to have Jason Wojo, CEO of Lifeonaire to share his Proven 4-Step Formula to Working Less and Making More in Your Business! (A formula that's the result of 27 years of education, experience, and experimentation!)

Here's just a tiny taste:

- The one mistake that people make in setting up their business that almost guarantees they'll eventually become a slave to it.
- How to create a simple, achievable roadmap to take you from overworked business operation to true business owner.
- How to put your business on autopilot so that you stop burning the candle at both ends.
- The trick to scaling your business almost magically, without requiring a minute more of work from you, your employees, or contractors.
- How to finally stop fighting fires in your business so that you can focus on the most important tasks and roles.
- How to create a "crystal ball" that allows you to optimize your business for profitability.
- How to run an insanely profitable real estate business that you love and only work 20-24 hours per week.
- Why working more than 4-5 hours per day will actually produce LESS income for you this year.

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

Colorado Springs
Tuesday, May 9th
Hyatt Place Colorado Springs
503 Garden of the Gods Rd West
Colorado Springs, CO 80907

Denver
Wednesday, May 10th
Lakewood Cultural Center
470 South Allison Parkway
Lakewood, CO 80226-3123

Northern Colorado / Fort Collins
Thursday, May 11th
First American Title
2950 E Harmony Rd, Suite 399
Fort Collins, CO 80528

Save the Date for ICOR's May Meetings

ICOR – Colorado Springs	ICOR – Denver	ICOR – Northern Colorado / Fort Collins
In Person Tuesday, May 9th, 6 PM-9 PM (MDT)	**In Person** Wednesday, May 10th, 6 PM-9 PM (MDT)	**In Person** Thursday, May 11th, 6 PM-9 PM (MDT)

Webinars & Workshops

TrueNorth Group Planning Session	Geographic Investing Strategies	Deal Profiles
Webinar Saturday, April 8th The TrueNorth Group Session is for real estate investors who want to dramatically increase their probability of success and shorten the time to completing real estate investment deals to reach their financial objectives.	**Webinar** Wednesday, May 17th Geographical diversification is a way of reducing portfolio risk by avoiding excessive concentration in any one market. Geographical diversification can involve investing in developing countries that offer greater growth potential than developed economies.	**Workshop** Saturday, May 20th Please join ICOR member, Lindsey Jensen as she teaches you what a subject-to mortgage is, different ways to structure a sub-to deal, deal examples, how to get funding for your deals, and pitfalls to avoid!

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

SATURDAY, MAY 20, 2023 | DENVER, CO | 9:00 AM - 5:00 PM

Deal Profiles: Understanding Creative Financing Tools And When To Use Them

A day of non-stop deal structuring! This workshop is for the hands-on learner. Put creative financing tools to work, and beef up your investor tools box by applying...

- Seller Financing
- Subject To
- Options
- SDIRAs
- And more!
- Wrap Mortgages
- Lease Options
- Notes
- Private Lending

We will spend the day looking at REAL DEALS done by seasoned investors.

In Groups, you'll work with your team to make offers along side the other teams to see who and how to make offers stand out and stick!

What will be different is that after each case study is presented and offer are made, we will show you how the deal was done and ask the other presenters/investors what they might have done differently!

This way you will see the investment from different investors' perspectives. And then we will solicit ideas from your fellow attendees.

What we want to show you is how many of the more experienced investors "brainstorm" ideas to put deals together to find better solutions to the opportunities that present themselves.

As this volatile market starts to rock 'n roll, ALL CASH is no longer be the best answer AND by attending this workshop, you will learn to recognize other opportunities that might have passed you by!

REGISTER AT: BIT.LY/40PKXBI
$125 for Members and
$175 for Non Members

The New Prosperity *Continued from page 1*

Because Wojo is coming out to our May meetings, May 9th, 10th, & 11th to pull back the curtain and show you the exact formula for creating a wildly profitable business that you love and runs on autopilot.

Here's just a few of the things you'll learn when you join us:

- The one mistake that people make in setting up their businesses that almost guarantees they'll eventually become slaves to it.
- How to create a simple, actionable, and 100% achievable roadmap to get you from where you are now in your business to where you want to be—as quickly and easily as possible.
- How to finally escape the "rat race" FOR GOOD and say adios to the Joneses in your rearview mirror.
- Why working more than 4-5 hours per day will actually produce LESS income for you this year. Shocking but 100% true and proven by research.

And much more.

So, to wrap it up, if you're...

a. Working too much

b. Aren't making the money you deserve

c. Feel like you have more on your to-do list than you could accomplish in two lifetimes, or

d. All of the above

...Then we can't encourage you enough to come to this meeting and set yourself up for success and freedom.

This one is a game-changer and will make all the difference in the world to you achieving a business and life you love.

See you there.

**For details or to catch Jason in person, visit www.ICORockies.com/monthly-meetings*

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

Protecting Your Construction Project with Builders Risk Insurance

When real estate investors acquire new investment properties to renovate, they should consider a Builders Risk (also known as Course of Construction) policy to protect their newly residential or commercial property. The investor needs to insure the property as well as building materials, equipment or fixtures waiting for installation. All of this can be insured during the construction or renovation of a building. Builders Risk policies allow for specific coverages for physical damage or perils named in the policy (fire, lightening, vandalism, hail, theft, etc.)
Who purchases Builders Risk Insurance:

1. Property Owners
2. Home Flippers
3. Developers
4. Contractors
5. Lenders
6. Architects

Builders Risk insurance policies are different because each renovation project is unique to the property insured. This includes coverage for remodels, new builds, installation of building materials, fixtures and equipment waiting for installation. Policies can be written under the investor's name and many times the contractor can be added as an additional insured to the policy. The contractor or builder needs to have an insurable interest in the property for the additional insured endorsement.

The process for deciding the amount of coverage needed for Builders Risk is normally as follows:

- Building or Structure amount requested (reconstruction analysis by your Agent)
- Add Renovation Costs
- Add Material & Supplies
- Add Equipment on site or waiting to be installed (appliances)

Additional coverages "soft costs coverages" that can be added to Builders Risk:

- Rental Income
- Lost Sales
- Banks may require lienholder interests
- Taxes

When shopping for Builders Risk Insurance it is important to understand that these policies do not protect the building owner or contractor for injuries at the workplace. You can add additional coverage for Premises Liability. This coverage can be used to help the named insured pay for a medical claim to an injured party that can arise out of the owner's negligence to avoid a lawsuit. The insurance carrier would investigate the claim and defend the insured or settle with the claimant. This coverage is different then General Liability that would need to be purchased by the General Contractor.

Builders Risk policies do not normally cover loss of income. Ask your Agent to add this important coverage. It can protect the investor if the project is delayed due to a covered property loss. This special coverage can be added and offers insurance protection for loss of income resulting from a delay by a covered loss when there was a rental contract already written. This coverage is normally available to the property owner and not the builder.

Policies are available in varying durations from six months to a one-year project. However, insurance carriers understand unexpected building delays such as weather, building permits or contractor's availability could postpone the anticipated completion date. In the event of a delay, the insured should request an extension on the Builders Risk policy.
Builder's risk policies end when the renovation projects are completed. It is important for the investors to make sure properties are insured with Builders Risk Insurance to avoid a large loss.

My final recommendation is, if the property needing to be insured is without a tenant/vacant and is not being renovated, please contact me for a Vacant Insurance Policy. This type of coverage can be used until the investor decides if they are going to renovate or quickly flip the property.

BYRON ELLIOTT, ESQ. / BYRON@3PILLARSLAW.COM / 3PILLARSLAW.COM

What is a Real Estate Syndication?

A real estate syndication is a popular investment vehicle for pooling resources from multiple investors to finance a real estate project. In a syndication, investors come together to form a legal entity, typically a limited liability company (LLC) or a limited partnership, that acquires, operates, and manages one or more real estate assets.

Investors in a syndication can participate in a wide range of real estate assets, including commercial and residential properties, office buildings, shopping centers, and multi-family apartment buildings. Syndications can also invest in more specialized real estate projects such as industrial parks, hotels, and healthcare facilities.

The key parties in a real estate syndication are the Sponsor, used interchangeably with the term "general partner", and the operator. The syndication is usually managed by the Sponsor (the "manager" of the LLC), or a general partner (a "GP"), who is responsible for identifying investment opportunities, structuring the investment deal, and managing the investment process from start to finish. They may also be involved in the day-to-day management of the project, but their primary focus is securing financing. On the other hand, the real estate operator is typically the party responsible for the ongoing management and operation of a real estate project. This can include tasks such as property management, leasing, maintenance, and other operational responsibilities.

Prospective investors can participate in a real estate syndication in a number of ways, depending on their investment objectives and the structure of the deal. Investors most often contribute capital to the deal as limited partners, in exchange for a passive ownership interest in the LLC that may hold title to one or more real estate assets. Investors may contribute such capital within the context of a fund-of-funds structure, in which the LLC holds equity positions in other real estate funds, which may hold title to numerous real estate assets.

Investors can also participate in a syndication through debt financing, in which investors will loan capital to the LLC in exchange for interest payments and a fixed return on their investments, usually in the form of a promissory note issued by the LLC. Debt financing can provide a more reliable income stream for investors while minimizing their risk exposure.

There are plenty of advantages for investing in a real estate syndication, which include:

1. Access to larger and more complex real estate assets that may be difficult to acquire on their own;
2. Ability to diversify investment portfolio by investing in multiple real estate assets through a single syndication;
3. Potential for higher returns compared to traditional investments, such as stocks and bonds;
4. Ability to invest passively as a limited partner, allowing for hands-off ownership of the property and protection from personal liability;
5. Potential for tax benefits, including depreciation deductions and pass-through income;
6. Ability to leverage the expertise of experienced real estate sponsors and operators.

While there are plenty of advantages, no investment comes without any downsides. Potential downsides include the following:

1. Lack of control over the investment, as decisions are made by the management team or sponsor;
2. Potential for losses due to declines in property values or rental income, changes in market conditions, or unforeseen expenses;
3. Lock-up period of investments, which may restrict the ability to liquidate the investment before the end of the investment term;
4. Risk of fraud or mismanagement by the management team or sponsor.

Participating in real estate syndications can be incredibly valuable for investors seeking to diversify their portfolios and participate in the real estate market. By providing access to a range of real estate assets and pooling resources from multiple investors, syndications can offer investors attractive returns and opportunities for growth. Investors should carefully evaluate the risks and benefits of a syndication before investing, and work with experienced legal and financial professionals to ensure that their investment objectives are met.

Setting up a real estate syndication requires significant work, including the formation of the appropriate legal entities, marketing of the deal, drafting of offering documents, and maintaining ongoing reporting obligations. Because syndications involve the sale of securities and are thus regulated by federal and state securities laws, make sure you consult with a qualified securities attorney before making any offer or sale of an interest in a limited partnership or limited liability company in connection with any real estate syndication.

ESTATE PLANNING EXPERT
PAMELA MAASS, ESQ. / PAM@LAWMOTHER.COM / LAWMOTHER.COM

3 Reasons to Choose a Trust Rather Than a Will

Reason #1: A Trust Avoids Probate

A will goes through the probate court process. During probate, a stranger, a judge, makes the decisions. The probate process takes between nine months and two years and costs an average of 5-9% of the value of your estate. So, with a will, assets are not readily available to your loved ones, the government gets involved, and your loved ones lose time and money. With a good trust plan, you will not have probate. You will save time, money, and your personal information will remain private.

Why Avoid Probate:

When you pass away, your loved ones will be grieving. It's already a challenging time. They're dealing with your personal property, handling the funeral and burial arrangements, and grieving. Handling the legalities of an estate at the same time is overwhelming.

I've had many adult children share their stories about how di cult and distressing it was to handle their parents' probate during such a di cult time. Having experienced this, they are determined not to subject their children to the probate process. So, they put together an estate plan with our office.

Not only is probate extra time and extra money, but it is also a hassle at an already di cult time. You have worked hard to leave an incredible legacy for your loved ones. You want the end of the story to be as good as possible by smoothly to your loved ones through a living trust and comprehensive estate plan.

Reason #2: Asset Protection for your Beneficiaries

A trust will protect the people who are inheriting the money. Some heirs are minors; some don't handle money well. Some heirs are in a high-risk profession, and some are married to people you may not trust. Some heirs may have a chemical dependency problem; some heirs may have special needs and might be on a government program that your inheritance might jeopardize.

A trust provides the special protection your heirs need, and a trust ensures your money goes to the people you choose in a way that genuinely helps them.

Reason #3 Incapacity Protection

If you are severely injured or lose capacity before you die, a trust can be a blessing. Trusts are powerful and flexible; they give you options, ensure things go smoothly for your loved ones when you are incapacitated, and continue to help when you pass on.

At Law Mother, Estate Planning is our focus. If you're interested in a confidential, complimentary 15 minute call session to answer more of your questions, please visit our website: www.LawMother.com/go. You can also watch our 30 minute informational webinar at www.Lawmother.com/Webinar

SELF-DIRECTED IRA EXPERT
SARAH SHELLAM / SARAH.SHELLAM@QUESTTRUST.COM / QUESTTRUSTCOMPANY.COM

Quiet Quitting and Why Retirement Plans are More Important Than Ever for Millennial Investors

Millennials, those born between 1981 and 1996, make up a significant portion of the US population. According to the US Census Bureau, there are 77.12 million millennials in the US, making up 23.6% of the overall population. With such a large demographic, it's important for millennials to be well-informed about investing, particularly in regards to benefits plans. Investing for millennials can be a tricky process. Many are burdened with student debt and the high cost of living, making it difficult to save and invest for the future. However, it's important for millennials to start investing early in order to build wealth and secure their financial futures. With the increasing cost of living and student debt, one way millennials can build wealth over time is through private investments.

Private investments, also known as alternative investments, are investments that are not traded on public stock exchanges. They include investments such as real estate, private equity, promissory notes, private LLCs, cryptocurrency, venture capital, and much more. While these investments are typically more exclusive and have higher minimum investment requirements than traditional stocks and bonds, they can offer significant potential for returns. For millennials, private investments can be an attractive option because they offer the opportunity to diversify their portfolios and potentially earn higher returns than traditional investments. Private investments also tend to have a lower correlation to the stock market, which can help mitigate risk in a downturn.

One way for millennials to gain exposure to private investments is through their benefits plans. Benefits plans, including 401(k)s and pension plans, are critical components of retirement savings. However, many millennials are not fully aware of the benefits of these plans, or how they work. In fact, a survey by the Transamerica Center for Retirement Studies found that only 16% of millennials are "very confident" in their knowledge of retirement planning. That's why benefits plans are more important than ever for millennial investors. These plans offer significant tax advantages and can provide a reliable source of retirement income. Many employers offer 401(k) plans that allow employees to invest in private assets and many of these employers offer matching contributions, which can help employees maximize their savings.

For millennials who are self-employed or do not have access to employer-sponsored benefits plans, there are other options for investing in private investments, like self-directed IRAs. A self-directed IRA is a retirement account that allows investors to choose from a wider range of investment options than traditional IRAs, including alternative assets like real estate, private equity, and more. Because there are numerous self-directed plan to choose from, millennials have options, though the Roth IRA is arguably the best. The reason why is because contributions to a Roth IRA are made with after-tax dollars, meaning that withdrawals once you hit retirement age are tax-free. This can be particularly advantageous for millennials who are likely to be in a lower tax bracket now than they will be in retirement. Self-directed IRAs can be great for any age group, but there are a few reasons why they may be particularly beneficial for millennials.

One of the benefits is that millennials generally have a longer investment horizon than older investors, as they have more time to save and invest before retirement. This longer time horizon can allow for more aggressive investment strategies and higher risk tolerance, which can be better suited for self-directed IRAs that offer more alternative investment options. They are also comfortable with technology, and while this might not seem like a huge deal, it plays a big role. Millennials have grown up with technology and are generally more comfortable using online platforms and tools. Self-directed IRAs are typically managed online, which can be more convenient for tech-savvy millennials.

Millennials are also known for their entrepreneurial spirit and desire to take control of their financial future. Because self-directed IRAs offer more autonomy and control over investment decisions, they can be appealing to millennials who want to take a more hands-on approach to their retirement savings. And, of course, we've mentioned that self-directed IRAs offer a wider range of investment options, which can be particularly appealing to millennials who don't want to follow in the footsteps of their parents, simply investing into what they had always been told to, like stocks and mutual funds. Self-directed plans are the perfect vehicle for millennials who are interested in alternative investments and want to build a more diversified portfolio.

The last benefit of using a self-directed IRA to build wealth for the future is that you don't necessarily need a lot of money to use it! While some alternative investments may require a significant amount of capital to get started, there are many private investment options that can be accessible to investors with smaller amounts of money. For example, real estate options allow individuals to invest in real estate properties with as little as $500, and other investments like private loans can be structured in a variety of ways, including short-term loans that might only require small amounts.

With all the benefits that self-directed investing can offer, some people may be wondering why every millennial is not investing already! That is because millennials also face numerous challenges. Many millennials are burdened with high levels of student debt, which can make it difficult to save and invest for the future. This can delay the start of their investing journey and limit their ability to take on riskier investments that may offer higher returns. Millennials also came of age during the 2008 financial crisis and have experienced a challenging economic landscape in the years since. Often earning lower wages than previous generations at the same age, it can be difficult to save and invest for the future. It can also limit their ability to take on more aggressive investment strategies and pursue higher-risk, higher-reward investments.

One challenge that is not as well known that millennial investors are experiencing is “quiet quitting”. Quiet quitting, also known as the silent resignation, refers to an employee leaving their job without making a formal announcement or giving any notice to their employer, usually because of dissatisfaction with the job or company culture, feeling undervalued or underpaid, or having found a better job opportunity elsewhere. According to a survey by Workplace Trends, 75% of millennials have engaged in quiet quitting at some point in their careers.

While many millennials might think quiet quitting is the answer to their problems, that couldn’t be farther from the truth. Quiet quitting can have serious consequences for retirement savings, particularly if employees have not vested in their benefits plans. For millennials who engage in quiet quitting, benefits plans can be particularly valuable. When employees leave a job without vesting in their benefits plans, they may lose out on significant retirement savings. However, if employees stay with an employer long enough to vest in their benefits plans, they can take those benefits with them when they leave. This can provide a valuable source of retirement income, even if employees switch jobs frequently.

So, what should millennials do to ensure they are taking advantage of benefits plans? Take advantage of free consultations and education with self-directed IRA specialists or talk to a financial educator to develop a wealth building strategy that fits your goals. To learn more about starting a self-directed IRA, reach out to a Quest representative today. Investing for millennials can be challenging, but benefits plans are more important than ever for securing their financial futures. With proper education and planning, millennials can take advantage of these plans and build wealth over time through private investments!

RENTAL PROPERTY EXPERT
ELIJAH JENNINGS / ELIJAH.JENNINGS@REALATLAS.COM / REALATLAS.COM

Q2 Market Update

As we enter the second quarter of 2023, the real estate market in Denver, Colorado, continues to experience a high demand for properties. With its beautiful mountain views, booming economy, and an attractive quality of life, Denver has become a desirable place to live, work, and play.

The median home price in Denver reached $530,000 in the first quarter of 2023, which is a 10% increase compared to the same period in 2022. The low inventory of homes for sale continues to be a driving force in the market, as sellers receive multiple offers and properties sell quickly. The strong job market and low unemployment rate in the city have attracted many buyers who are looking to invest in real estate. Additionally, the influx of remote workers who can now work from anywhere has created even more demand for Denver's real estate market.

Although the market remains competitive, buyers should not be discouraged. With the help of a knowledgeable real estate agent and careful planning, it is still possible to find the perfect property within your budget.

The rental market in Denver is also thriving, with the average monthly rent for a one-bedroom apartment reaching $1,800, an increase of 8% compared to the same period in 2022. As more people move to Denver, rental demand is expected to remain high, providing investors with a steady stream of income.

Overall, the real estate market in Denver continues to show strength and is expected to remain robust throughout 2023. Whether you are a buyer, seller, or investor, it is important to stay informed and work with an experienced professional who can help you navigate this dynamic market. Please reach out to us for all of your Real Estate needs!

JASON K. POWERS / JPOWERS@UNBRIDLEDWEALTH.COM / UNBRIDLEDWEALTH.COM

Hedging Against Inflation — An Infinite Banking Strategy

Inflation is the rate at which the general level of prices for goods and services is rising and subsequently, purchasing power is falling. It can be caused by a variety of factors such as supply chain disruptions, labor shortages, and increased demand for goods and services. These factors have led to an increase in the Consumer Price Index (CPI) by 6.2% over the past 12 months as of October 2021. The CPI is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

Inflation can have a widely significant impact on the economy, as many of us are seeing unfold before our very eyes these days. When prices of goods and services increase, consumers lose purchasing power which can lead to reduced spending and lower economic growth. According to the Bureau of Labor Statistics, in the past 6 months, the following has been largely affected:

- Cereals and bakery products have gone up 8.4%
- Meats, poultry, fish, and eggs have gone up 13.6%
- Dairy have gone up 4.3%
- Fruits and vegetables have gone up 10.7%

But what about in the Real Estate world?

- Lumber prices have gone up 114% since May 2021
- Iron & Steel prices have increased 45% & 78% since June 2020

These increases and others have led to higher construction costs, which have attributed to some of the higher new home prices (and your rehab costs—have you noticed?!). Companies also lose purchasing power and risk seeing their margins decline when prices of raw materials and other inputs increase.

Inflation can also lead to higher interest rates which can make borrowing more expensive for businesses and individuals.

A Counter Strategy to Inflation.

One financial strategy that is used as a hedge against inflation is the Infinite Banking Concept. This strategy provides a way to borrow money at a fixed interest rate while the value of the dollar is decreasing, or interest rates are increasing.

The Infinite Banking Concept is a concept that involves using a properly structured, dividend paying whole life insurance policy from a Mutual Insurance Carrier as a means of building wealth, while at the same time having guarantees, safety and liquidity options. It is a strategy that allows you to borrow against the cash value of your life insurance policy and use it on anything you please—ideally to save you money or make you more money. All the while you've borrowed against the your cash value, the principle balance is growing uninterrupted at a guaranteed growth rate initially set by the Carrier. Above and beyond that even, properly structured whole life from a mutual carrier entitles you to dividends, further compounding your growth.

Immediately after issuing a policy with this strategy in mind, you can borrow against the cash value. Imagine replacing the banking function in your life over time, slowly replacing higher interest rate debts, with a lower interest rate environment from your own policies. Imagine having the flexibility to decide the terms of that policy loan. Imagine having the Infinite Banking Concept playing a major role in your financial life to where your family now has a family bank to utilize throughout their life as well. The possibilities of this financial strategy are quite infinite. Reach out to me today and I'll teach you in greater detail what it is, how it works, and how you can create financial velocity that can literally last for generations.

PETER MCFARLAND / INFO@FUSIONTAXLAW.COM / FUSIONTAXLAW.COM

Trust or LLC? Choosing the Right Tool for Your Goals

As an attorney with years of experience in the field of asset protection and preservation, I'm often asked the question, "Should I set up a trust to hold my investment or conduct my business?"

Many of my clients are real estate investors. They may look to partner with someone to rehabilitate a property or hold a property as a rental, and they come to me asking to set up a trust.

Before considering a trust, I ask my clients what they are trying to accomplish. If they're trying to preserve their assets and hard-earned wealth from potential creditors, a trust is not the answer. However, if they're trying to accomplish some important estate planning goals, then we'll partner a trust with an entity, such as an LLC.

The simple truth is this: trusts are not the best vehicles for asset protection. Here's why: There are two types of trusts—revocable and irrevocable. A revocable trust is easily pierced through, so creditors can easily access your wealth. An irrevocable trust may fare better when challenged in court, but the client has to give up a disproportionate amount of both control and benefit from the asset for very modest gains in asset protection. For these reasons, there are simply better tools for asset protection.

That said, trusts are wonderful tools for accomplishing estate planning goals. They are great when used to:

- Ensure beneficiaries do not inherit wealth at too young an age
- Ensure beneficiaries with special needs are looked after, while still maximizing state aid
- Ensure your hard-earned wealth transfers to the people you choose and on the terms that you decide
- Avoid Probate

For the best of both worlds—great asset protection and strategic estate planning—we'll pair the LLC and trust together, rather than simply relying on a trust, alone.

To set up or revise your estate plan, create or restructure an LLC, or to get your questions answered, please contact my firm, Fusion Legal & Tax, for a consultation: info@fusiontaxlaw.com

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

Housing Market Hangover

In October 2022, I wrote an article entitled "Bottoms Up" where I discussed our belief that the housing market was returning to normal. The conclusion/TLDR was: "The 'top-down' (macro or big picture or overall averages) indicates a market that is continuing to cool after a very hot period. It is expected to come off 10% or so over the next 3 years. The 'bottoms up' (what our investors are seeing) remains optimistic and busy with plenty of opportunities."

We didn't crash. Although prices have cooled, and will probably cool a bit more, we've never been in the 'crash' camp — and still aren't — or we wouldn't have been lending money at the valuations we were or do now. While the peak is probably behind us for a while, it is nice to no longer have to put up with the talking heads on the news trying to outdo each other calling for an imminent housing crash.

So where are we? We are seeing lower volumes at prices which have only modestly declined, which is exactly what the economics of supply and demand would tell us. And if prices are going to stabilize around these admittedly elevated levels, plus or minus a bit, how does this resolve? The answer is TIME — it's just going to take a while. And as anyone will tell you: there is no magic potion for beating hangovers— and only time can help.

Let's call this a housing market hangover. So how bad will it be? Let's see how we got here.

The first step, if you recall from a few years ago, conditions were rife for an expansion: easy money, lots of Millennials and demand for a first house, people resettling out of states they were no longer happy with, explosion of work-from-home, etc. There are lots of reasons. All that demand butts up against a supply that just can't keep up, and prices go up. And up. And then FOMO kicks in and suddenly everyone is doing it. Including people who shouldn't.

Second, inevitably the party ends, and it tends to end quickly. Think lights getting turned on at the end of the party — everyone knew it was getting a bit late and silly, but now the lights are on, and everything looks very different, and what seemed like a very good idea just a few minutes ago now seems much less interesting. And your head is starting to hurt. Certainly, you can crash and burn and that may be the most likely scenario if you have really overdone it. Or maybe you can go about your business a bit tenderly for a while and then shake it off and get back in the game. So, which is it this time?

This time, the current state of the market looks much more like just a nasty hangover. As many have pointed out, last time loans were much easier to get — in fact too easy as you didn't even need a job or any assets; prices ripped much faster on a percentage basis; people did not have much equity; incomes were lower, a lot of supply came on line, etc. So a crash and burn seemed to make sense last time.

But this time is different. Yes, mortgage rates have increased and, yes, that's a negative, so we can take easy money out of the drivers of demand. But what of the other drivers: demand for a first house, migration from more populated states, work from home, etc? Those still exist.

And the point is not that there is no slowdown, there is and prices are starting to come down. For sure. Now we should be asking how bad it is going to be. And how long does this slowdown last? This is going to be much less severe, but no one enjoys hangovers.

The concerning part of this slowdown forecast is turnover, possibly even more so than prices. We continue to expect a few more years of this type of lower turnover market. Our real estate investors need homes to become available — investments that they can then improve the value of, and then they need to sell those now nicer homes for a profit. That is all turnover. Certainly, turnover is a related function of price, but our investors add about 15-20% value to the houses they work on, whether overall market prices are high or low. Interestingly, the amount of work and time required to do that type of work has remained relatively unchanged as reflected in relatively stable budget percentages and loan times.

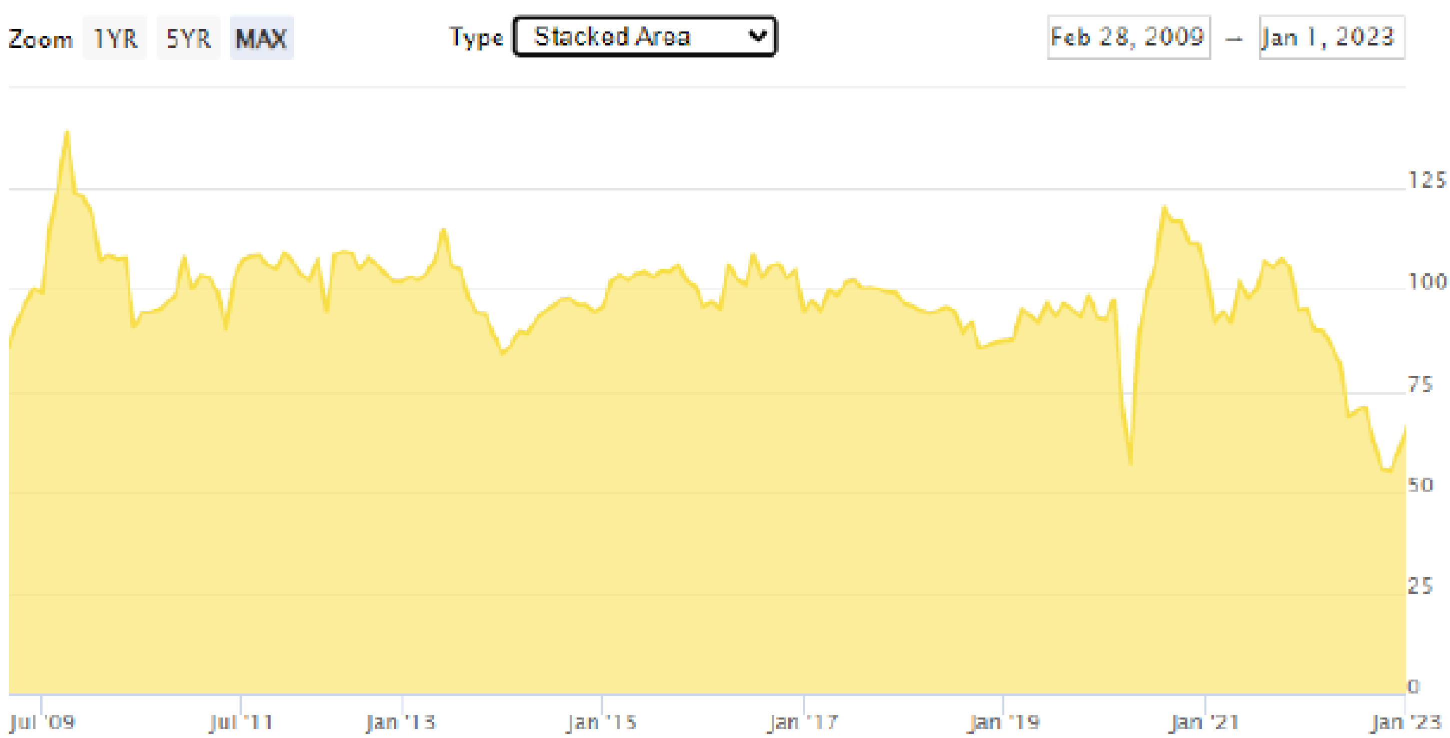
Turnover does seem to be coming back, albeit at more normal levels, like we saw pre-pandemic. Looking at the National Association of Realtors (NAR) Pending Home Sales Index, and looking at the 'West' region, February has recovered by about 10% off the November lows.

See the chart below for a visualization of that historical data (West region only).

NAR also makes forward predictions and while they do not break out their Existing Home Sales by region, they are forecasting further improvements, with existing single-family sales (on a national level) expected to be about 20% higher by 1Q24 .

And this is consistent with what I am seeing here in Colorado. It was great to see everyone at the ICOR event in Lakewood on March 29th. It was good to see people I haven't seen for a long time, as well as some new faces. Usually, these events have 50 or so people, this one had over 200 sign-up and I bet there were over 150 in attendance. Just another sign that the real estate investment market is still filled with optimism and opportunities for those willing to roll-up their sleeves and get to work. If I didn't get a chance to say hi and introduce myself, I would love to connect. I'll help with an even shorter TLDR and even borrow from last time:

TLDR: "The 'bottoms up' (what our investors are seeing) remains optimistic and busy with plenty of opportunities."



ICOR'S REAL ESTATE *Market Movers'* HAPPY HOUR

HAPPY HOUR, COMMUNITY, AND RESOURCE MARKETPLACE

SAVE THE DATE

AUGUST 30TH, 2023
5 TO 9 PM
LAKEWOOD COUNTRY CLUB
6800 W 10TH AVE
LAKEWOOD, CO 80214

REGISTER AT
WWW.ICOROCKIES.COM/EVENTS

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

Service	Contact/Business	Phone	Email
Brokerage	Mor Zucker | Team Home Denver	303.874.1327	mor@teamhomesdenver.com
Cleaning/Fencing	Daniel Petiti | Petit Solutions	720.477.8268	petitsolutionsllc@gmail.com
Contractor/GC	Vern Robinson | Ridge Construction	303.881.1169	vern@ridgeconstructioninc.com
Contractor/GC	Alex Lovera |ManyBuild	720.354.2630	alex@manybuildsolutions.com
Cost Sergregation	Brad Weed | CSSI	970.294.1509	Brad@SagaxRE.com
Estate Planning	Pam Maass | Law Mother	702.706.0036	pam@lawmother.com
Financial Planning	Sarah Shelllman | Quest IRA	800-320-5950	Sarah.Shellam@questtrust.com
Financial Planning	Chris Tanner | New Direction Trust Company	877.742.1270	info@ndtco.com
Financial Planning	Jason Powers | Unbridled Wealth	303.957.9175	jpowers@unbridledwealth.com
Foundation Repair	Drew Rogers | Colorado Foundation Repair & Waterporrofing	720.266.9331	diggingcolorado@gmail.com
Insurance	Eve Hoelzel | Farmers Insurance	970.970.8019	eve.dstansfield@farmersagency.com
Lender	Tadd Jones | Boomerang Capital Partners	480.779.9779	David@boomerangcapital.com
Lender	Chuck Townsend | Forrest Financial	303.877.3221	chuck@forrestfinancial.com
Lender	Greg Osborne | Bridge Capital Resources, LLC	303.475.5873	gregosborne@bridgelending.com
Lender	Justin Cooper | Pine Financial	303.916.5366	justin@pinefinancialgroup.com
Lender	Tyler Ideker | Indicate Capital	303.567.6333	tyler@costfund.com
Lender	Drew Jeffers | Phoenix Loans	970.420.6472	drew@phxloans.com
Lender	Robert Kearny | Colorado Loans Online	303.902.9100	robert@coloansonline.com
Property Mgmt	Eli Jennings | Atlas Real Estate	303.242.8980	info@realatlas.com
Title	Bill McAfee | Empire Title, Colorado Springs	719.499.0968	bill@etcos.com
Wholesaling	Chase Diamond | The Diamond Group	908.664.2593	chase@diamondgroupco.com
Wholesaling	Jose Sala | Lincoln Asset Management	720.633.0617	jsala@lincolnasset.com