THE WALL STREET JOURNAL. COMPLETE REAL-ESTATE INVESTING GUIDEBOOK

David Crook

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INTRODUCTION
SO YOU WANT TO BE A MILLIONAIRE?

This land is your land and this land is my land—sure—but the world is run by those that never listen to music anyway.

—BOB DYLAN

This book is for people who want to make money investing in real estate.

Hucksters and schemers use dubious investment books and middle-of-the-night TV shows to peddle hundreds of real-estate schemes to a gullible public. They promise no-work shortcuts to wealth and “financial freedom” as they reveal the moneymaking “secrets” that real-estate professionals keep from you and everyone else. They say they'll show you how to “flip your way to financial success” or “renovate for riches.” Some claim they'll show you how to build multimillion-dollar empires with no money, no experience and no skills.

Enough already. These are the fantasies of losers. And if that is what you expect from a book about real-estate investing, here is the best advice you will get from this one: Don't buy it. You don't need to waste any more of your money.

If, however, you recognize that real-estate investing, like all investing, is more marathon than sprint and that the only person to get rich quickly in a get-rich-quick scheme is the other guy, then by all means buy this book. It's not the only real-estate investing book you'll ever need, it's the first one.

And let's start by exploring the uncertain but promising future for today's new real-estate investors.

Real estate has demonstrated itself time after time to be a proven path to building and preserving wealth. The first multimillionaire in U.S. history, John Jacob Astor, built a fortune that survived 200 years by reinvesting his fur-trading profits in New York City real estate. Today, real estate and real-estate-related businesses are major components in the portfolios of nearly a quarter of the men and women on the Forbes 400 list of the wealthiest Americans.

No one's suggesting here that you can join the billionaire's club with a few rental properties. But even a modestly successful real-estate investor should be able to amass a seven-figure fortune. You can have a good home, educate your children, contribute to the community, live a comfortable retirement and pass along a substantial estate.

That's how real-estate investing has worked for most of the last seven decades. Since the end of World War II, the United States has enjoyed a remarkable run-up in the value of housing and other real estate. Firm numbers don't exist, but various sources suggest that the total value of U.S. real estate could approach an unfathomable $45 trillion, roughly half in the hands of private individuals and families.

Such a vast, democratic accumulation of wealth would be beyond the dreams of the GIs, the small landlords and the shopkeepers who launched the United States on its broad path of property ownership. They probably didn't look much farther than their own property lines as they slowly built the bases of their family fortunes.

The population grew, the number of households grew, family income grew, all fueling the historic shift of homes, offices and factories from the cities to the suburbs. A generous national government subsidized the acquisition of real estate as it encouraged development of cheap land and assured a plentiful supply of cheap gasoline. The nation was transformed, for good and bad. It became a place quite different from where our grandparents and great-grandparents grew up.

Throughout this period of remarkably sustained prosperity, property and home values—reflecting most families' principal assets—rose just enough ahead of inflation to defy financial history and gravity. Indeed, for the half century that preceded the post–World War II boom, the trend in home prices was just as predictably downward. Housing, compared to the cost of living, was cheaper in 1940 than in 1900.

Such a decline was unimaginable through the postwar run-up, however. Prices skyrocketed right after the war and then maintained their steady inflation-plus ride for decades. Parts of the country experienced periodic real-estate manias, most notably in the late 1970s, again in the late 1980s and the early 2000s.

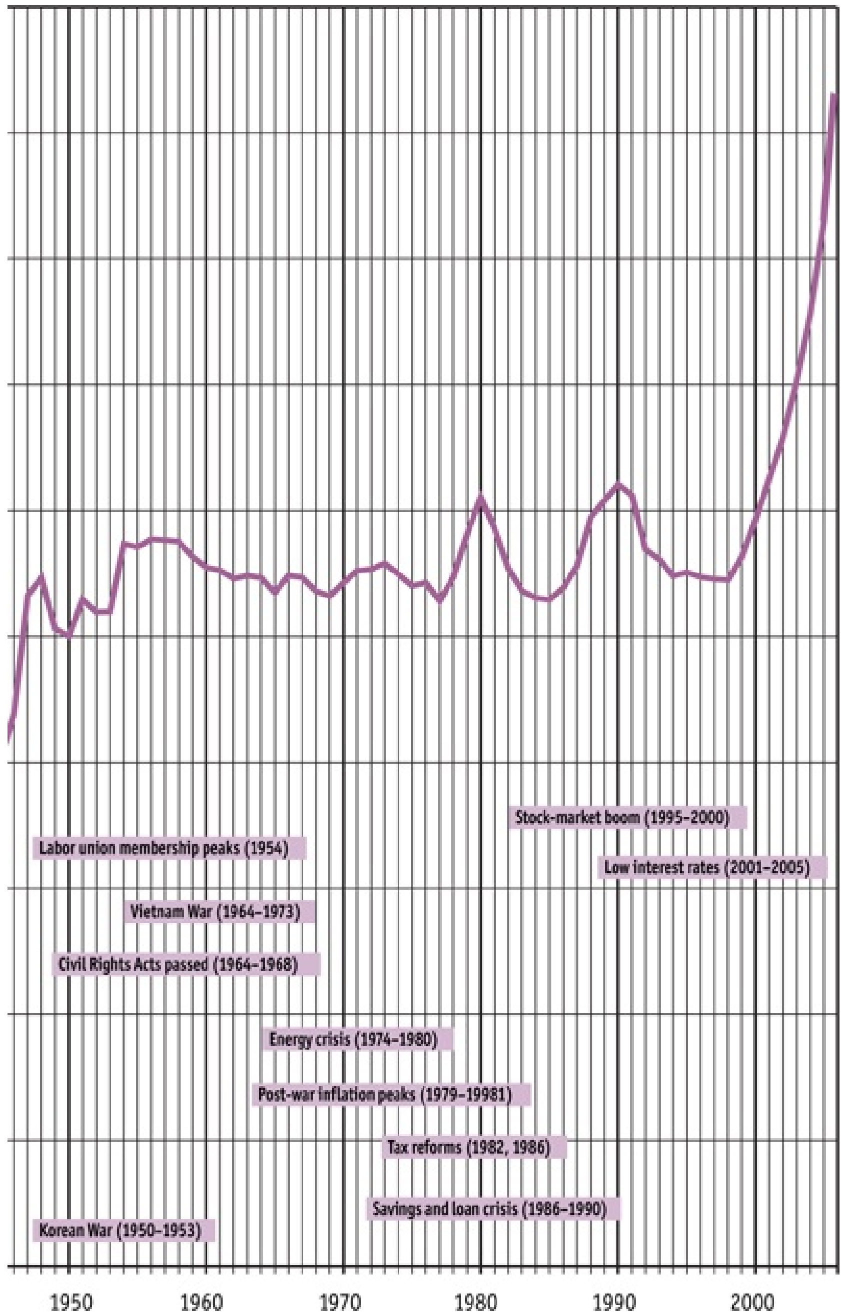
Real-estate prices rose so much that houses became essential components of the middle-class's wealth-building, college-funding and retirement plans.

Modestly well-to-do home sellers who bought and held could count on sending their children to elite private universities and funding their own carefree 30-year retirements in the gated golf-and-tennis communities of the Sunbelt. They'd sell their Bethesda, Lake Forest, Mineola, Palo Alto or Garden Grove houses to panicky buyers convinced that they, too, had to "get into" the real-estate market before prices rose even more, before their dreams of home ownership and their own comfortable 30-year retirements would pass forever beyond their means.

These manias were usually followed by eras, well, less manic. Prices rarely declined—though they did in Texas in the 1980s and in New England and Southern California in the 1990s—but instead settled down for a while. There were fewer frantic buyers, and sellers stopped asking for ever higher prices.

HOME PRICE INDEX, 1890–2005
(1890 = 100)

Source: Robert J. Shiller, Irrational Exuberance, *2nd Edition, Princeton University Press, 2005*



But long-term homeowners always seemed to muddle through unscathed. And before you knew it, something clicked in the country, and buyers' real-estate passions were fired anew.

We are now coming to the end of the greatest mania of the era. In the big metropolitan areas on the coasts, house prices rose far faster than inflation and, even more significantly for real-estate investors, faster than rents. In his widely read and debated book *Irrational Exuberance*, Yale University economist Robert J. Shiller demonstrated that in the years after the bursting of the Internet stock bubble in 2000, home prices rose dangerously fast and high, mimicking the sharp run-up of NASDAQ technology stocks in the late 1990s.

By the summer of 2006, it was clear that the great boom was coming to an end. Rising interest rates, outlandish prices and escalating energy costs were coming together to thwart property investors. We can only hope that the inevitable come-down of prices doesn't mimic the NASDAQ, too.

Whatever the coming year or two may bring—whether a soft landing for real-estate prices, a crash or even the start of a long, relentless Japan-style decline—real-estate investors face a challenging financial environment. The quick money's been made. The future is most likely going to belong to the well-financed buy-and-hold crowd, either those who had acquired their properties by the mid-1990s, before the prices started accelerating, or those who have picked up distressed properties as the bubble has deflated. In a long, slow decline, however, even properties bought for just 70 percent or 60 percent of their previous high values could end up looking expensive as selling prices fall even further.

In any case, prudence would suggest that modern investors should not expect to rely on ever-rising real-estate prices to make up for bad deal making and management failures. Annual price increases of 20 percent or 30 percent can paper over a lot of mistakes. Stagnant or falling values will uncover them.

This is a period for conservative, thoughtful, thrifty investors, not for erstwhile swashbucklers and certainly not for dreamers who think they can get something for next to nothing. But there are still fortunes to be made in real estate. There are still multimillionaires to be born and family fortunes to be built.

REAL-ESTATE SECRETS REVEALED

Here's what real-estate hucksters really don't want you to know: The “secrets” of real-estate investing are not particularly hard to divine. Anyone can learn how to make money in real estate because, as in most finance, the basics of real-estate investing are fairly easy to figure out.

- **Buy a property for less than you can sell it.**

- **Use as much of other people's money as you can.**

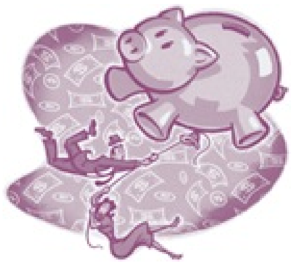
- **Make sure your property pays for itself.**

- **Take maximum advantage of the tax laws.**

That's it. That's all you need to know to build a real-estate fortune. Do that with every property you have, and you will be successful. You could even become a millionaire . . . but given today's real-estate prices, you should do far better than that.

Throughout this book, we will be expanding on and illuminating those basic rules of real-estate investing. In chapter 1, **"Your Home Is *Not* an Investment Property,"** we'll set straight the number one misconception that most Americans have about real-estate investing. We'll demonstrate the fundamental differences between buying a house and investing in income properties, and show why most homeowners sorely misunderstand the finances that underpin their most valuable asset.

FIRST THINGS FIRST



Although this is not a general investing guide, it's impossible to get started without addressing a couple of broad personal-finance issues. Like all investing, real-estate investing requires financial discipline, short-term sacrifices and a long-term commitment. Before you start:

Stop spending so much. If your credit cards aren't at zero balance and you don't have more money saved at the end of the year than you had at the beginning, it is because you are spending too much. Cut out restaurants, your morning Grande at Starbucks, cable TV, cell phones, ballet lessons, poker night—whatever it takes to get your expenses below your income. Then use your savings to make more money for yourself and your family.

Save as much as you can in tax-deferred retirement accounts. Always be sure to put at least enough in your 401(k) to get your employer's full match—it's the only guaranteed 100 percent return on your money that exists. Put in more if you can. If you can open a tax-deferred IRA, a Roth IRA or any other similar retirement account for you or your spouse, do it.

Don't confuse purchases with investments. Purchases cost you money; investments make you money. Don't delude your-self that jewelry, couture fashions, automobiles, sports memorabilia, porcelain figurines, art prints or any other collectibles are investments that someday will be worth a fortune. They won't. Few such items, if any, will increase in value in your or your children's lifetimes. If you want to leave something to your heirs, buy bonds—not Beanie Babies.

If you don't pay attention to these rules before you try to jump into the real-estate market, you will be hard-pressed to make much money at it. You will be forever playing catch-up. You will never get ahead financially. And you will never do more than dream of what you might have built if you had just gotten that one lucky break or won the lottery.

By all means, make use of your lucky breaks—an unexpected bonus, an inheritance—but recognize that lucky breaks, by definition, come along only once in a while. And you already know that you probably won't ever win the lottery. So it's better to take charge of your own financial life rather than wait around for fate to do it for you.

In chapter 2, "**Getting In on the Ground Floor: Where to Get the Money and Build a Network for Investing in Real Estate**," we will explore how to raise the money you will need to get started and show you how to find the people who can help you become a real-estate investor. As the title of chapter 3 says, **"The Three Questions"** will ask—and show you how to answer—the most fundamental questions that every investor must ask about every property.

Then, in chapter 4, "**Finding, Buying and Closing the Deal**," we'll walk through the process of finding and valuing properties. We'll go through the basics of real-estate finance and take you up to the point when you are ready to close a deal on your first property.

Next, in chapter 5, "**Why the IRS Is Your Friend**," you'll see how the government blesses real-estate investors with tax breaks and loopholes that salaried workers and even stocks-and-bonds investors can only wish for. You will also see how phantom "paper" losses in real estate can be used to reduce taxes on your salary income.

Then we zero in on how you can get into real estate with relatively little money by buying smaller types of investment properties, starting at the bottom of the real-estate investing food chain in chapter 6, "**There's No Place Like a Home: Smaller Residential Investment Properties**," and heading all the way up to huge regional shopping centers that cost hundreds of millions of dollars to build and hundreds of millions more to operate in chapter 7, "**Going Commercial: Larger Apartment Complexes and Commercial Buildings**."

This book is about real-estate *investing*—the financial aspects of acquiring and operating and selling properties. But in chapter 8, "**Do You Really Want to Be a Landlord?**" we'll discuss some of the nuts-and-bolts business of being a landlord, the job that most distinguishes real-estate investing from stocks, bonds or other investments.

But we'll get into those in chapter 9, "**Real Estate on Wall Street: REITs**," where we will look at some of the hands-off investments that you can make in the real-estate sector in the traditional stock-and-bond markets.

Finally, in chapter 10, "**Are You Rich Yet? The 20 Things Every Real-Estate Investor Needs to Know**," we'll review the big points and get ready for the finish, where I'll reveal the one and only guaranteed path to wealth and financial freedom. (No peeking!)

Despite the emphasis on finance, you won't see a great deal of arithmetic. The legal language is kept within reason, too. There are bits of both, but nothing will make your head hurt because everything in this book is written for novice real-estate investors.

After all, an experienced real-estate investor probably doesn't need this book. But even a sophisticated stock investor may be unfamiliar with the intricacies of real-estate finance. And no one would expect a hedge-fund manager to know much about plumbing—though once you become a landlord, what you don't know about plumbing could end up costing you a lot more than what you don't know about derivatives.

Nothing about real-estate investing or ownership is automatically assumed, not even that you already own your own home.

Indeed, it might be a good thing if you don't already have a house, for the first and most important lesson of property investing addresses the great misunderstanding that most Americans have about real estate.

CHAPTER 1

YOUR HOME IS *NOT* AN INVESTMENT PROPERTY

“Land is the only thing in the world that amounts to anything . . . for 'Tis the only thing in this world that lasts. . . . 'tis the only thing worth working for, worth fighting for—worth dying for.”

—MARGARET MITCHELL

Your home is a lot of things, most of them good. Your home is your castle, your refuge, your escape. It may be the physical manifestation of all your material hopes and aspirations, your piece of the American dream. It gives comfort and protection to you and your family. It may be an essential part of your retirement or college-savings plans. Your home is probably your biggest asset, and the price you could ask for it today is almost certainly higher than the price you paid for it back whenever.

But your home is not an investment property.

Investing in real estate isn't the same as owning a house. If you don't get anything else out of this book, you need to understand that—especially now that so many homeowners are trying to play the real-estate game with their homes. That's dangerous—not because the value of your home is likely to decline (though it could), but because you are more likely to spend far more money living in your home than you will make when you sell it.

Investing is investing. It's using your money to make more money. Anything else, including most home purchases, is spending.

To be considered investments, real-estate purchases must generate actual profits, either immediately in the form of income or long-term in the form of appreciation. In either case, the property must cover all its own costs and produce a reasonable return on the money you spent to buy it.

You will read and hear other terms for measuring investment income—rate of return, “cap rate,” net operating income, rental roll. Each is different, but one way or another, they all come down to the most basic concept of real-estate investing: “cash flow”—real in-your-pocket-put-it-in-the-bank money that's left over after you have covered all your business expenses. That's something you don't get when you just own a home. Yes, your house is a huge asset. But without cash flow, you might as well be holding on to a very big, very expensive Beanie Baby.

You are thinking I'm nuts. You're saying, “I bought my house in 1990 for $200,000. I put in a thousand-square-foot addition, including a new bathroom. I redid the old bathroom and put in a new kitchen and a deck with a hot tub. I could get $650,000 for it today.”

That sure sounds like an investment. But if you run the numbers, you will see that it's not much of an investment at all. How would you feel about a stock that cost you more to own than you make when you sell it?

Take a look at this spreadsheet, which represents 16 years of ownership of a house in the Los Angeles area. We're sticking to simple concepts and round numbers here. But with a few assumptions—including the improvements, regular maintenance and a couple of big ticket repairs such as a paint job and a new roof—this typical homeowner actually loses more than $5,000 a year, even as the house “appreciates” at a steady and optimistic 5 percent annually. Put simply: At the end of the 16 years of ownership, this home seller will have spent $415,000 in order to pocket $328,000—a loss of $86,000.

YOUR HOME IS NOT AN INVESTMENT PROPERTY

Year	Total Value	Mortgage Debt*	Annual Costs**	Profit/ (Loss)	
BUY	**$200,000**	**($160,000)**			
1990	$200,000	($160,000)	($20,385)		8.5% mortgage
1991	$210,000	($157,600)	($15,385)		
1992	$220,500	($155,200)	($15,385)		
1993	$266,525	($202,800)	($18,936)		Kitchen ($50,000); refinance at 7.5%
1994	$279,851	($200,400)	($17,436)		
1995	$293,844	($198,000)	($32,436)		Paint job ($15,000)
1996	$308,536	($195,600)	($17,436)		
1997	$323,963	($193,200)	($17,436)		
1998	$340,161	($190,800)	($18,615)		Refinance (6.5%)
1999	$357,169	($188,400)	($15,615)		
2000	$375,027	($186,000)	($15,615)		
2001	$393,779	($183,600)	($15,615)		
2002	$413,468	($181,200)	($40,615)		New roof ($25,000)
2003	$434,141	($178,800)	($15,615)		
2004	$560,848	($326,400)	($27,433)		Addition ($150,000); refinance at 5.75%
2005	$588,891	($324,000)	($22,933)		
2006	$618,335	($321,600)	($87,933)		
SELL	**$650,000**	**($321,600)**	**($414,824)**	**($86,424)**	

*Includes additional borrowing to finance improvements.
**Includes after-tax mortgage payments, maintenance, financing and sales costs.

How is that possible? When homeowners compute their returns, they rarely consider all the costs of owning a property. Generally, they don't do much more than subtract their down payment—$40,000 in this case—from the proceeds of the sale ($328,000) and declare they made a huge “profit” ($288,000).

But it doesn't really work that way. There are big problems with this typical homeowner's investment plan.

Homeowners rarely consider maintenance or the declining value of improvements. Painting, roof repairs or new furnaces don't pay for themselves, and remodeling is a huge loser. Entire industries have arisen to entice homeowners to spend thousands of dollars for new kitchen cabinets, granite countertops and stainless-steel appliances or his-and-hers master suite bathroom spas featuring multihead showers and Asian-inspired “soaking” tubs. Architects, builders, magazine editors and real-estate agents tout such improvements as if typical homeowners absolutely must take the remodeling plunge or forever risk the value of the house and suffer the ridicule of friends and neighbors.

Remodeling magazine publishes a widely quoted annual survey of the value of home improvements. In 2005, the magazine said that an upscale kitchen remodel like you see in the glossy shelter magazines would cost $82,000 and would return just 84 percent four years later. Absurd. This kind of project might get raves from your friends, but it's a fool's financial play. A new kitchen is certainly a nice thing to have, but it's not an investment that's going to make you any money. That 84 percent return means the homeowner will lose more than $3,000 a year on the kitchen. And if the owner borrows the money to re-model the kitchen—which most do—the losses could quickly triple.

That's because long-term borrowing is the home investor's nemesis. How ironic. The 30-year mortgage—which greatly reduced monthly payments and put home ownership within the grasp of nearly 70 percent of American households—locked those same households into Grand Canyons of debt. Mortgage interest, even after the government's mortgage-interest tax-deduction subsidy, is the homeowner's overwhelmingly largest expense, and it drives up the cost of a house so much that a true profit is all but impossible for most owners. In this scenario, the homeowners spent about $234,000 of after-tax money on interest—more than half the total appreciation—over the 16 years. And most Americans move after just 5 to 7 years!

Adding further insult: You can't spend a home—or even a new kitchen. No matter that the increased value of the house is pushing up the owners’ net worth—they can only borrow against their house or sell it. If they borrow, they are digging themselves another debt hole. In order to make the debt worth taking on, they'd have to forgo the new kitchen and invest the proceeds of the loan in something that will return more than it costs to pay the interest and the principal. Just to break even, then, the homeowner who borrows for 30 years at 6.5 percent would need to invest that $82,000 in something that would return at least $6,200 a year. As you will learn from this book, a good place to invest might be a rental property. But certainly not in a new kitchen.

And if homeowners do choose to sell, they will still have to find a place to live. When home prices rise, they rise in the entire area. So if the homeowners stay in the same metropolitan region, they will most likely have to move to a much smaller house or to a less-desirable neighborhood or take out another mortgage and restart the debt clock.

Even if they move to a cheaper housing market (and just about any place is cheaper than the Los Angeles area), they are likely to spend most or all of their cash on their new house. Again, the return is pretty much an illusion. That $328,000 will buy a very nice place in Las Vegas, Phoenix, Boise or some of the other cities of the West overflowing with former Californians. But at what real cost?

Now in their 50s or 60s and living mortgage free, these Equity Ex-Pats will be leaving their heirs some property. But as investors, they have been net losers. In this example, they will have paid nearly $750,000 to buy that new house—you have to add the $415,000 they spent on the first house to get the $328,000 they paid for the new house. And they must still pay and keep paying to maintain the new house and to cover taxes and insurance.

To be fair, homeowners have to live somewhere, and they have to pay rent to someone. So they may as well buy and pay “deductible” rent in the form of a mortgage payment. After all, the government does cover a quarter to one-third of mortgage interest through the home-mortgage-interest tax deduction. No renter gets that kind of break. And a homeowner gets the added benefit of enforced savings in that he is paying some principal and the property is appreciating over time.

That's all true, and the “imputed rent” (money that would have been spent on rent but wasn't) that comes from paying for a house with a long-term mortgage is the number one cost savings for homeowners. In this example, a renter living in the same house over the same 16 years could easily pay monthly rents totaling $600,000. In that sense, the homeowner sees a sizable “profit” even as he or she loses thousands of dollars a year on the primary investment. Of course, from a financial perspective, it's not really a profit at all. It's just money that the homeowner did not spend, just as you don't make a $50,000 profit when you choose to buy a $30,000 Buick instead of an $80,000 Mercedes-Benz.

Now if someone feels it's worth more than a half-million dollars to live in this house, who are you to disagree? I'm sure you'll agree as well that it's far better to be receiving that money than to be paying it. So let's look at the same house from a landlord's perspective.

Take a look at this next spreadsheet.

As you can see, even with increasing the annual costs and computing the mortgage interest before, not after, taxes, a landlord makes a handsome profit on the same property that was a financial drain on a homeowner.

A RENTAL PROPERTY CAN BE A GREAT INVESTMENT

Year	Total Value	Mortgage Debt*	Annual Costs**	Rental Income	Profit/ (Loss)	
BUY	**$200,000**	**($160,000)**				
1990	$200,000	($160,000)	($27,656)	$18,000	($9,656)	8.5% mortgage
1991	$210,000	($157,600)	($22,656)	$18,900	($3,756)	
1992	$220,500	($155,200)	($22,656)	$25,845	$3,189	
1993	$266,525	($202,800)	($27,180)	$27,137	($43)	Kitchen ($50,000); refinance at 7.5%
1994	$279,851	($200,400)	($25,680)	$28,494	$2,814	
1995	$293,844	($198,000)	($40,680)	$29,919	($10,761)	Paint job ($15,000)
1996	$308,536	($195,600)	($25,680)	$31,415	$5,735	
1997	$323,963	($193,200)	($25,680)	$32,985	$7,305	
1998	340,161	($190,800)	($26,004)	$34,635	$8,631	Refinance (6.5%)
1999	$357,169	($188,400)	($23,004)	$36,367	$13,363	
2000	$375,027	($186,000)	($23,004)	$38,185	$15,181	
2001	$393,779	($183,600)	($23,004)	$40,094	$17,090	
2002	$413,468	($181,200)	($48,004)	$42,099	($5,905)	New roof ($25,000)
2003	$434,141	($178,800)	($23,004)	$44,204	$21,200	
2004	$560,848	($326,400)	($39,180)	$58,414	$19,234	Addition ($150,000); refinance at 5.75%
2005	$588,891	($324,000)	($34,680)	$61,335	$26,655	
2006	$618,335	($321,600)	($99,680)	$64,401	($35,279)	
SELL	**$650,000**	**($321,600)**	**($557,432)**	**$632,429**	**$403,397**	

*Includes additional borrowing to finance improvements.
**Includes before-tax mortgage payments, maintenance, financing and sales costs; excludes depreciation.

The "Profit/(Loss)" column shows how much money the landlord has after paying all his pretax expenses. A nasty negative cash flow in the first year was quickly converted to profits in later years, and the landlord was in the black after just two years. By the last year, the homeowner's money pit had become an ATM handing over more than $2,000 a month to its landlord while actually appreciating at the 5 percent per year rate that the homeowner thought he was getting. (You will see later how the landlord actually does better because of tax laws that favor real-estate investing even more than homeowning.)

Let's take this calculation one step further and put it in terms most people who have a basic familiarity with investing can appreciate. How does this real-estate investment compare with the Dow Jones Industrial Average—the most widely quoted stock-market benchmark?

A $40,000 investment in an index fund tracking the Dow from January 1, 1990, to June 30, 2005—a period when the Dow rose about 273 percent and total return, including stock dividends, was 436 percent—would be worth about $174,400 today, before taxes. So that's our benchmark. Any investor could have done that. So for the sake of this discussion, let's say a reasonable criterion for a successful real-estate venture is to beat the Dow.

We know what happened to the homeowner: a loss of $86,000. That's why a home isn't an investment.

But how good of an investment was the house for our Los Angeles landlord? How well did he do? Outstanding. He had an overall pretax return of $403,000—annual rental income and a hefty profit from the sale of the property.

That's almost two and a half times what he could have done in the stock market, and probably enough to buy a very nice place alongside all the other former Californians in Phoenix, Las Vegas or Boise.

CHAPTER 2

GETTING IN ON THE GROUND FLOOR

WHERE TO GET THE MONEY AND BUILD A NETWORK FOR INVESTING IN REAL ESTATE

"I feel that in a small way we're doing something important. It's satisfying a fundamental urge. It's deep in the race for a man to want his own roof and walls and fireplace. And we're helping him get those things in our shabby little office."

—IT'S A WONDERFUL LIFE

Everyone has to live somewhere. And everyone has to work somewhere. And everyone has to shop somewhere. And someone has to provide the space.

That's where the real-estate investor comes in. He or she is the person who makes money by providing one of life's necessities, just like the water company or the gas company or the electric utility. And like those lackluster, steady, boring businesses, real-estate investing—properly and prudently done—can provide considerable wealth and a good income. And unlike those other businesses, anyone can do it. The capital requirements to get started in real-estate investing are quite minimal, and there are comparatively few legal restrictions on how you operate.

Keep that in mind throughout this and the next couple of chapters, because we are now going to look at how you go about acquiring properties—how to raise money, how to learn the real-estate business, how you find properties, how to evaluate them from a financial perspective and how you buy them. There are a lot of broad concepts here—and some simple math—that will get you through the process.

Don't be discouraged or think for a moment that this is all too complicated. But do give yourself plenty of time; you should plan on at least one full year from the time you decide to get into real-estate investing and when you close on your first property. Most of that time will be spent educating yourself, first about investing and real estate in general, and then specifically in neighborhoods and individual properties.

So let's start at the beginning, with the first thing every investor asks.

"WHERE WILL I GET THE MONEY?"

What? You say your trust-fund check didn't come this month?