



Real Estate
INVESTMENTS



HARD MONEY
LOANS



TRUST DEED
INVESTMENTS



INVESTOR
EDUCATION

Moreno Valley, CA





THE MOST IMPORTANT WORD IN REAL ESTATE?

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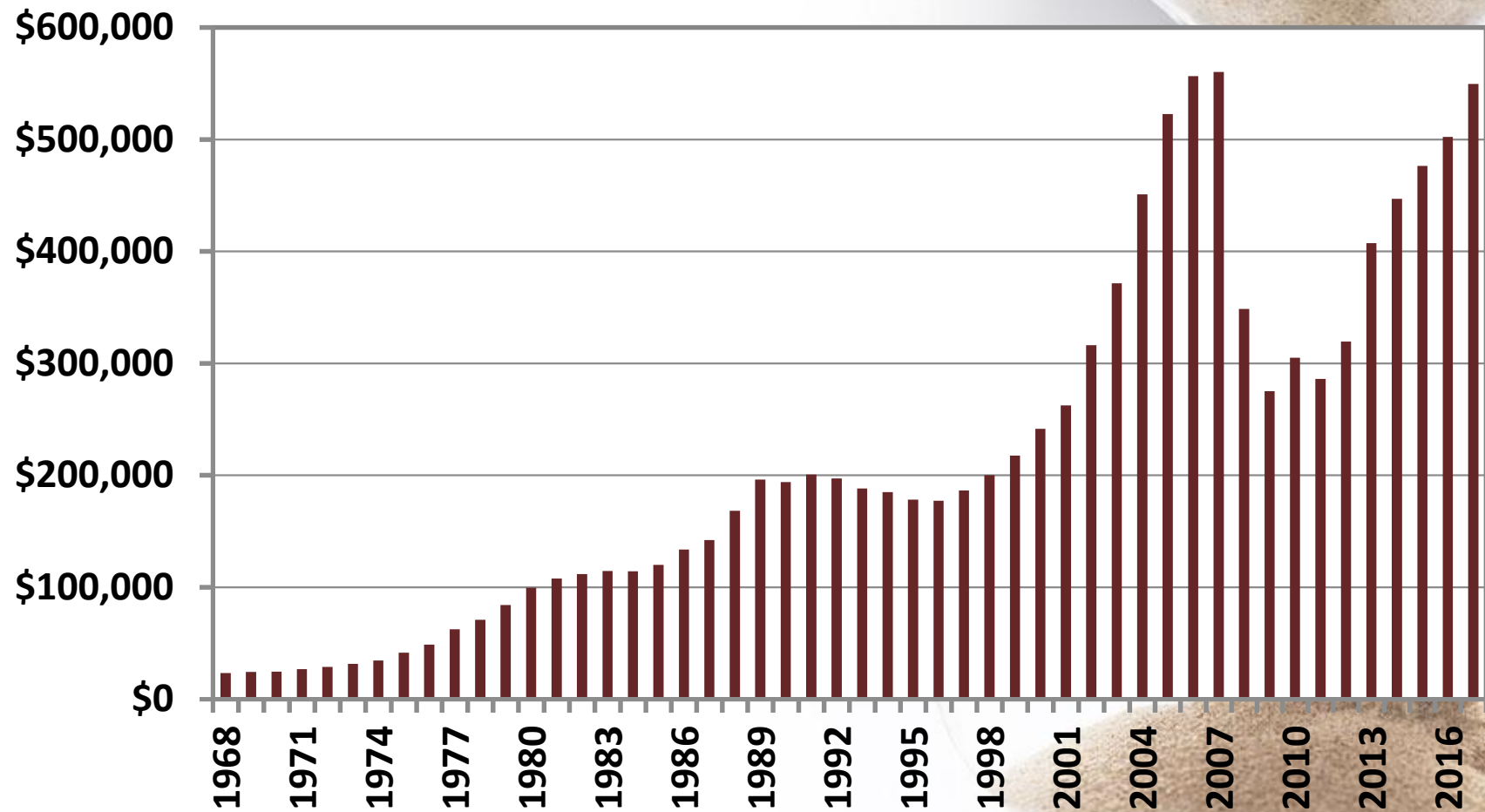
Timing!



I'd rather know
WHEN TO
than
HOW TO
any day!

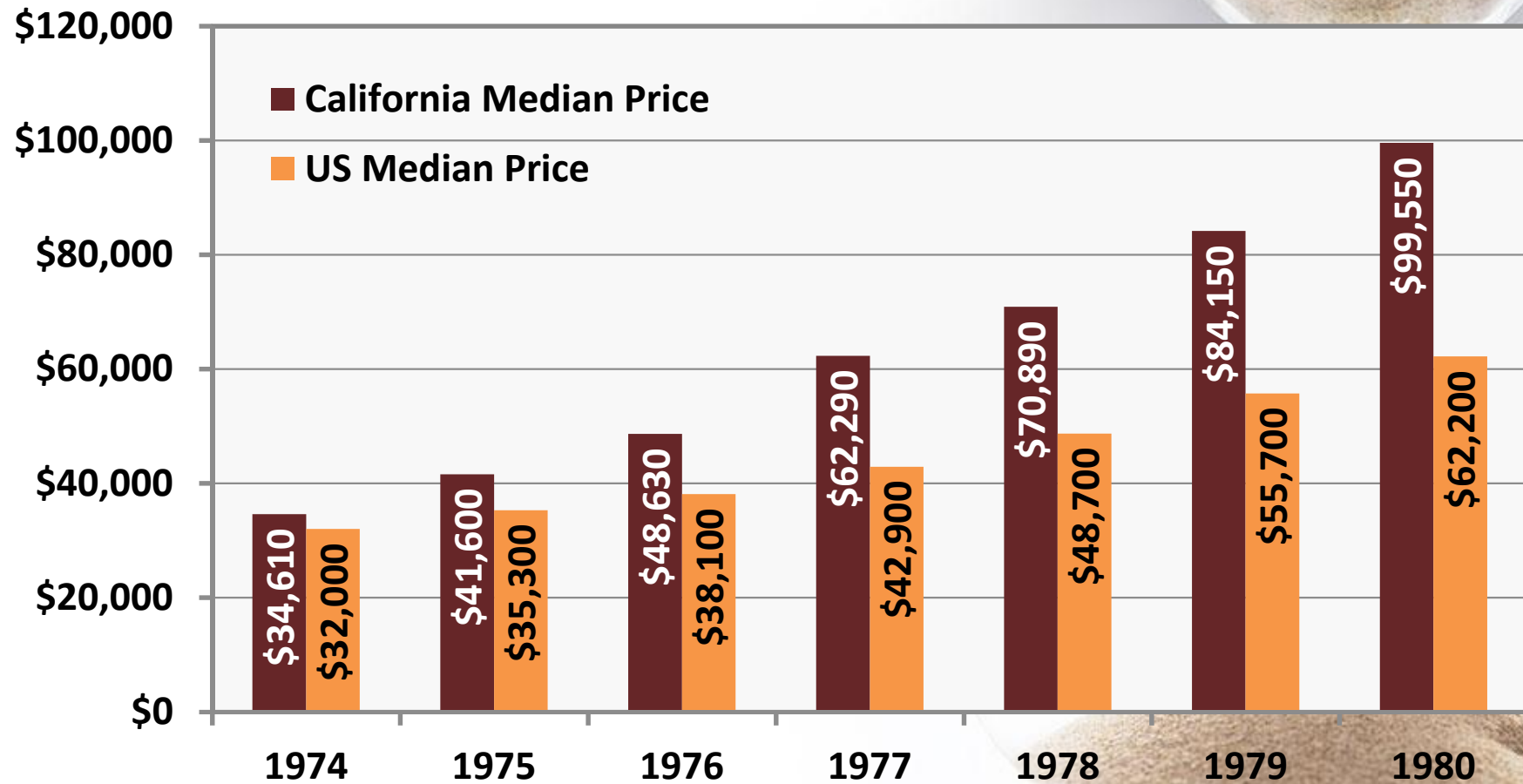


California Median Price



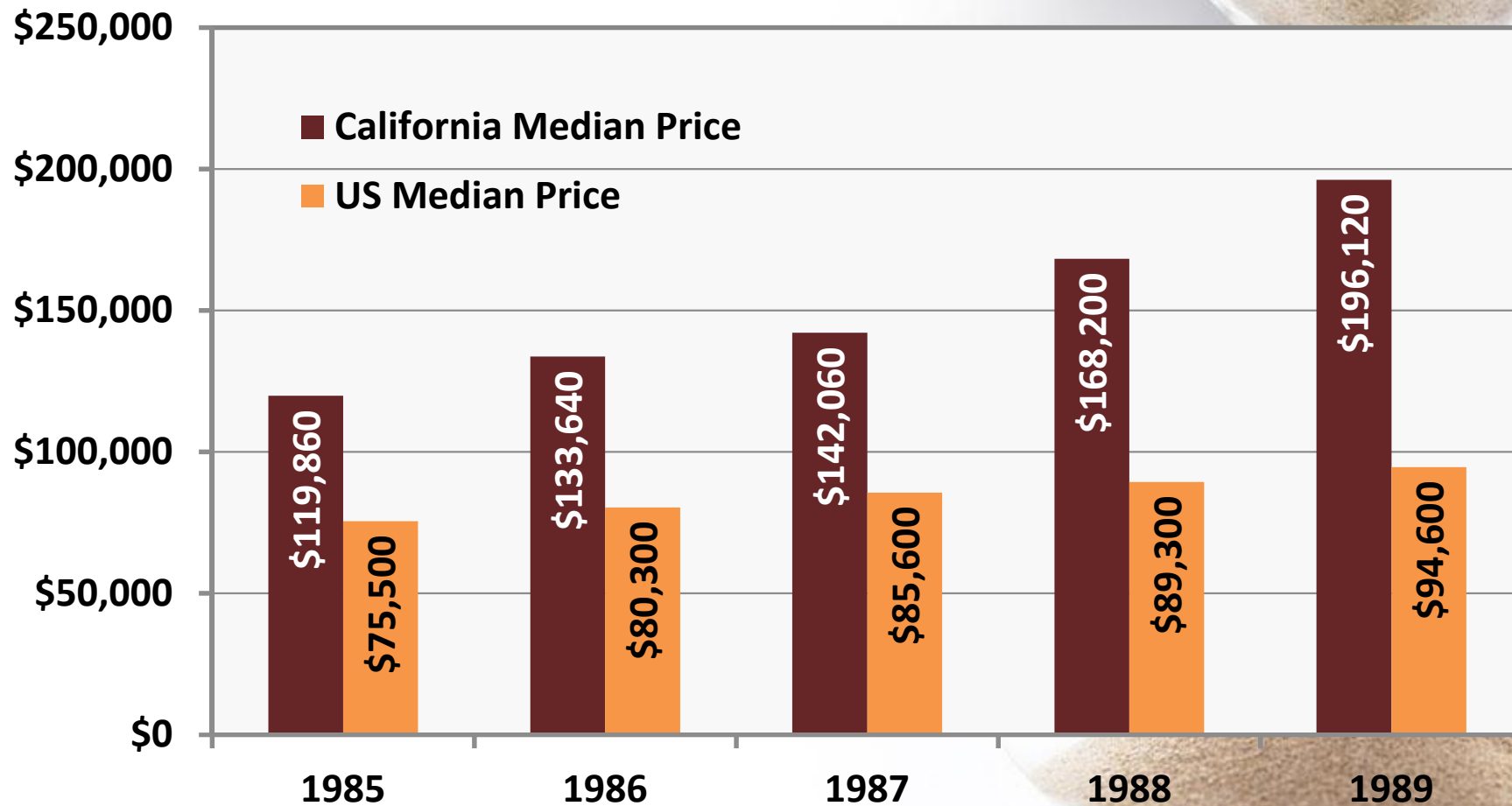
Source: California Association of Realtors.

Price Boom 1974-1980



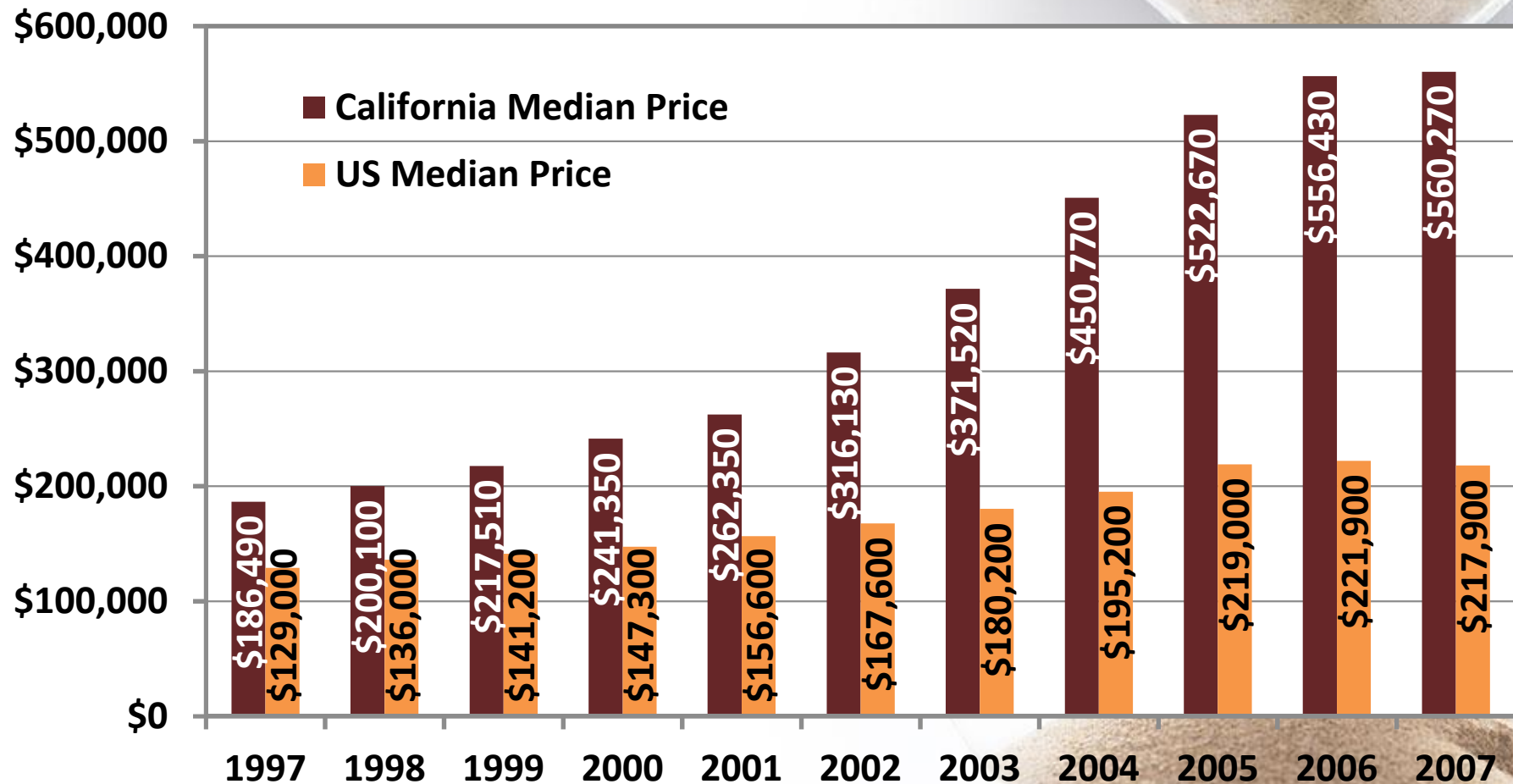
Source: California Association of Realtors.

Price Boom 1985-1989



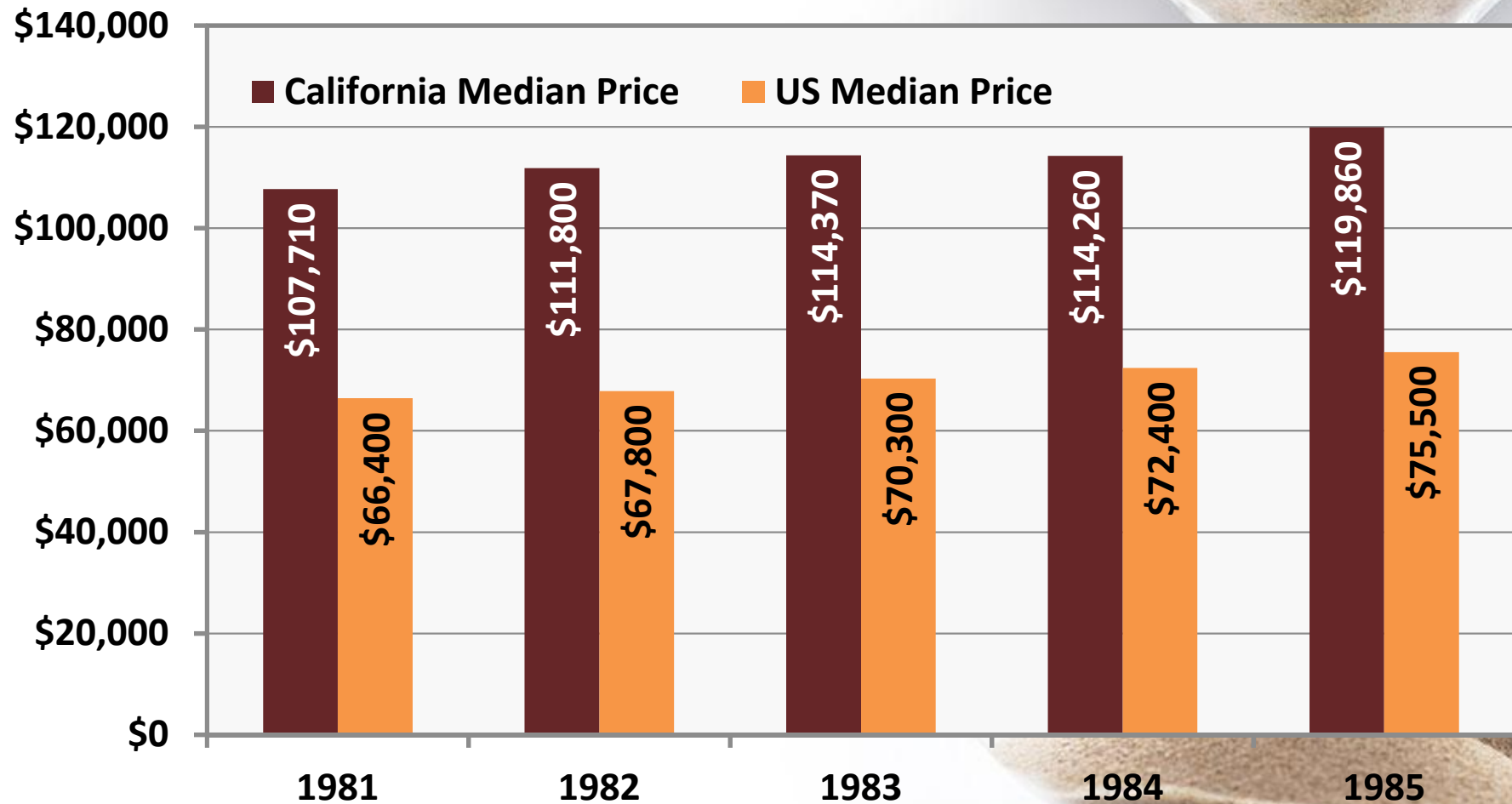
Source: California Association of Realtors.

Price Boom 1997-2007



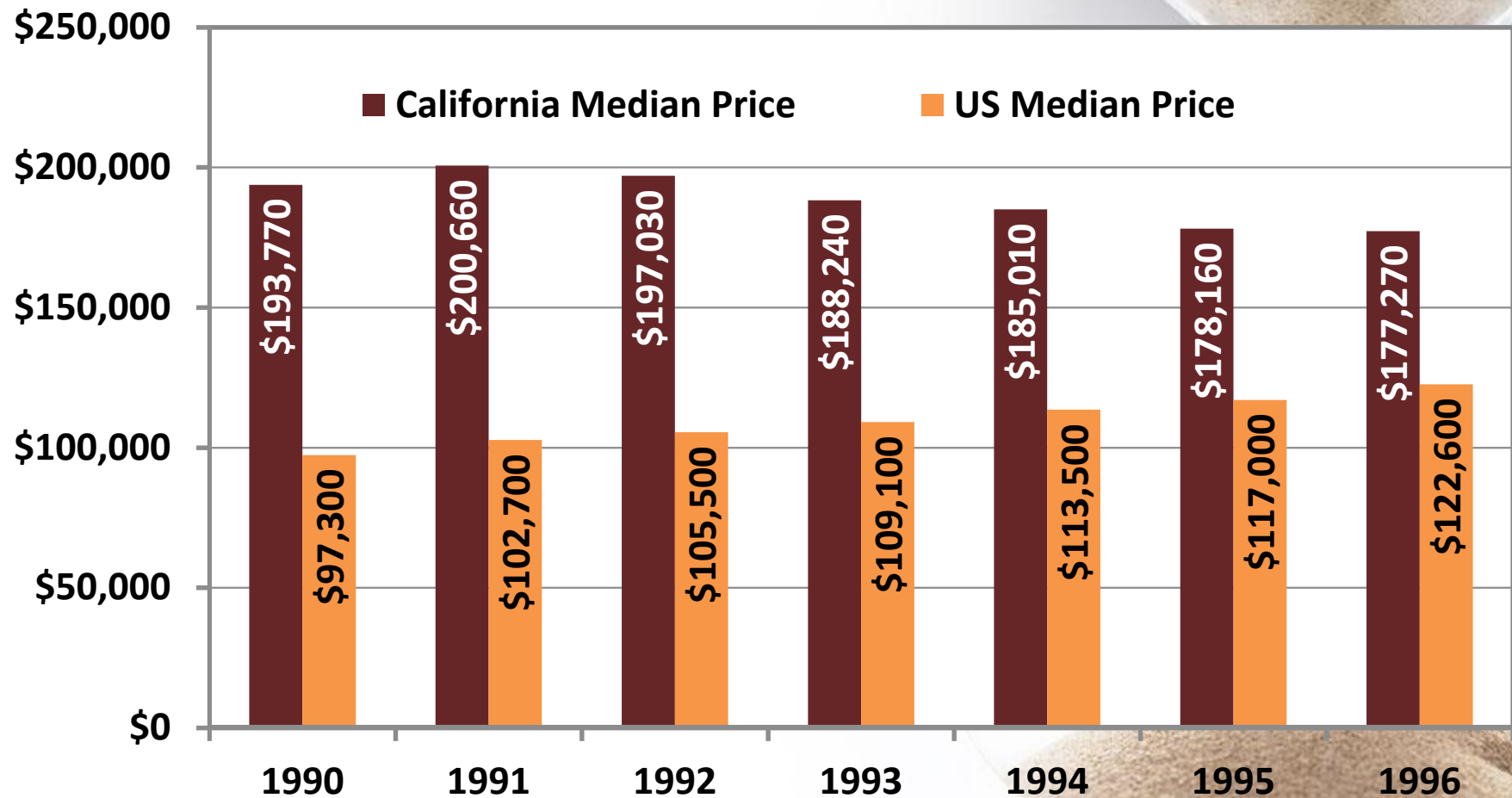
Source: California Association of Realtors.

Price Slowdown 1981-1985



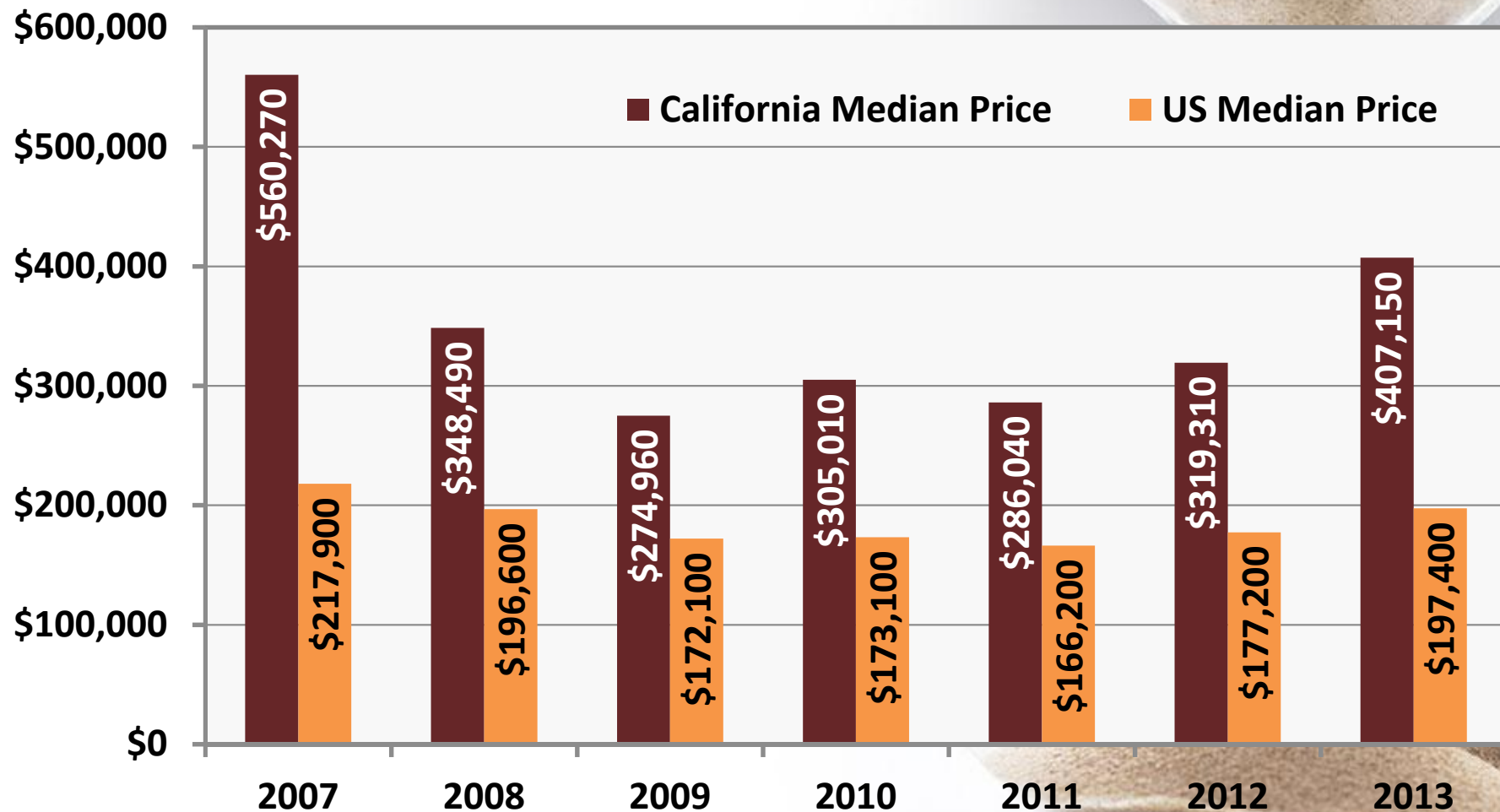
Source: California Association of Realtors.

Price Downturn 1990-1996



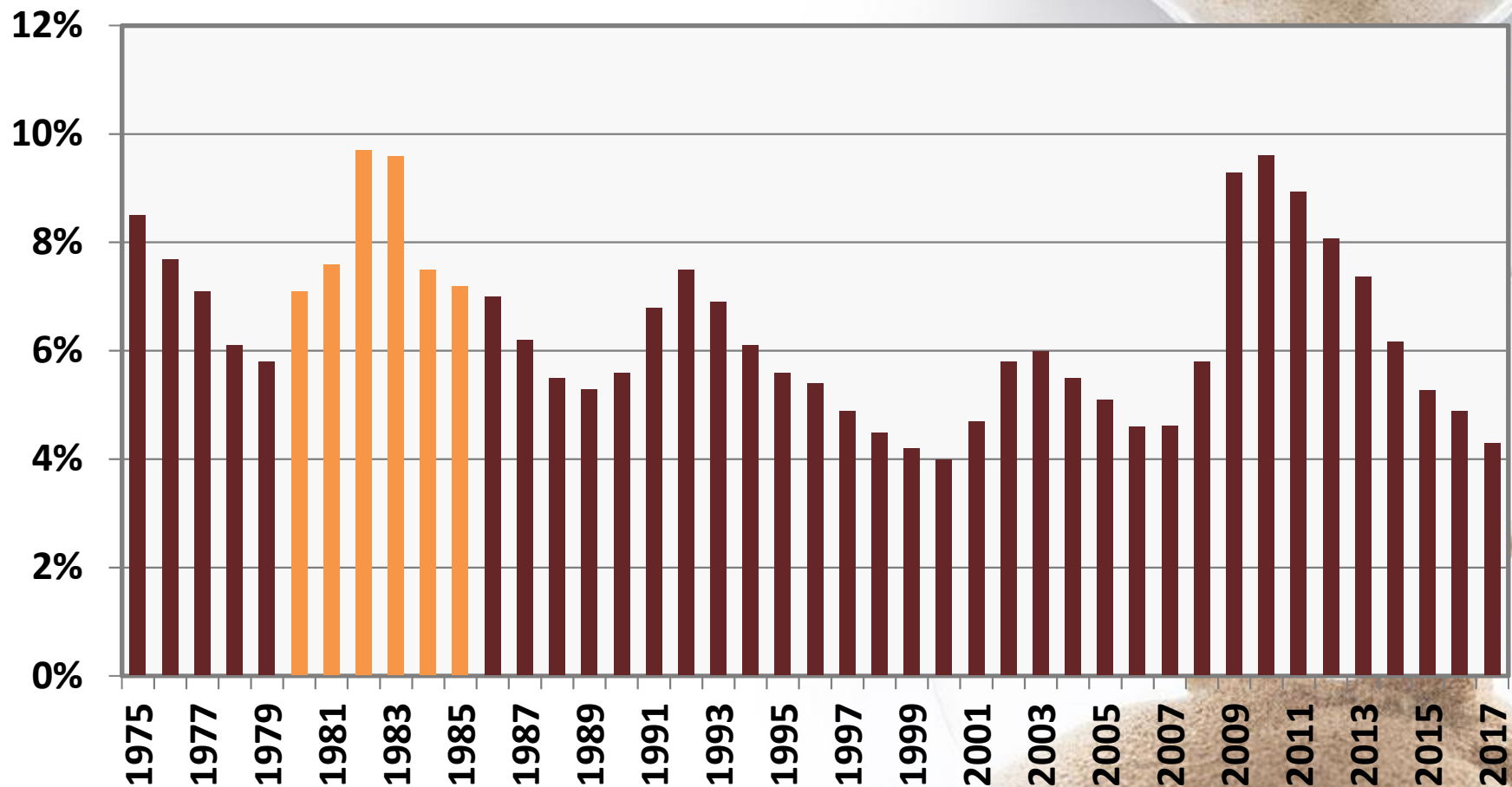
Source: California Association of Realtors.

Price Crash 2007-2013



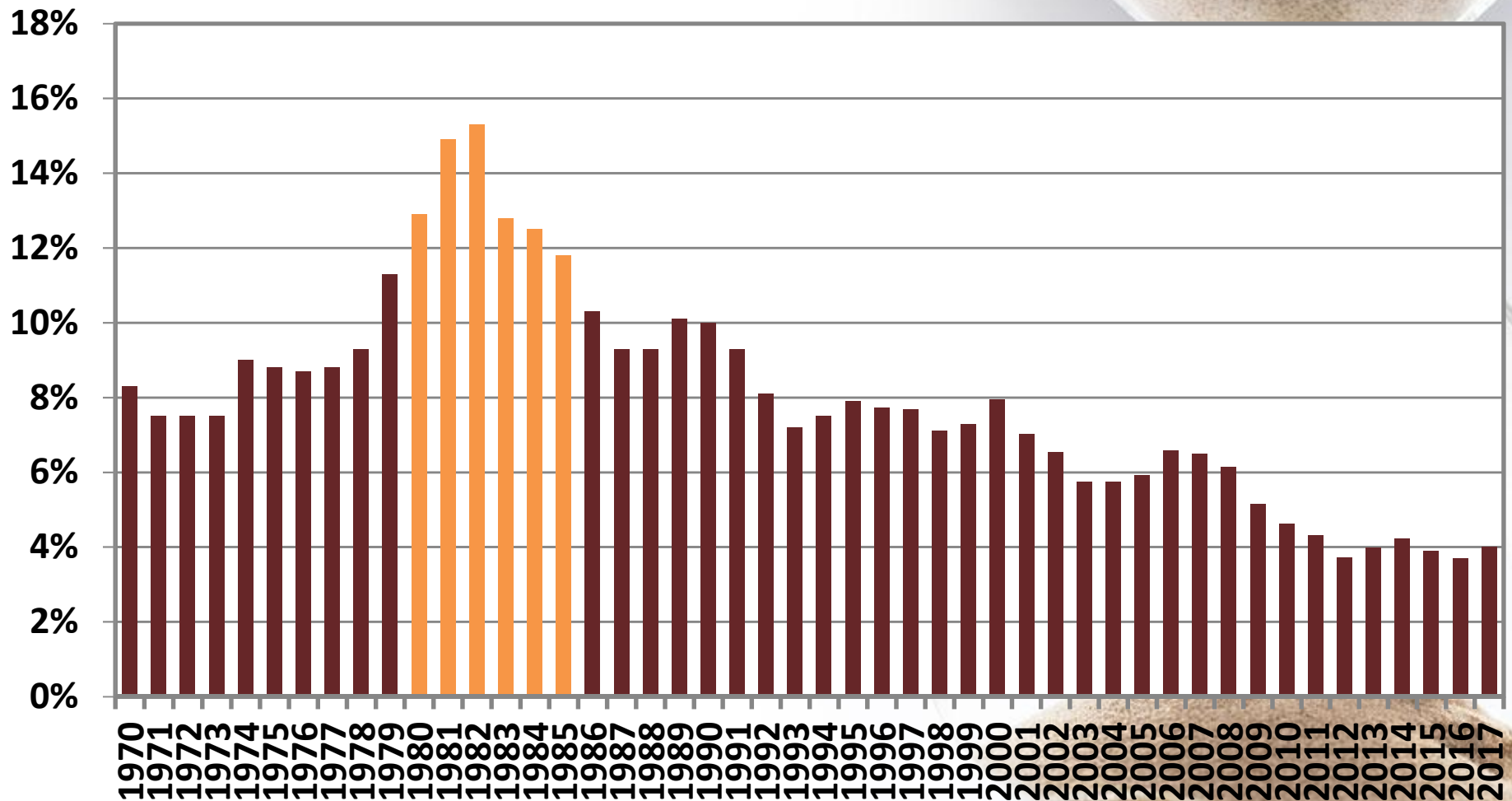
Source: California Association of Realtors.

Unemployment 1980-1985



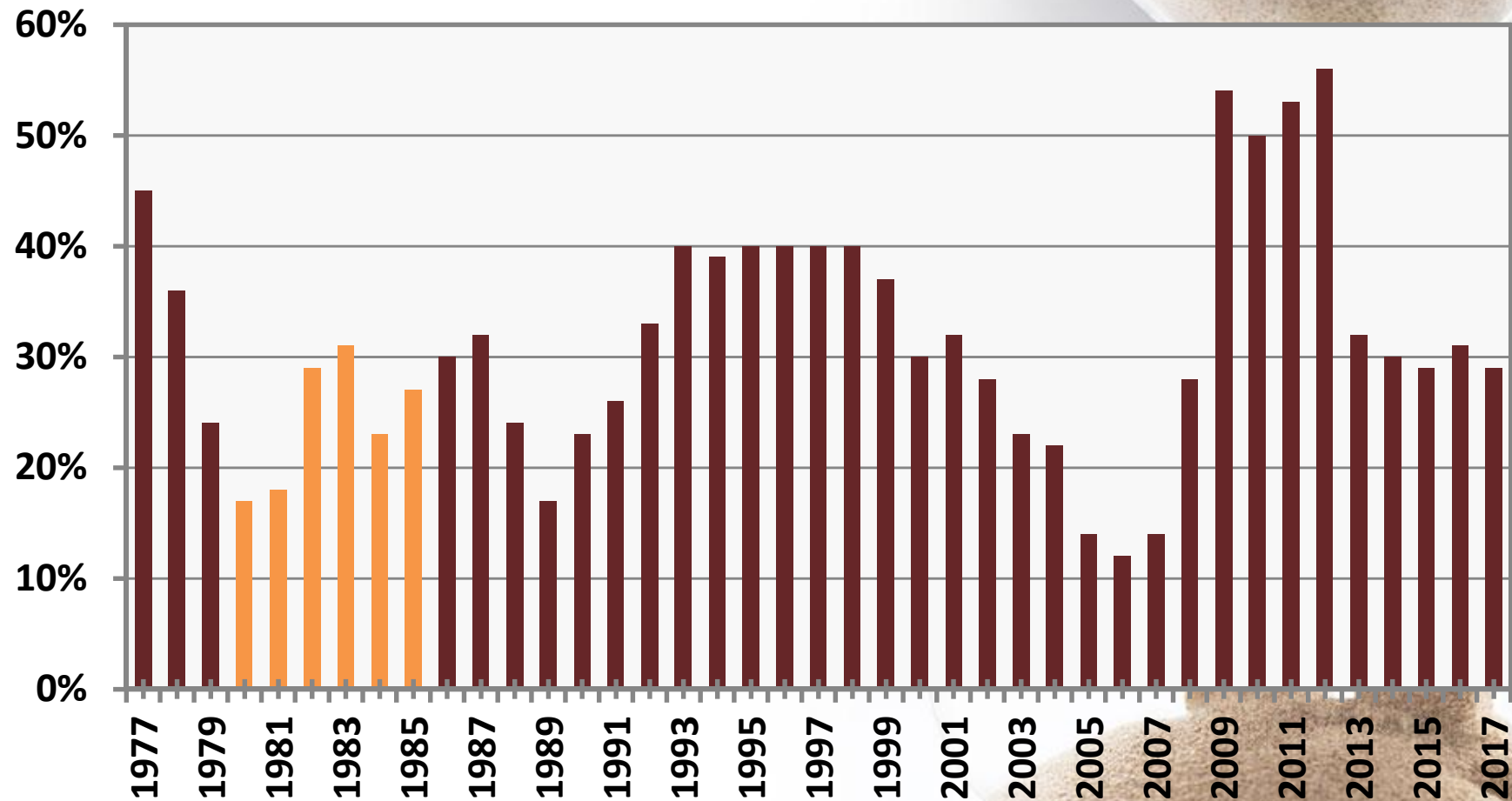
Source: Bureau of Labor Statistics.

Interest Rates 1980-1985



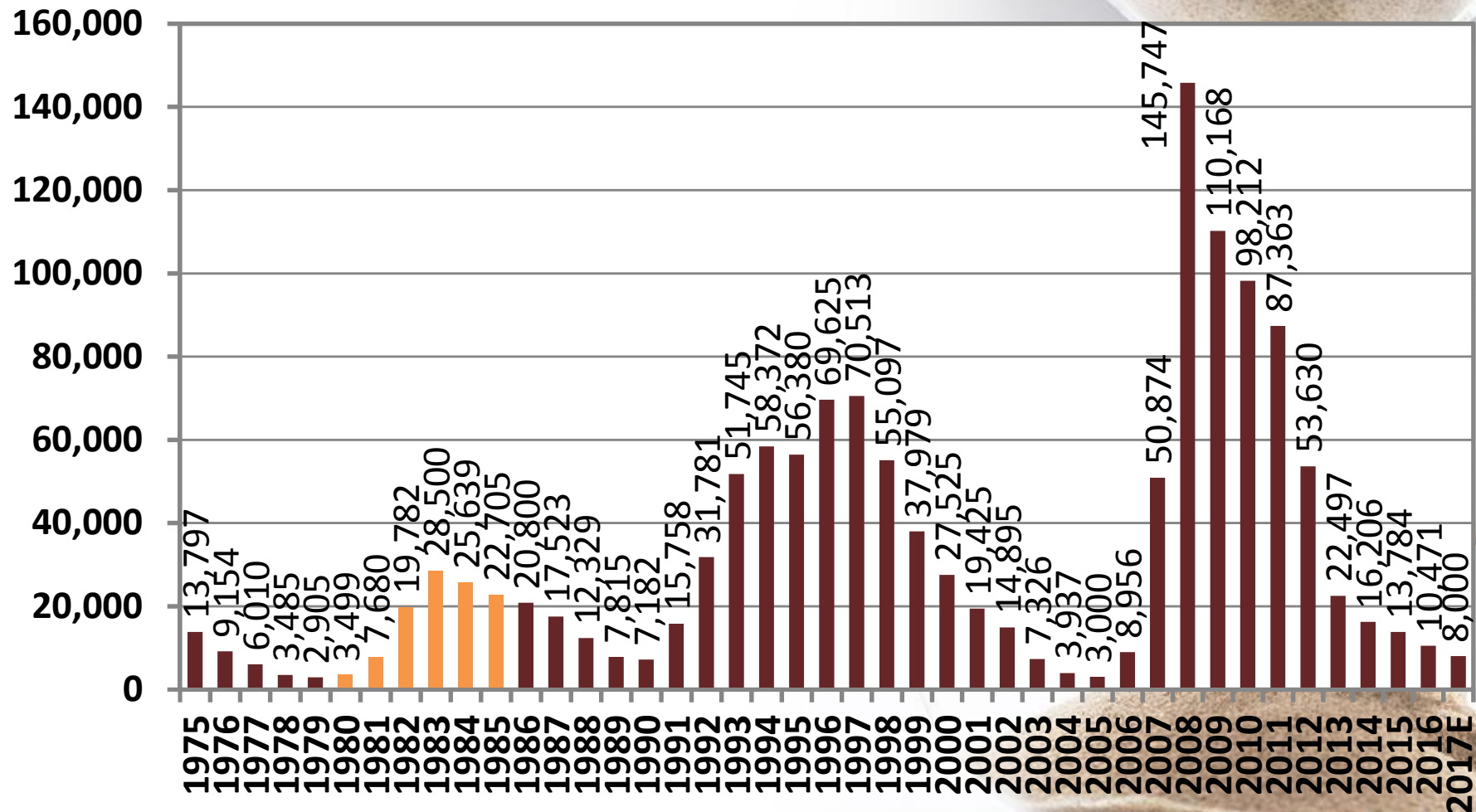
Source: US Treasury and Federal Reserve Board of New York.

Affordability 1980-1985



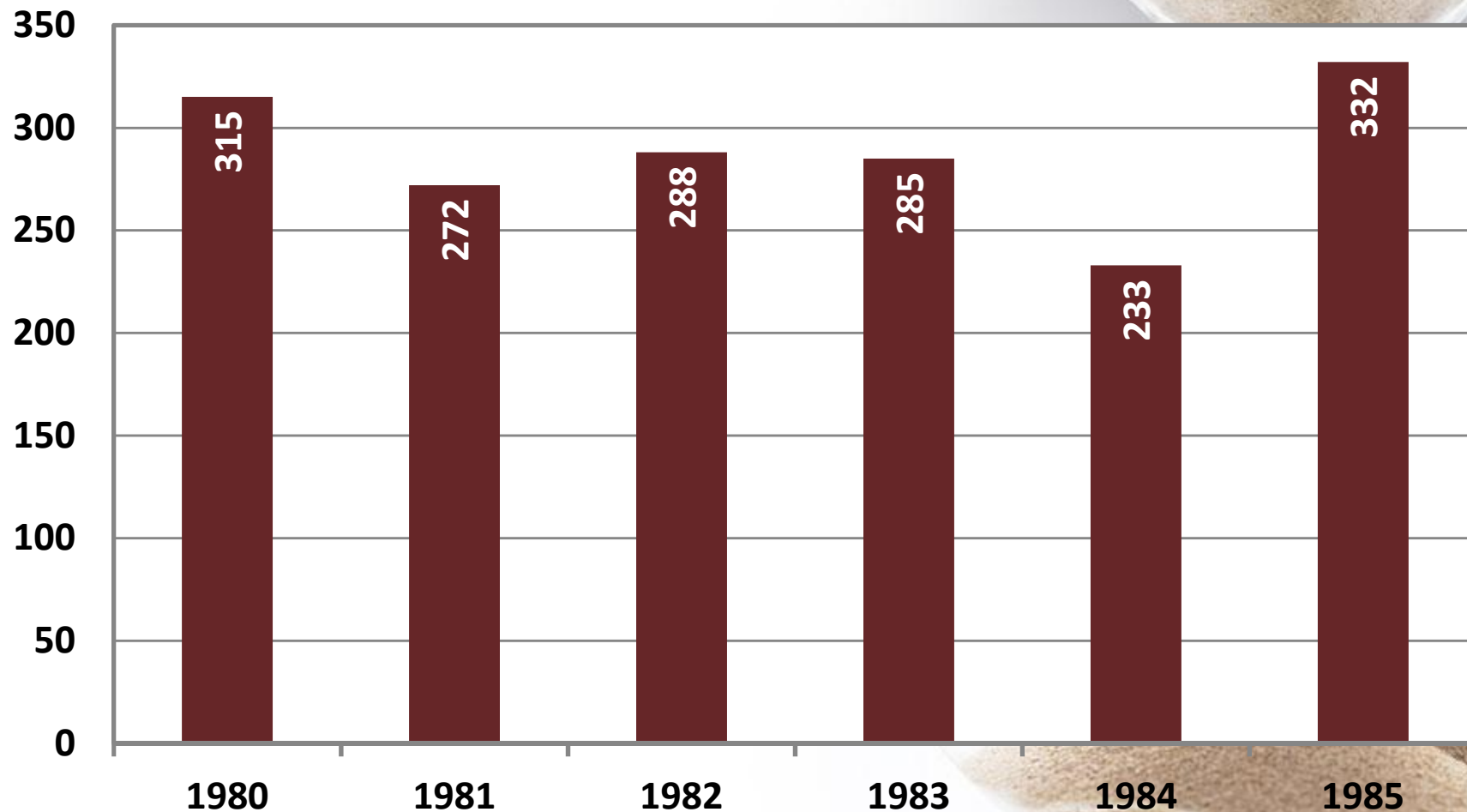
Source: California Association of Realtors.

Southern California Trustee Sales (1980-1985)



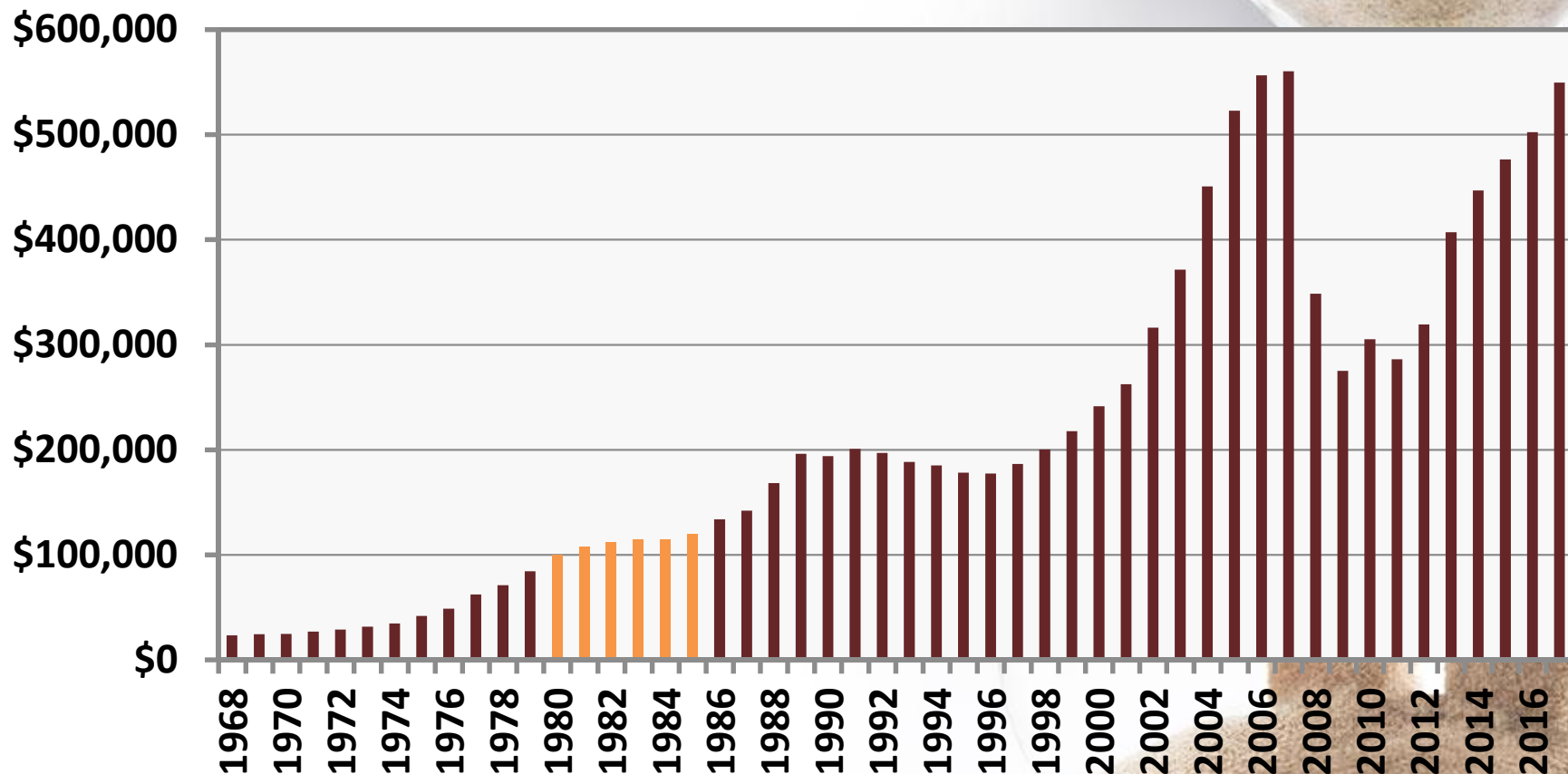
Source: Real Estate Research Council of Southern California.

California Migration 1980-1985 (Numbers in 1,000s)



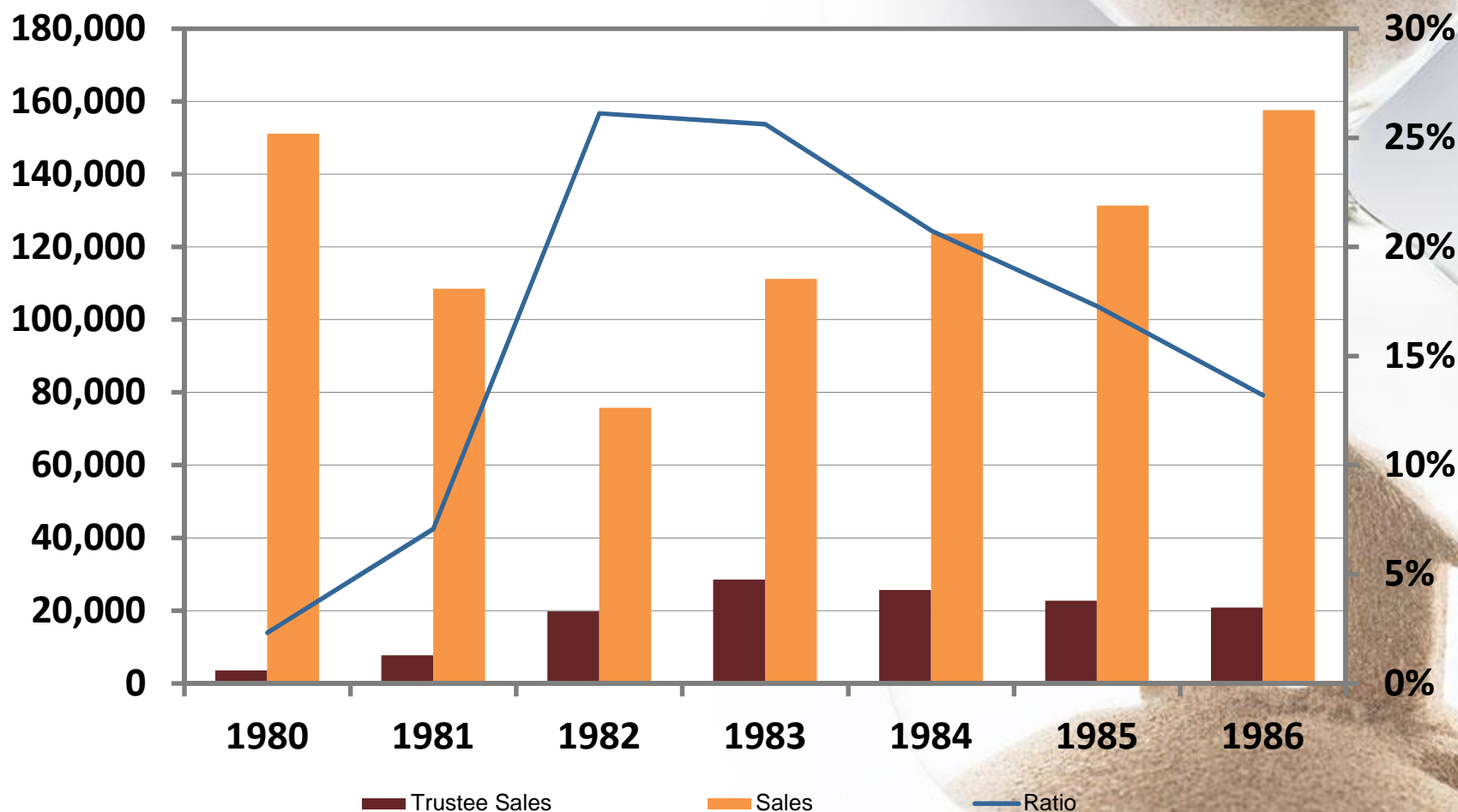
Source: California Department of Finance.

California Median Price (1980-1985)



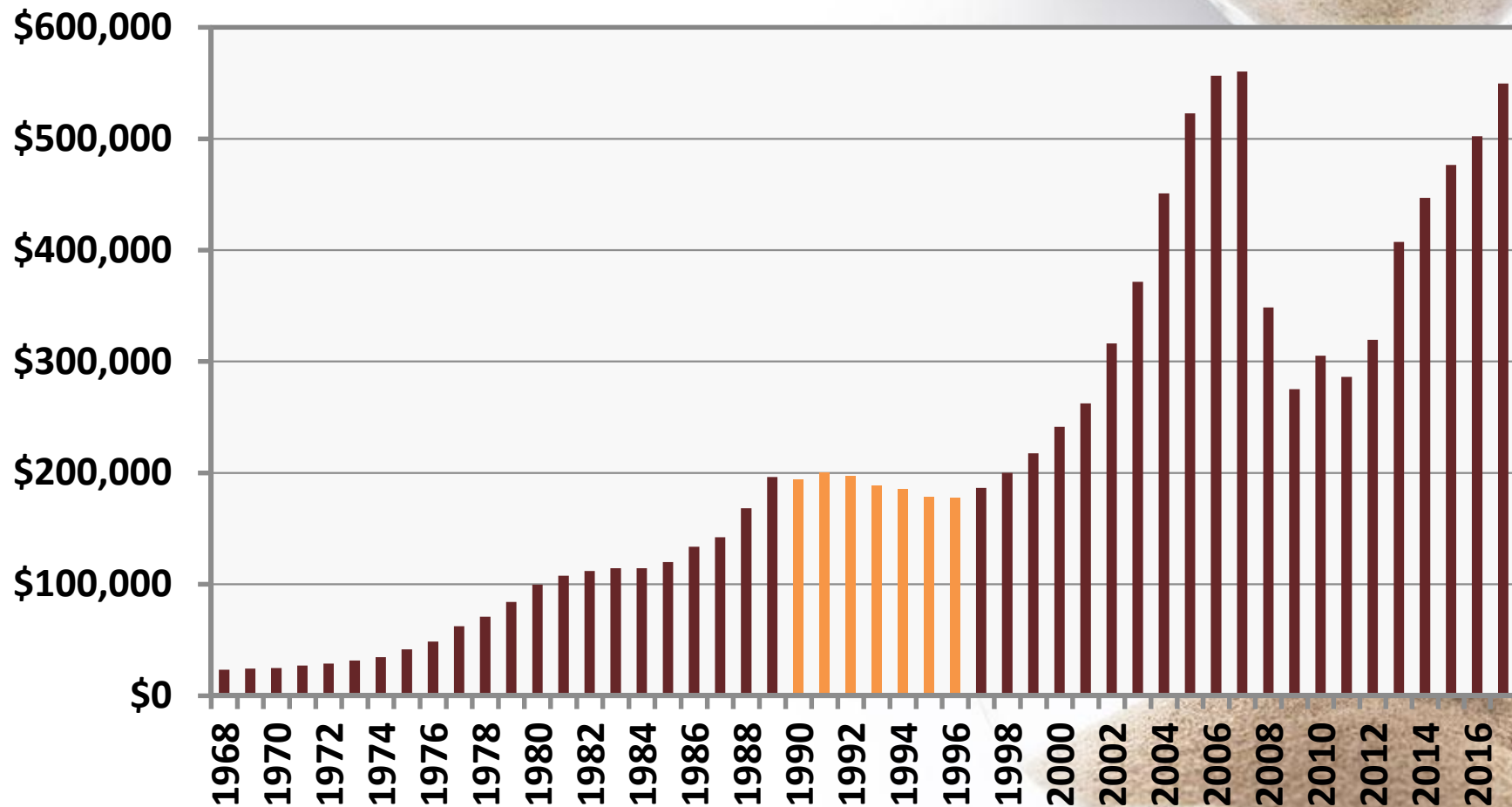
Source: California Association of Realtors.

Southern California Trustee Sales to Sales (1980-1985)



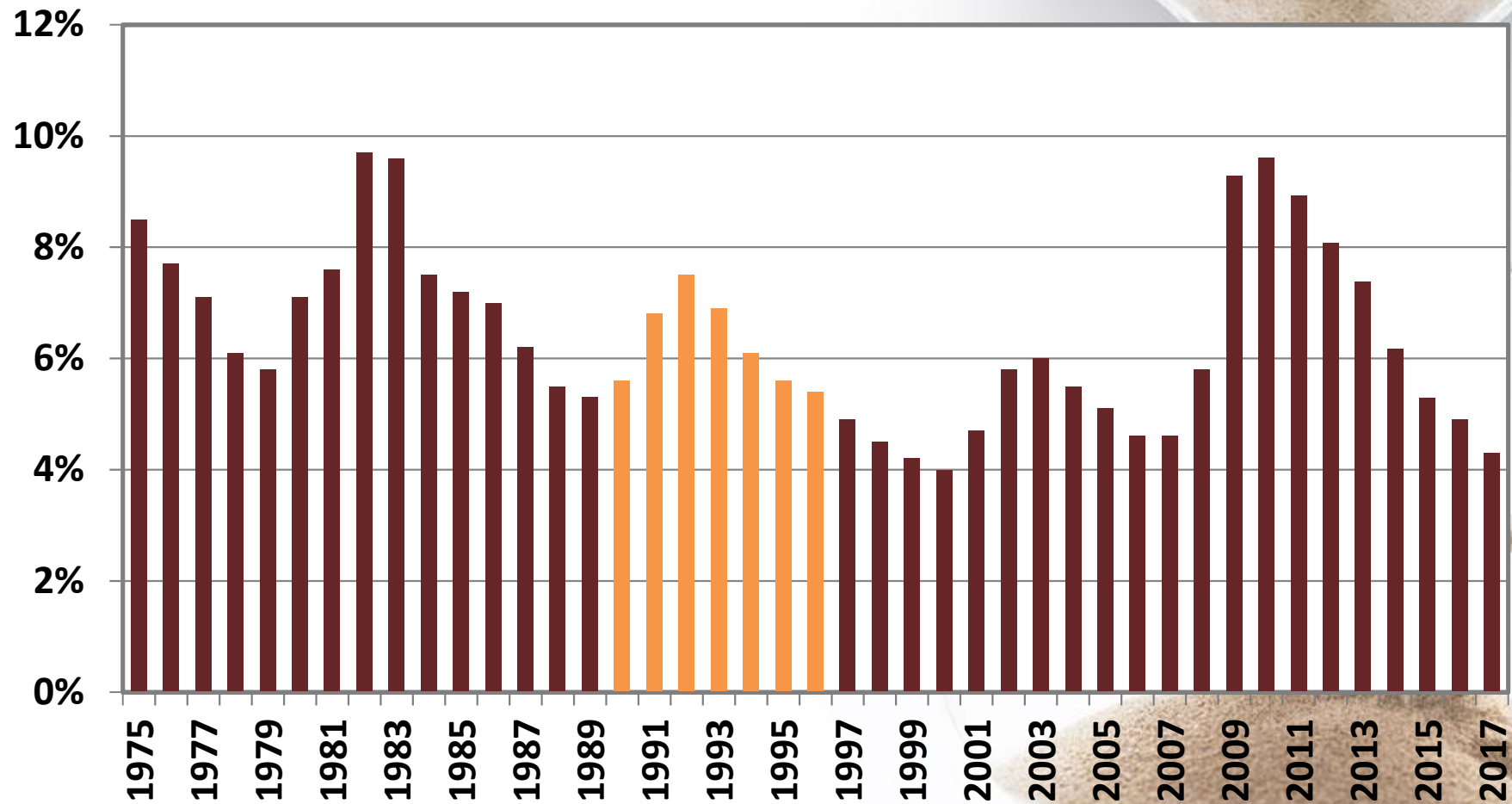
Source: Real Estate Research Council of Southern California.

California Median Price (1990-1996)



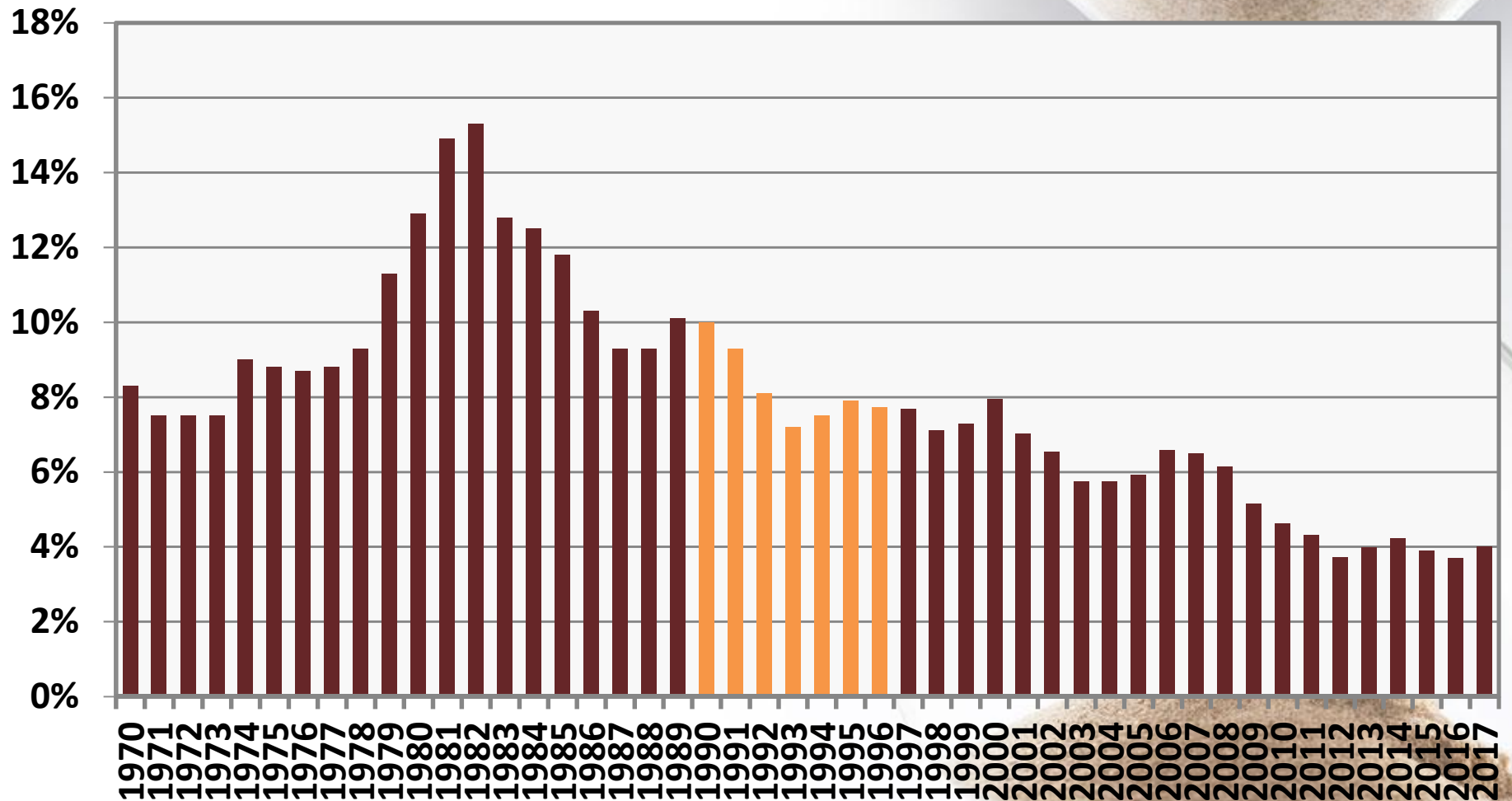
Source: California Association of Realtors.

Unemployment 1990-1996



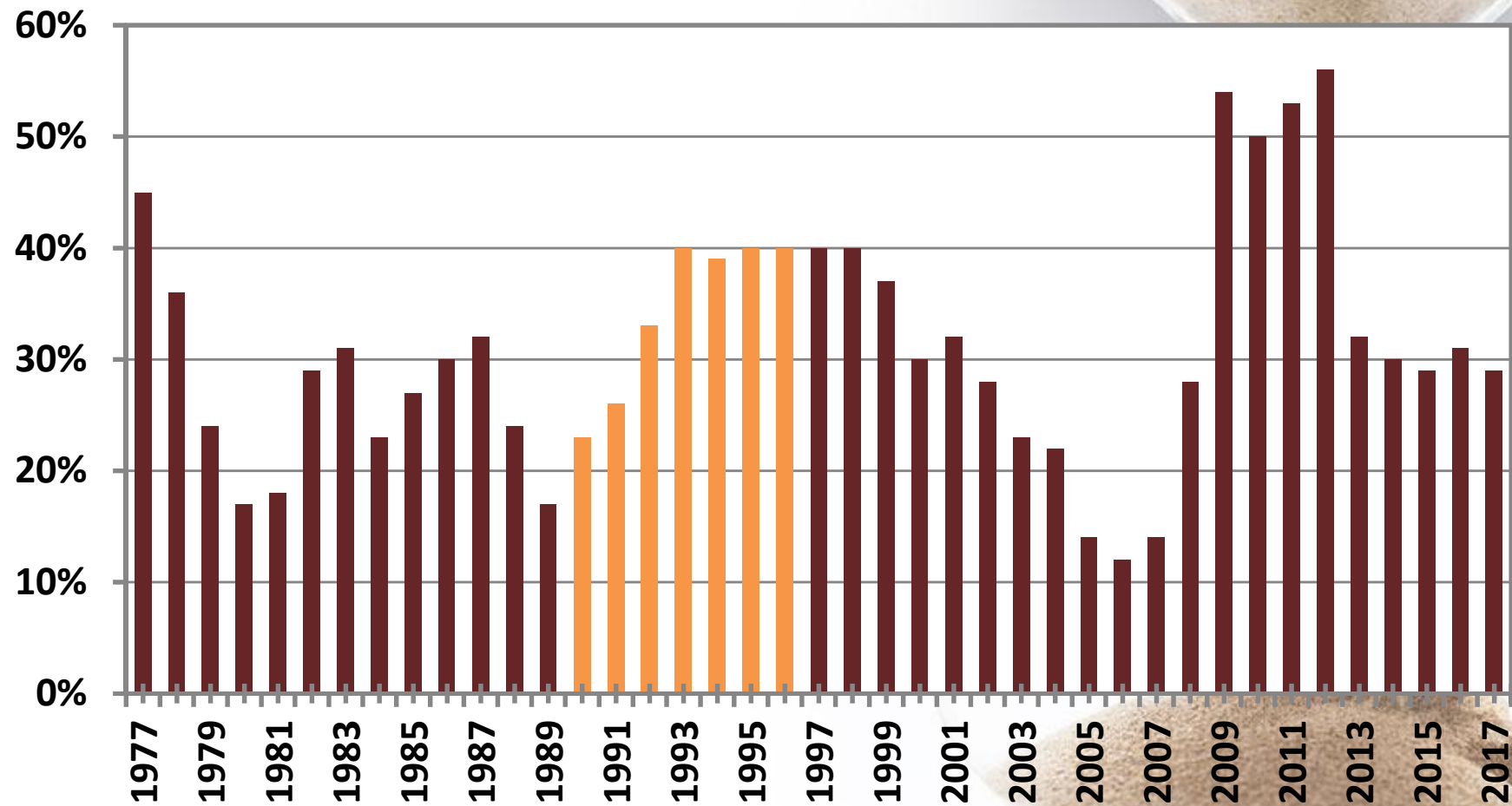
Source: Bureau of Labor Statistics.

Interest Rates 1990-1996



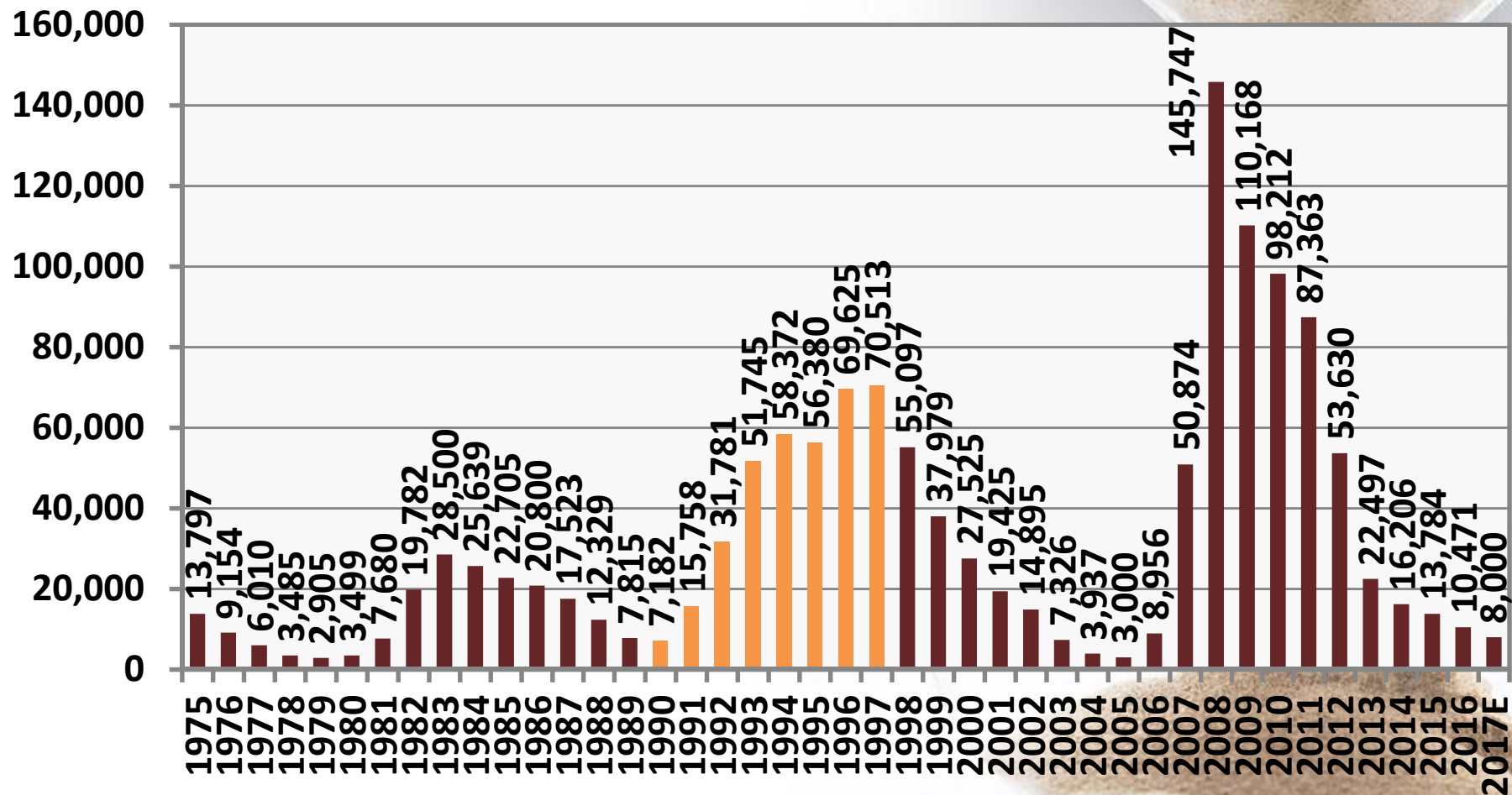
Source: US Treasury and Federal Reserve Board of New York.

Affordability 1990-1996



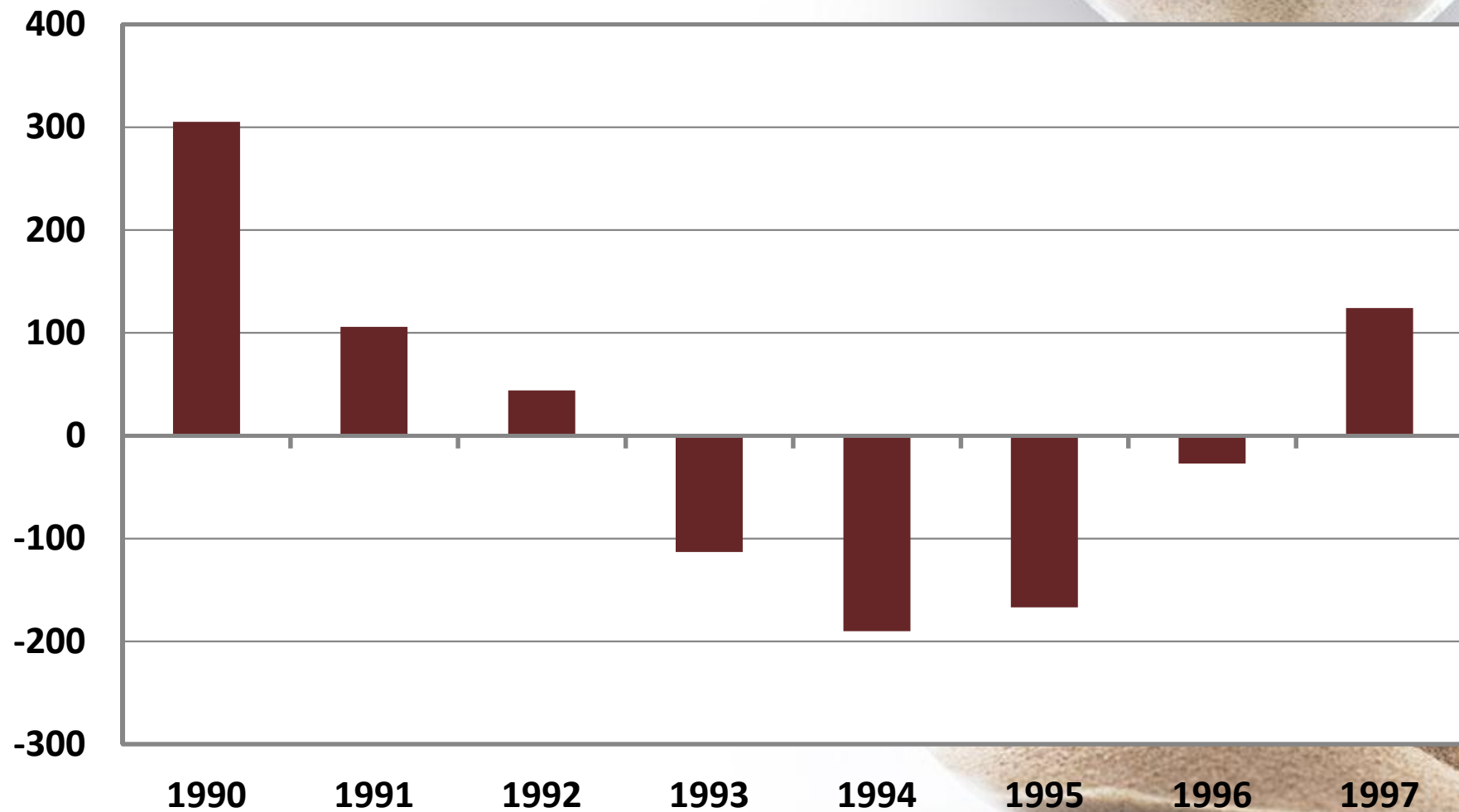
Source: California Association of Realtors.

Southern California Trustee Sales 1990-1997



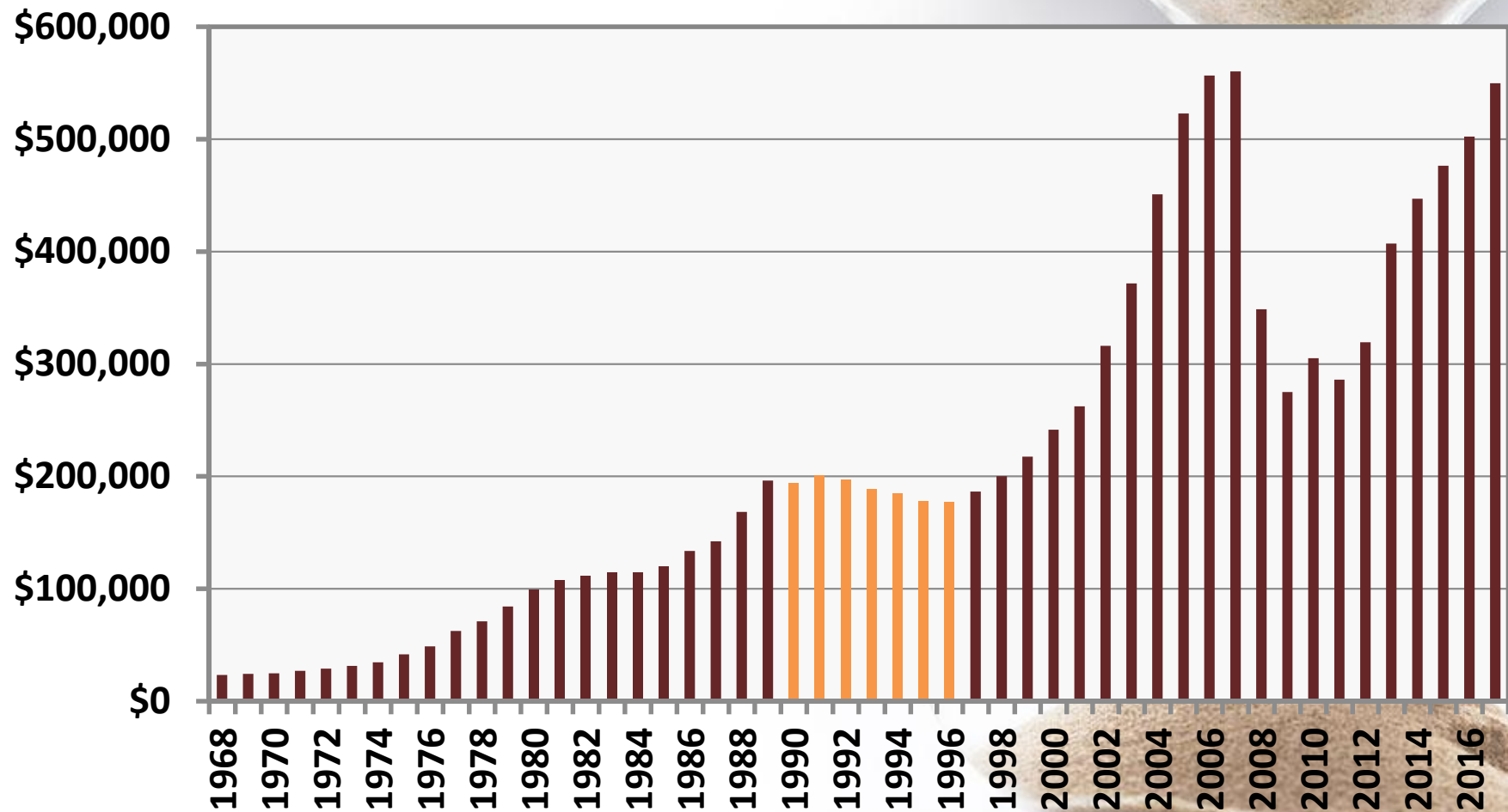
Source: Real Estate Research Council of Southern California.

Migration 1990-1997 (Numbers in 1,000s)



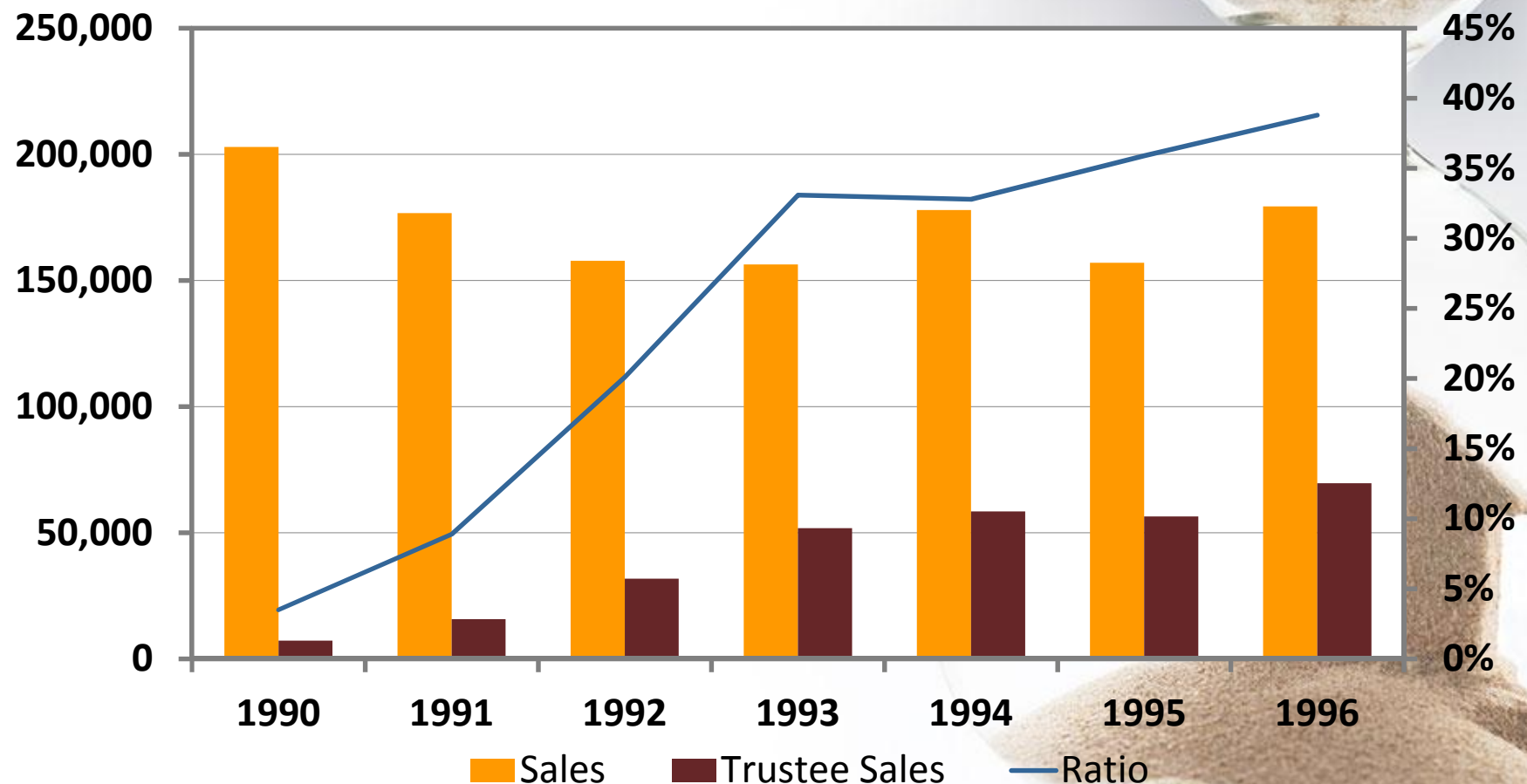
Source: California Department of Finance.

California Median Price (1990-1996)



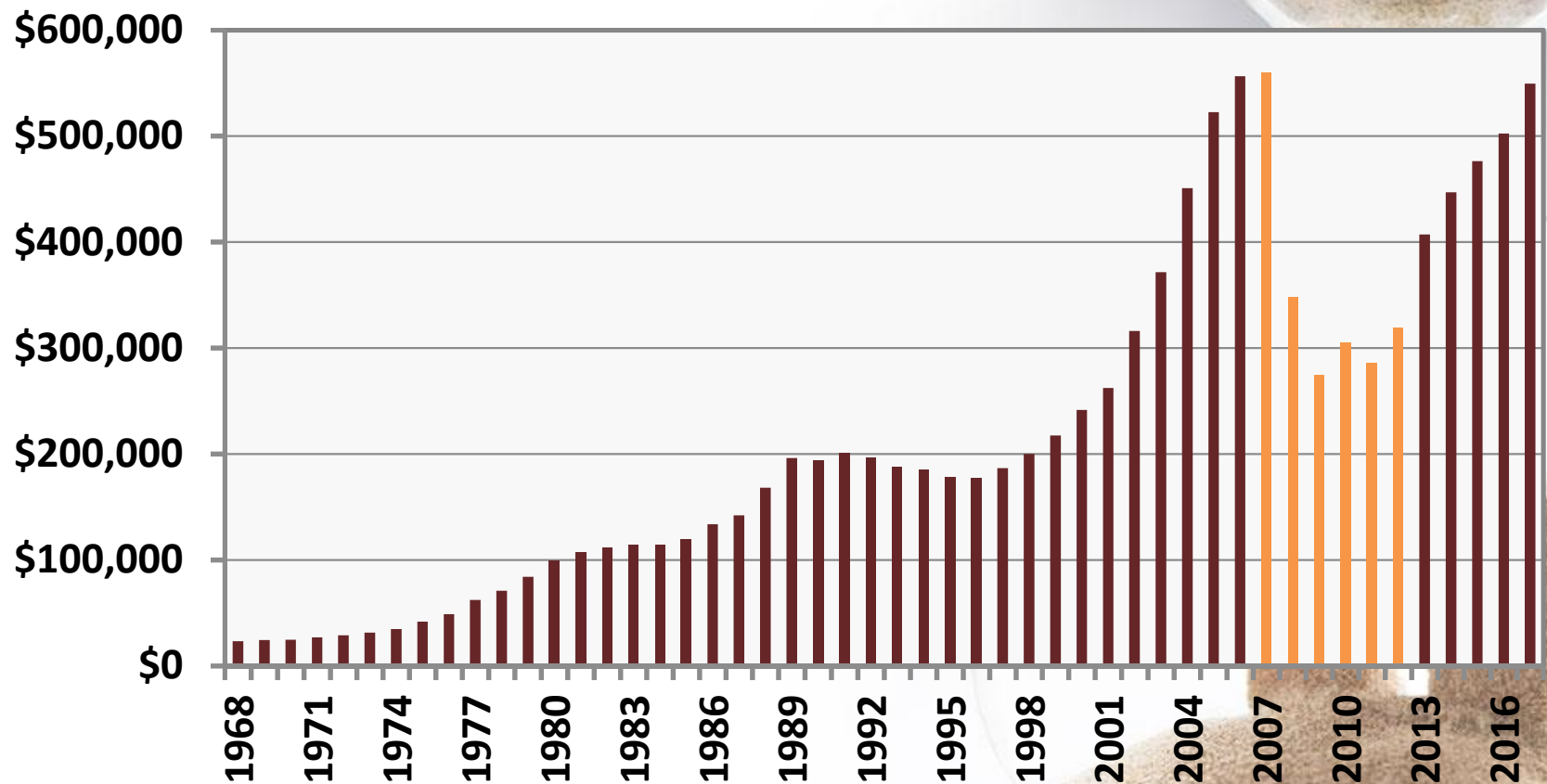
Source: California Association of Realtors.

Trustee Sales to Sales Ratio (1990-1996)



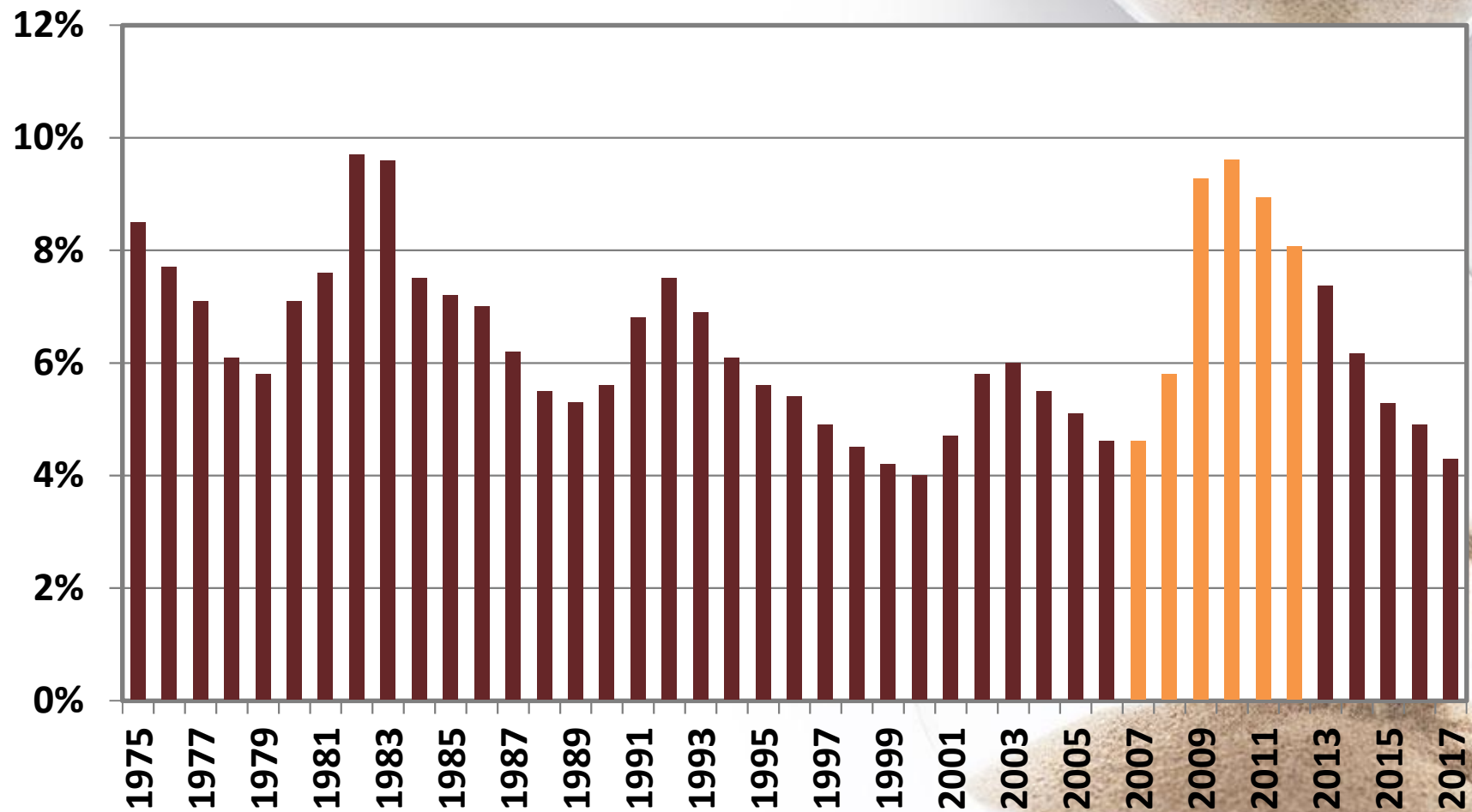
Source: Real Estate Research Council of Southern California.

California Median Price (2007-2012)



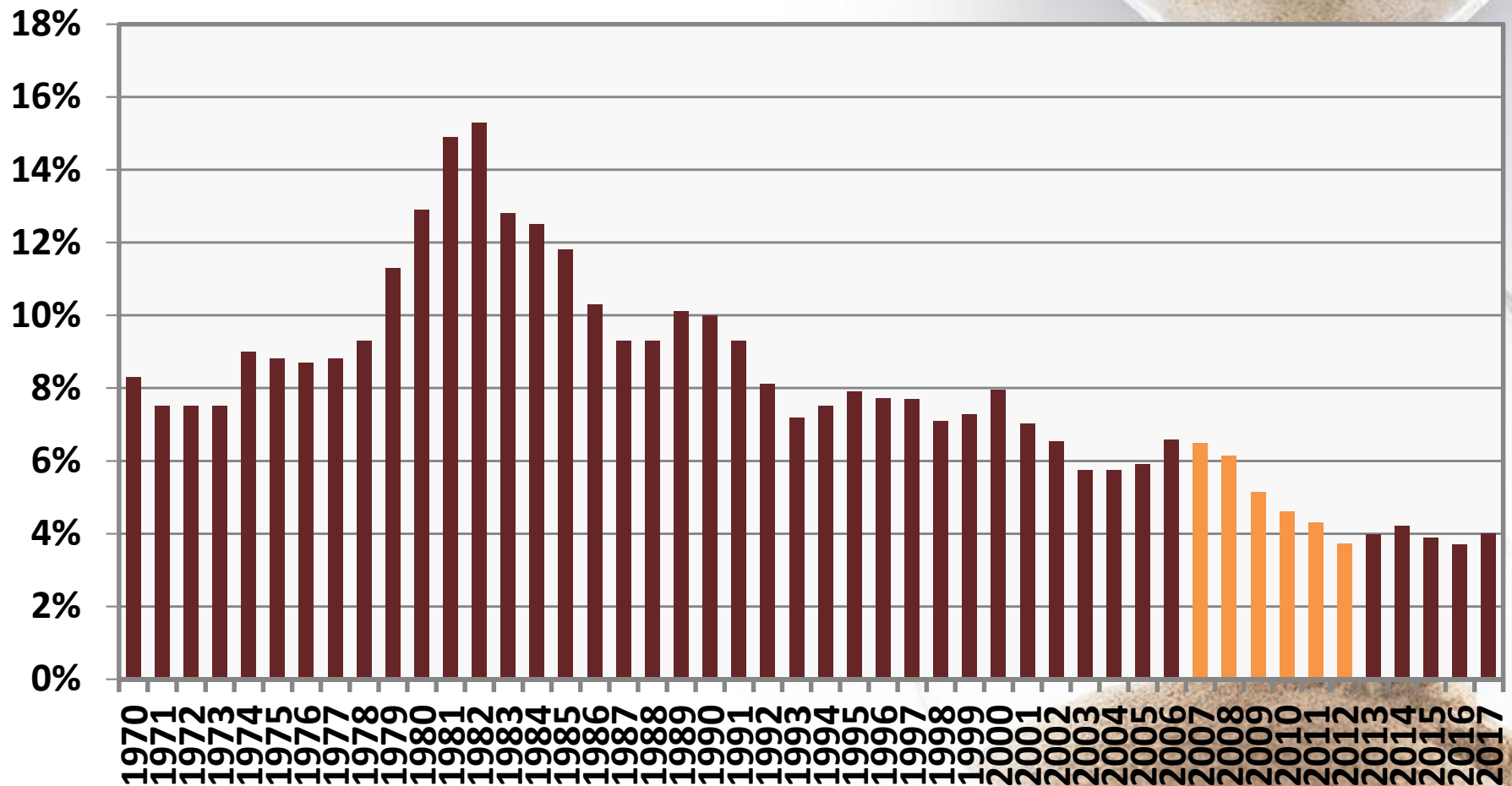
Source: California Association of Realtors.

Unemployment (2007-2012)



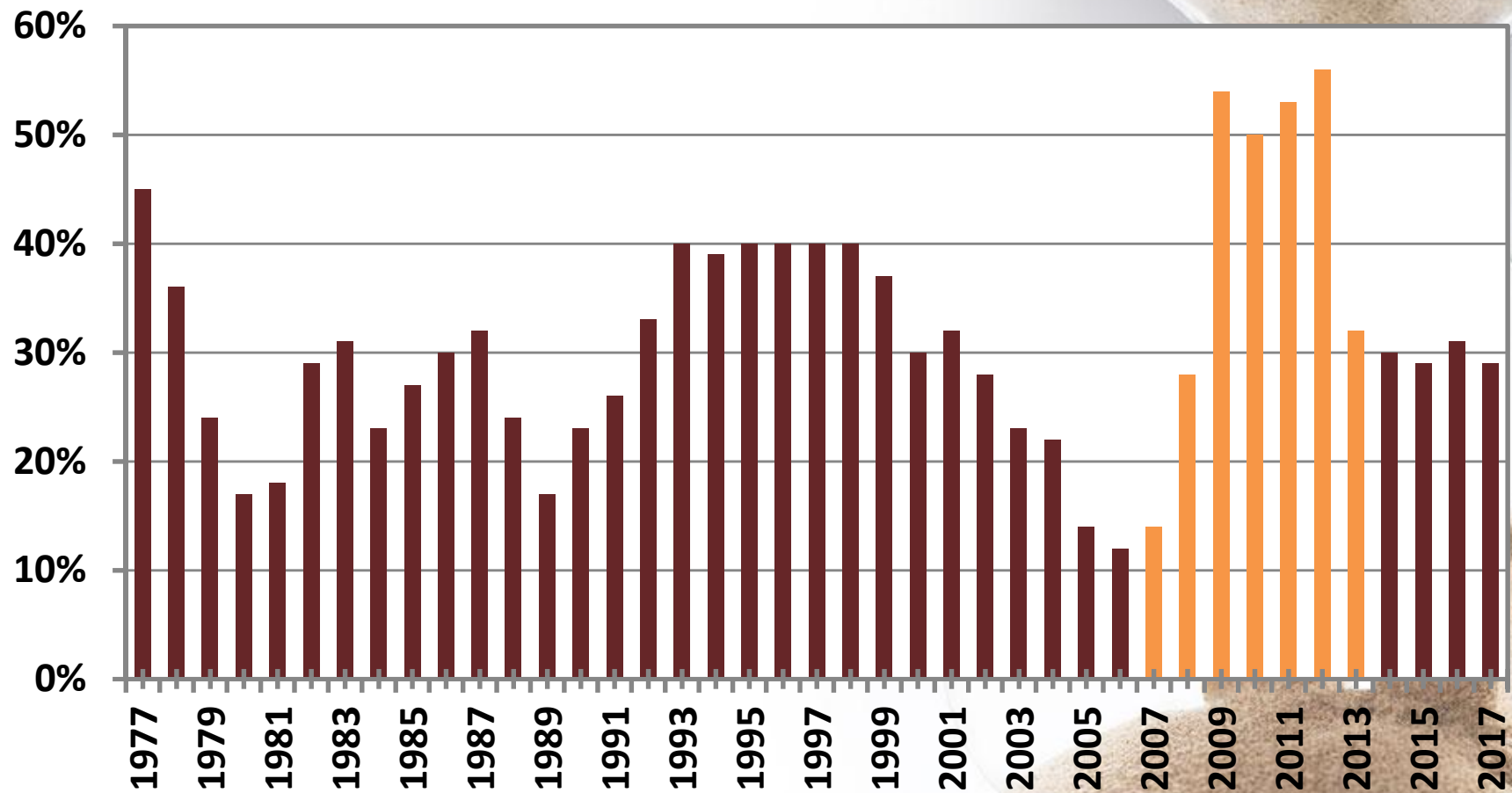
Source: Bureau of Labor Statistics.

Interest Rates (2007-2012)



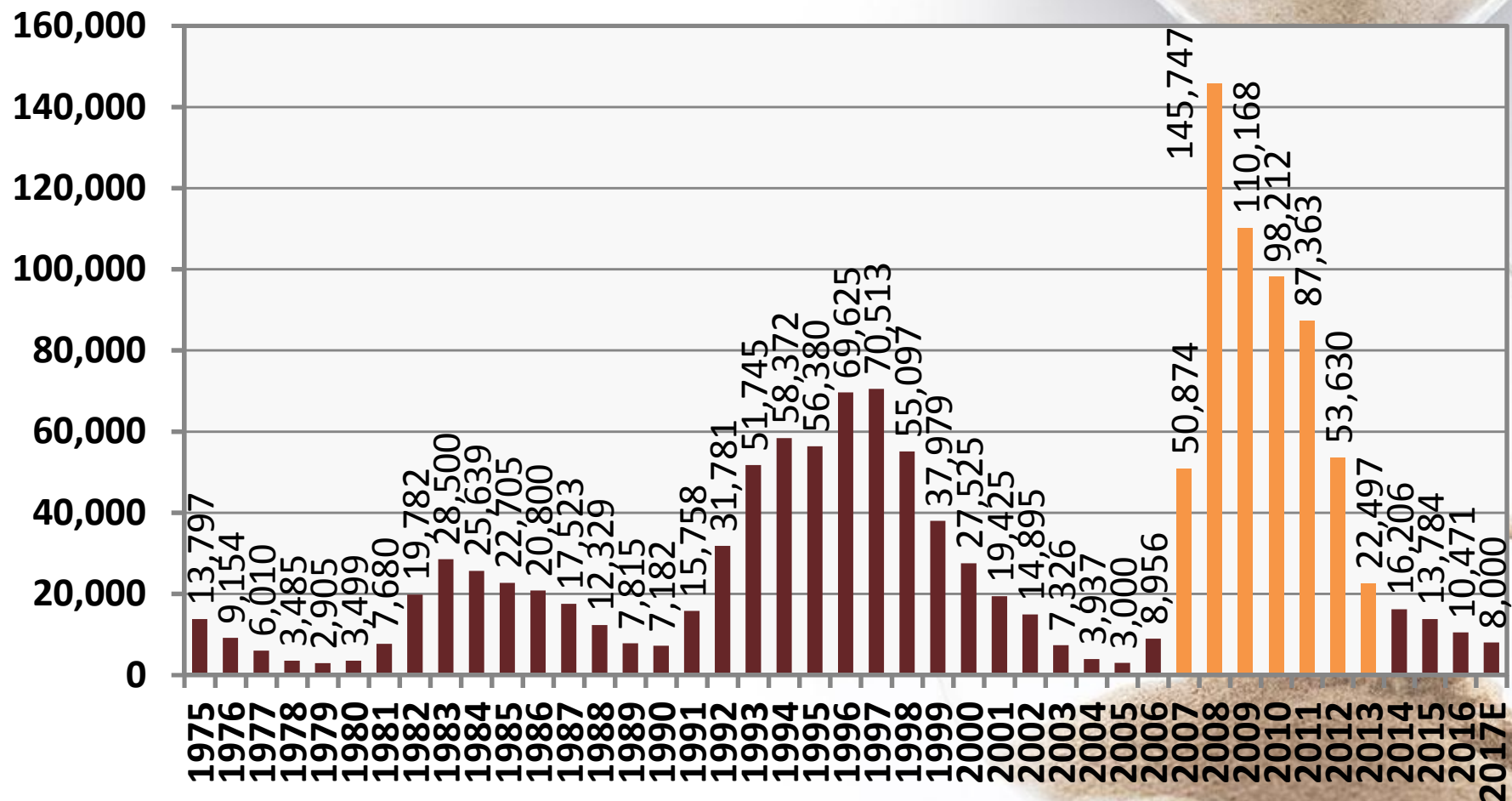
Source: US Treasury and Federal Reserve Board of New York.

Affordability (2007-2013)



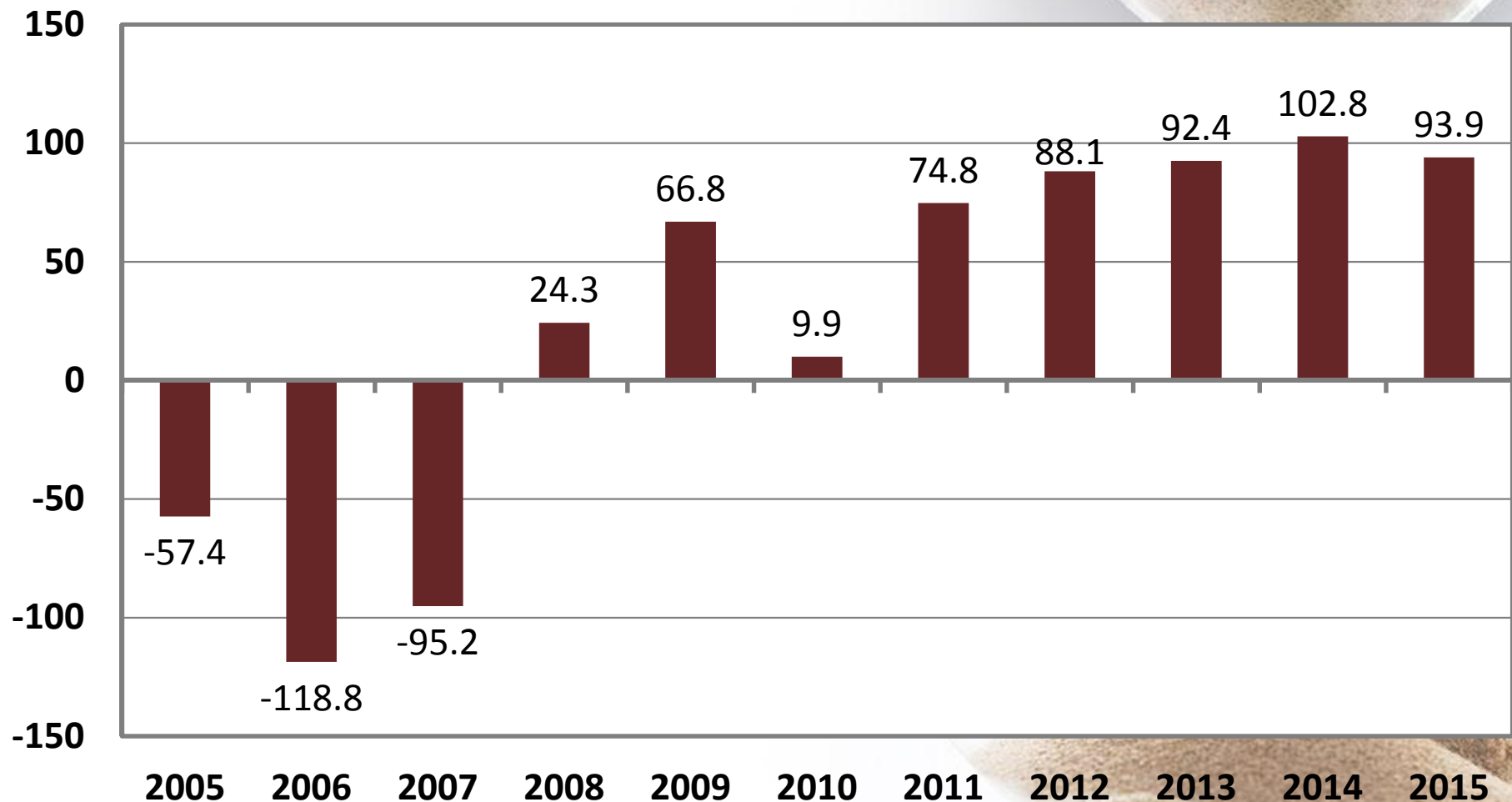
Source: California Association of Realtors.

Southern California Trustee Sales (2007-2013)



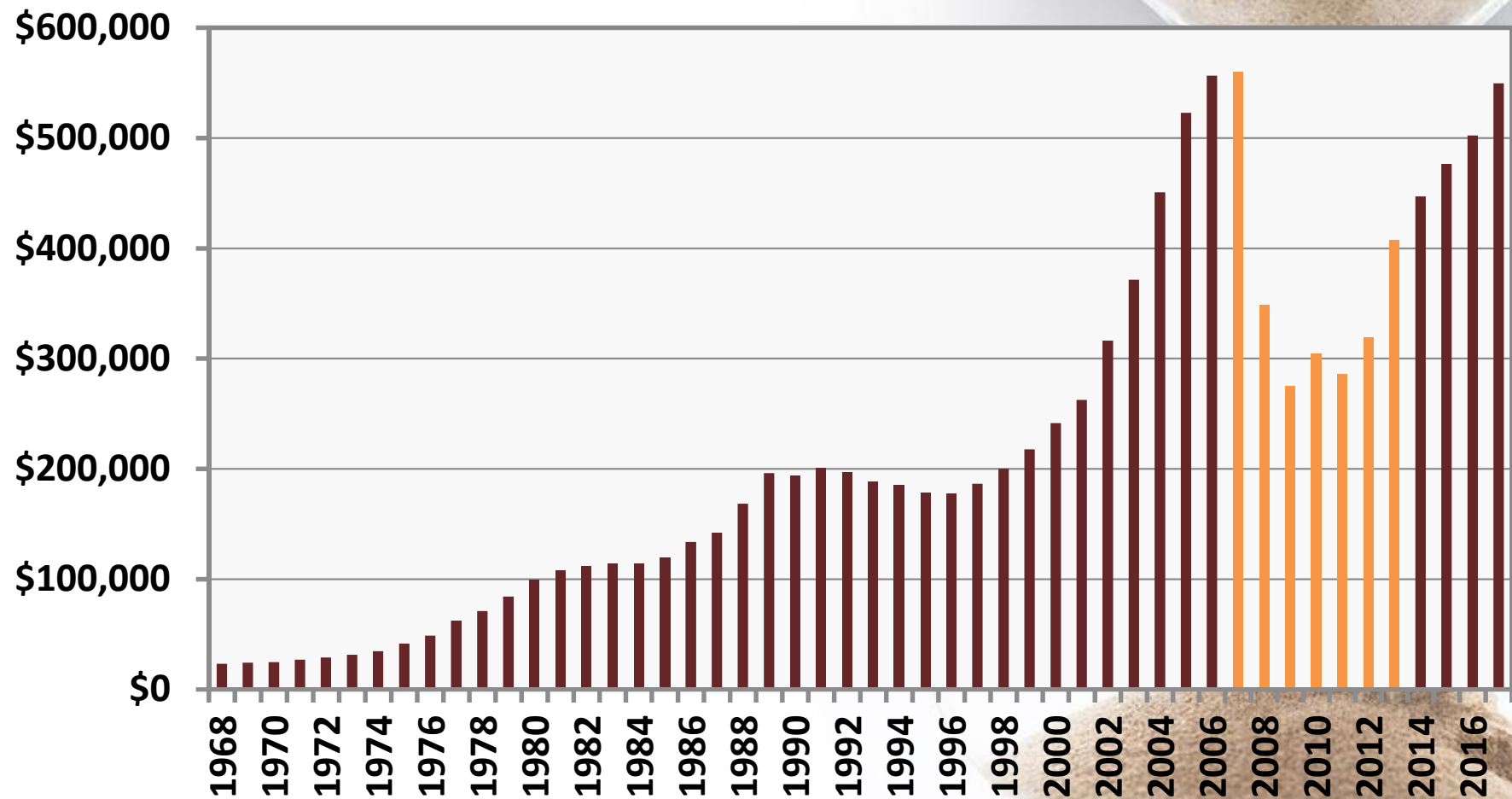
Source: Real Estate Research Council of Southern California.

California Migration (numbers in 1,000s)



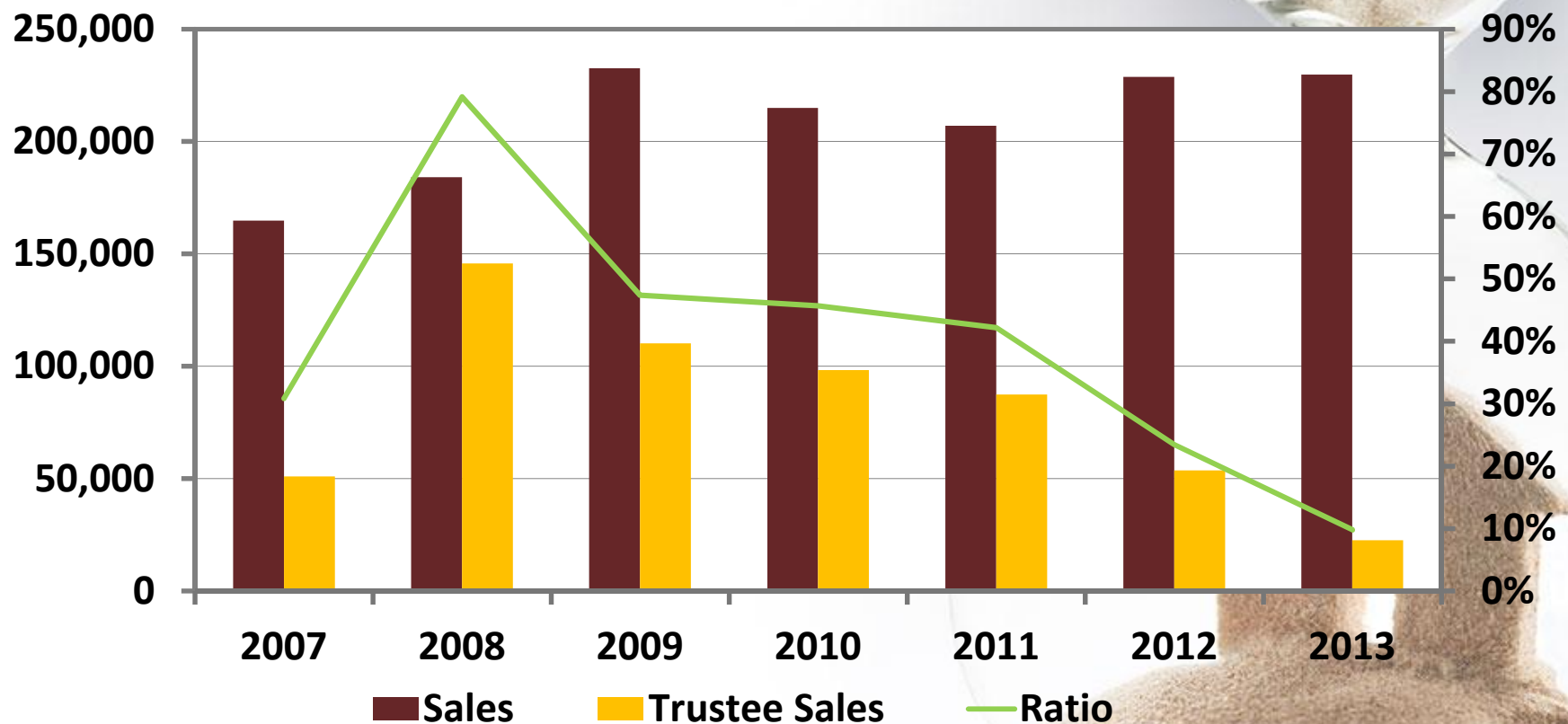
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California Median Price (2007-2013)



Source: California Association of Realtors.

Southern California Trustee Sales (2007-2013)



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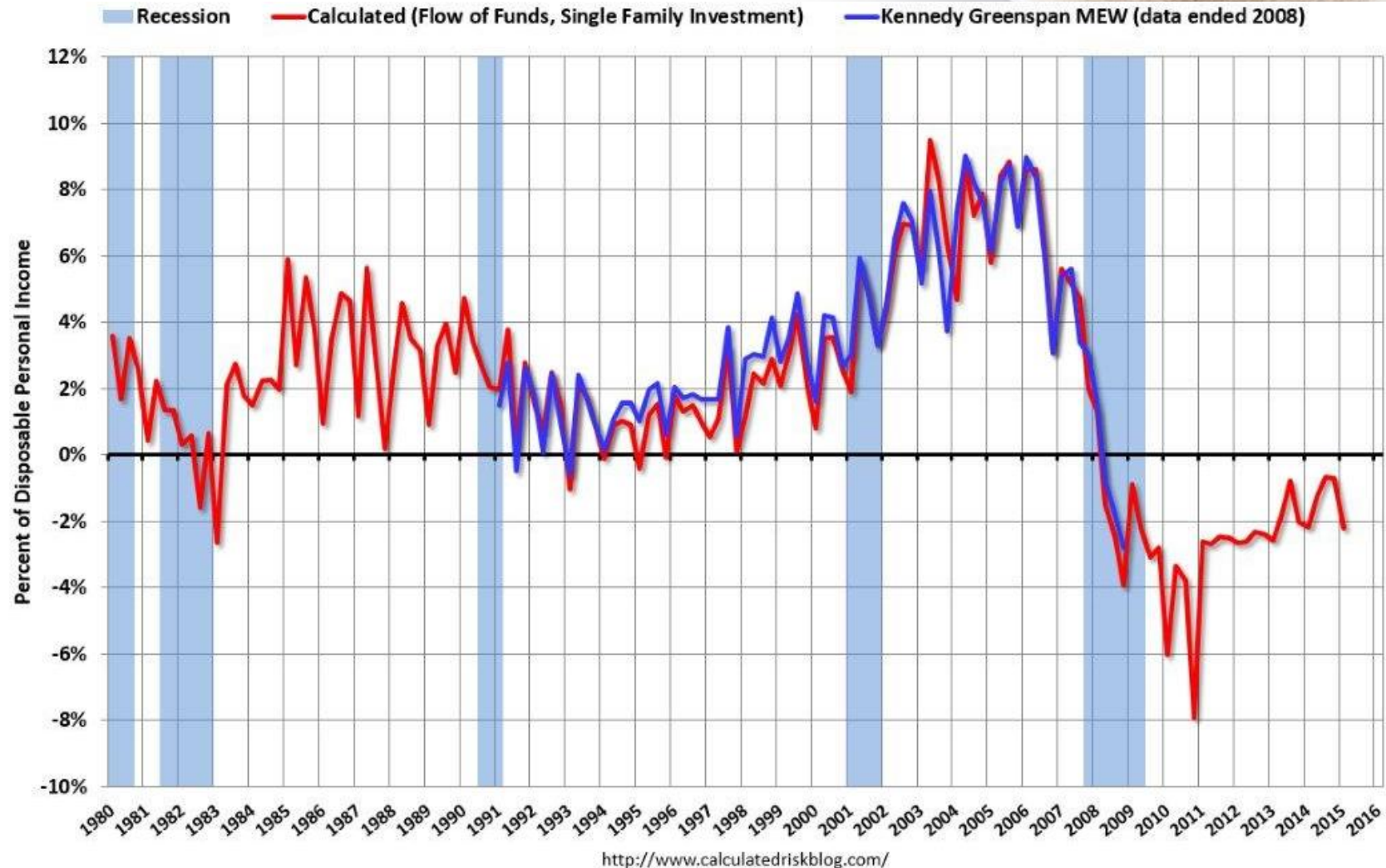
List of reasons



- 1. Lending is tight**
- 2. Low equity extraction**
- 3. Fixed 3-4% interest loans**
- 4. Cash purchases**
- 5. Investor purchases**
- 6. No construction boom**
- 7. No crazy loans**
- 8. Templates for consumers in place**



Mortgage Equity Withdrawals (as % of disposable income)



List of reasons



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Fannie Mae: Credit Characteristics



| As of 6/2017 | Overall Book | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | <2008 |
|-----------------------------------|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Seriously Delinq. Rate | 1.01% | 0.01% | 0.07% | 0.23% | 0.46% | 0.40% | 0.29% | 0.42% | 0.54% | 0.87% | 4.09% |
| Weighted Avg. MTM LTV Ratio | 57.9% | 73.4% | 67.2% | 63.0% | 60.4% | 53.2% | 48.3% | 44.5% | 46.0% | 47.8% | 59.4% |
| Fixed Rate | 94.9% | 97.0% | 98.7% | 97.8% | 96.1% | 98.0% | 98.1% | 96.2% | 96.7% | 97.3% | 70.1% |

Source: Fannie Mae.

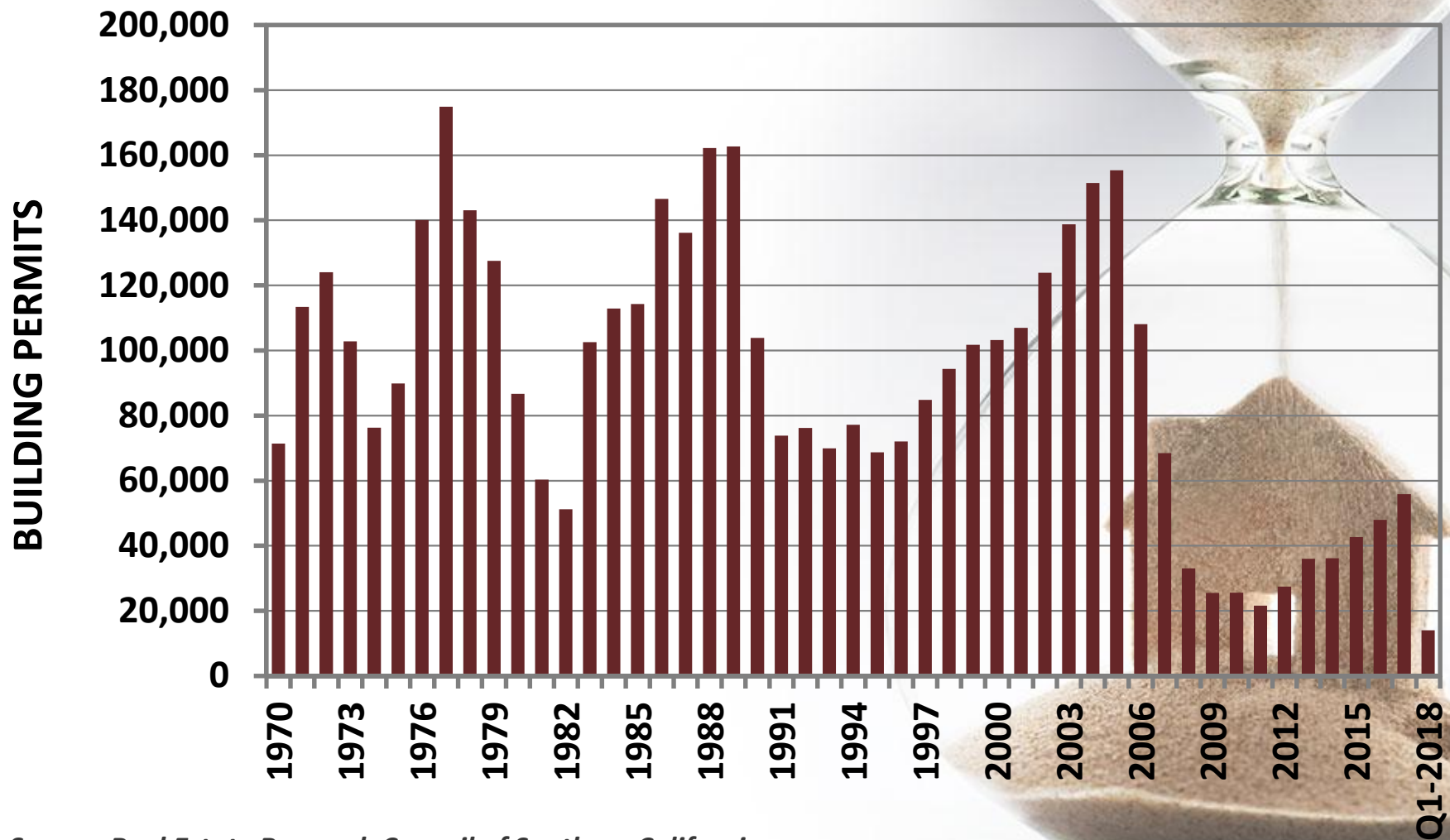
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California Single-Family Building Permits



Source: Real Estate Research Council of Southern California.



WHAT DETERMINES WHAT YOU SHOULD DO?

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to 44222

STAY PUT?



STAY PUT



You've accumulated well-located rentals

Your debt levels are safe enough to ride out a down turn

You believe there's plenty of safety and time left

You have a low tax base and want to keep it

CASH OUT?



CASH OUT



Cash out some inventory so you can own the rest free of debt

Have a better place to go with the money

You feel we are close to the peak, the upside isn't worth the risk

You would be able to reach your long range financial goals. You are done!

CHANGE SEATS?



CHANGE SEATS



You like a location better

You like a product type better

You like a category better

You like to buy in Quadrant 2, not in Quadrant 4. There's always a Q2 somewhere!

**What quarter of life
are you in?**



What is your tolerance for risk and loss?



Would you like to pursue a
new passion?





**What would your family
prefer you do?**

**Maybe you're already
financially independent?**



**Was real estate a passion
or a means to an end?**





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