



Real Estate  
INVESTMENTS



HARD MONEY  
LOANS



TRUST DEED  
INVESTMENTS



INVESTOR  
EDUCATION

# Grand Junction Colorado



# Palm Springs, 1989



Rosamond, 2005



# Moreno Valley, CA



# THE MOST IMPORTANT WORD IN REAL ESTATE



# Timing!



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



# TO GET TO A PEAK PRICE

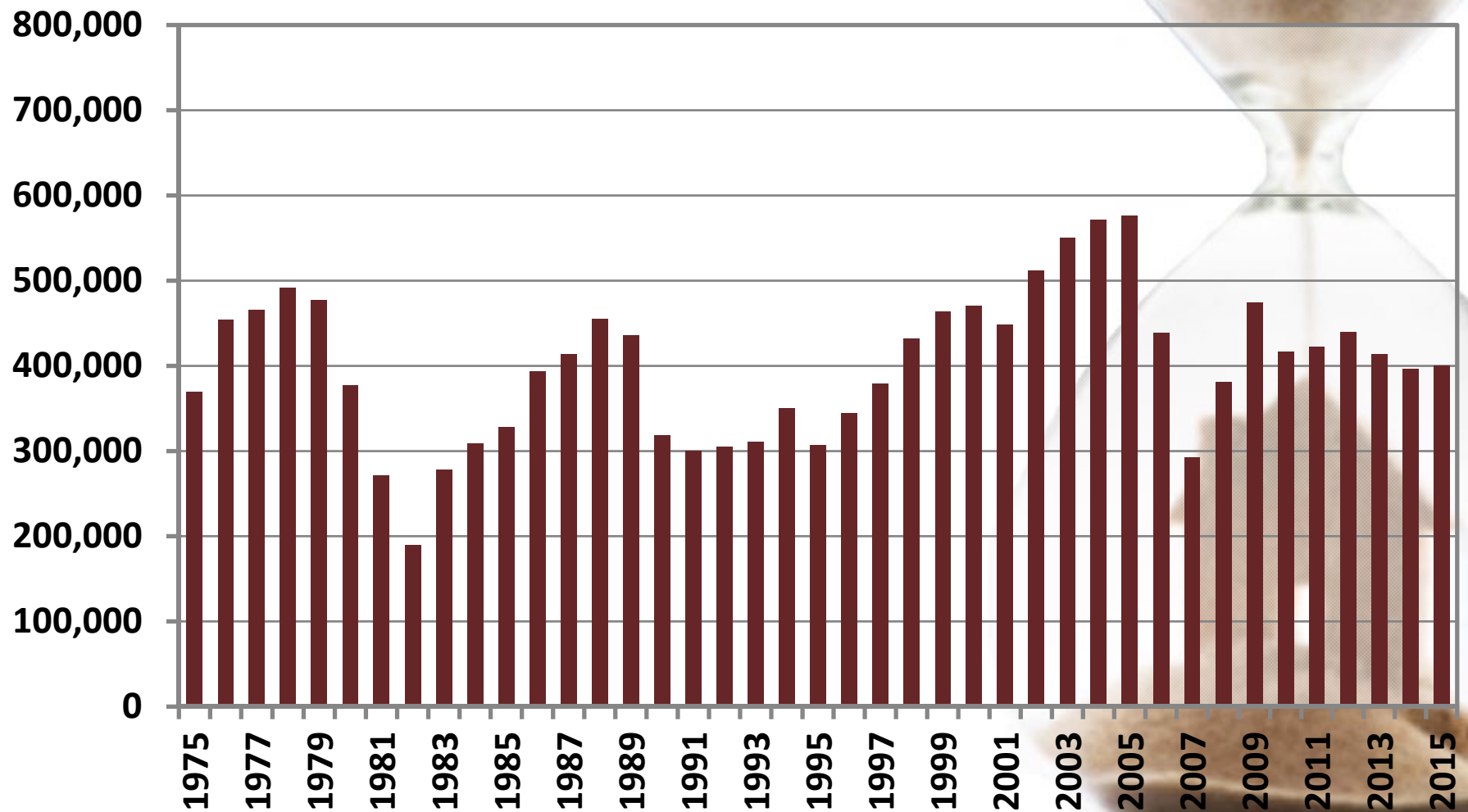
Get Charts

[bit.ly/tng2016](http://bit.ly/tng2016)





# You Need Sales Momentum California Sales





**You Need a Buyer Willing to  
Make Sacrifices to Own**



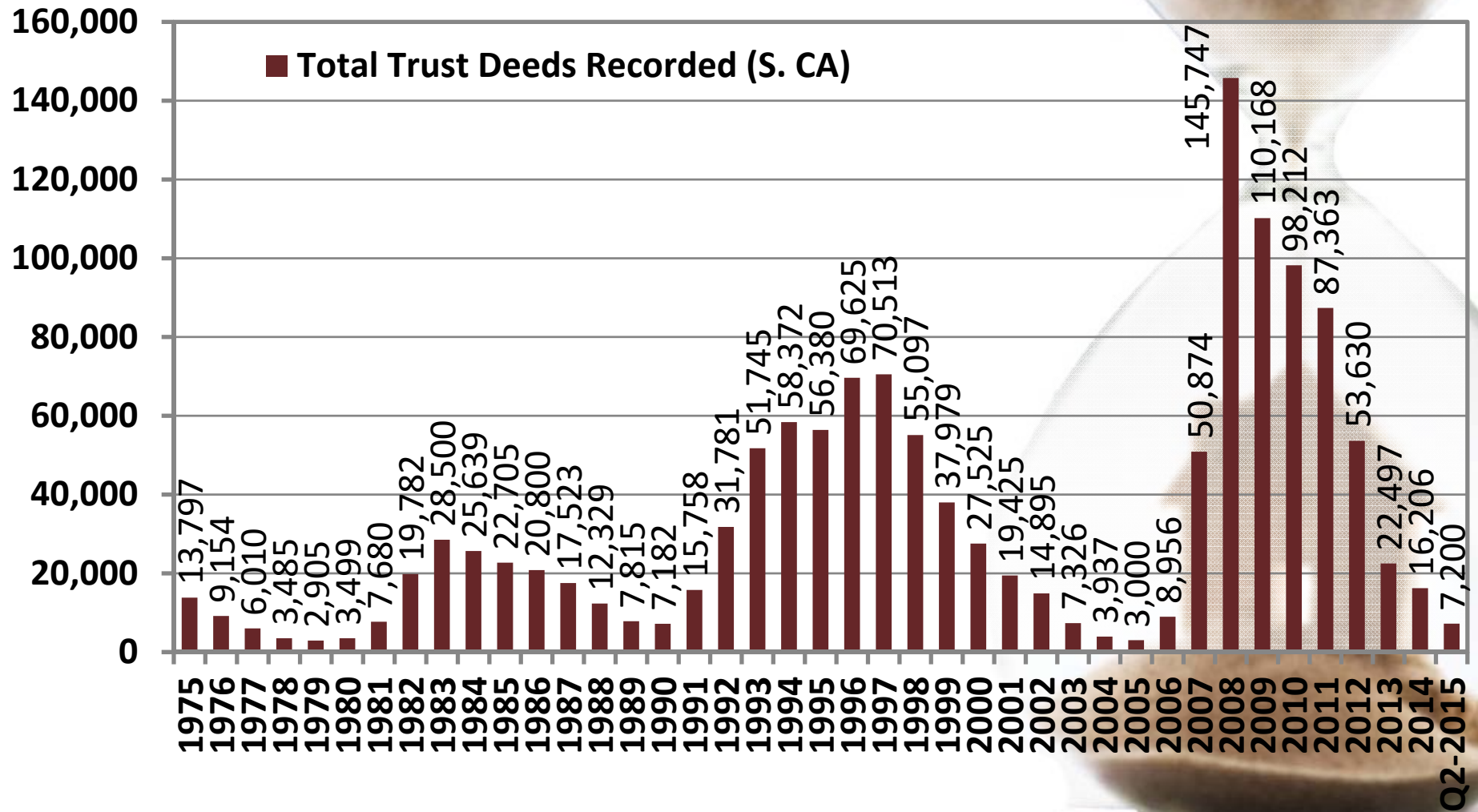


# You need lenders to say YES to capable and not capable buyers

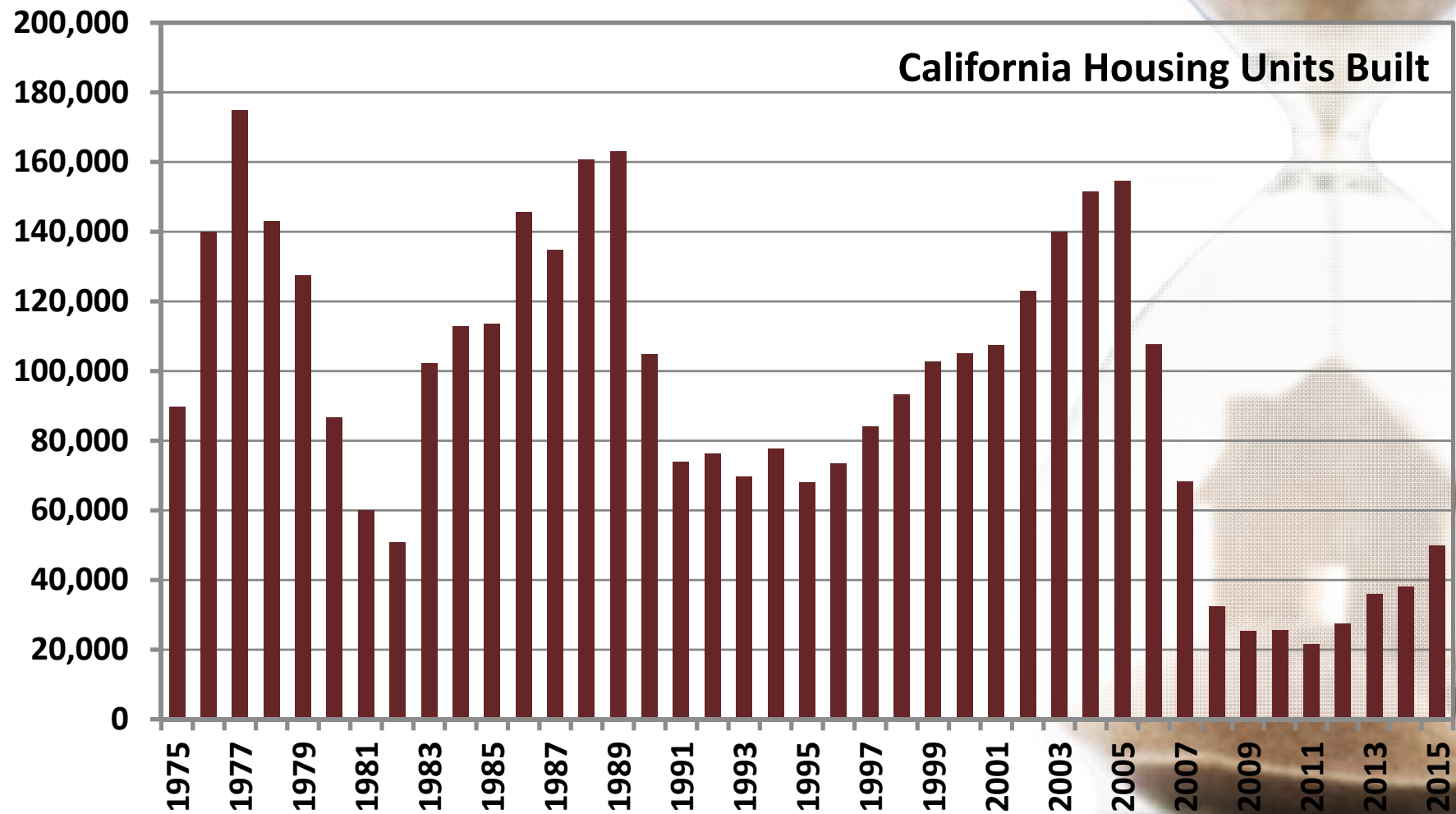


Credit Score Categories							
Fiscal Year	Quarter	720+	680-719	620-679	580-619	Less than 579	Missing
2008	Oct-Dec	8.9	8.9	31.0	24.1	23.4	3.8
	Jan-Mar	9.5	9.7	31.7	23.4	22.4	3.3
	Apr-Jun	14.7	13.0	35.7	21.1	13.1	2.4
	Jul-Sep	18.5	15.8	37.7	19.3	7.1	1.6
2009	Oct-Dec	20.5	17.2	37.5	18.6	5.2	1.0
	Jan-Mar	24.3	18.9	36.9	15.5	3.4	1.1
	Apr-Jun	29.6	21.2	38.1	8.4	1.5	1.1
	Jul-Sep	33.3	22.1	37.7	4.9	1.0	1.0
2010	Oct-Dec	33.5	22.5	38.5	4.0	0.7	1.0
	Jan-Mar	33.9	22.8	38.4	3.5	0.5	1.0
	Apr-Jun	34.9	22.6	38.4	2.7	0.4	1.0
	Jul-Sep	34.8	22.6	38.3	3.0	0.4	0.9
2011	Oct-Dec	37.0	23.2	36.0	2.5	0.3	0.9
	Jan-Mar	37.7	24.1	35.0	2.2	0.2	0.8
	Apr-Jun	35.3	23.8	37.5	2.6	0.2	0.7
	Jul-Sep	33.1	23.8	39.2	3.3	0.2	0.6
Fiscal Year	Quarter	720-850	680-719	640-679	620-639	500-619	
2014	Oct-Dec	20.1	27.3	42.4	7.7	2.3	
	Jan-Mar	19.1	26.6	42.0	9.1	3.0	
	Apr-Jun	17.4	26.4	42.1	10.4	3.5	
	Jul-Sep	17.0	26.0	41.4	11.2	4.3	
2015	Oct-Dec	16.0	25.4	40.4	12.3	5.6	
	Jan-Mar	16.3	25.7	40.0	12.4	5.5	
	Apr-Jun	18.3	26.4	38.4	11.7	5.0	

# You need trustee sales to be nearing their lows for the cycle



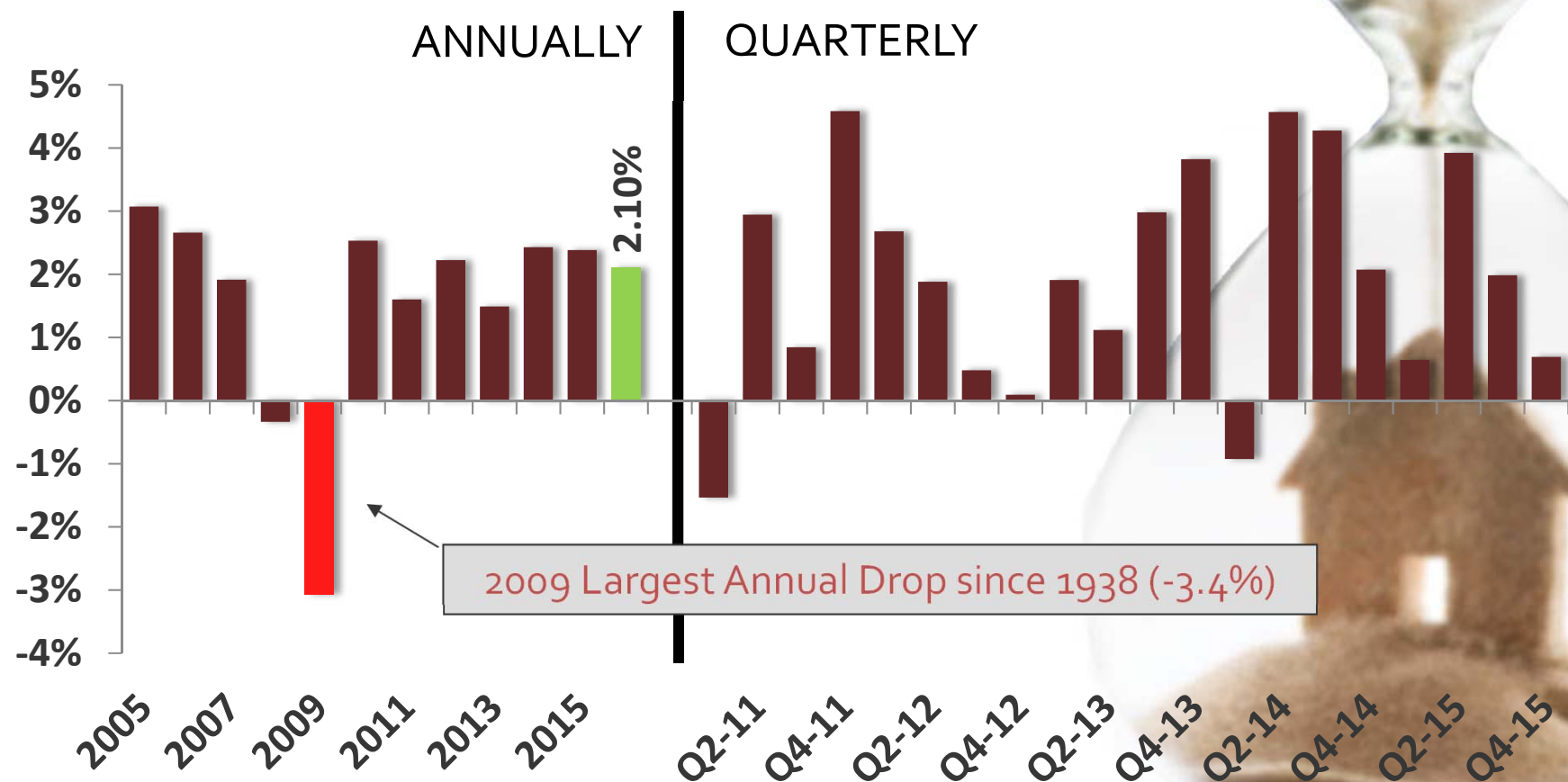
You need construction of new homes to be strong and drive both employment & migration



# You need an economy doing well enough to encourage household formation



Annual percent change, chain-type (2005) \$

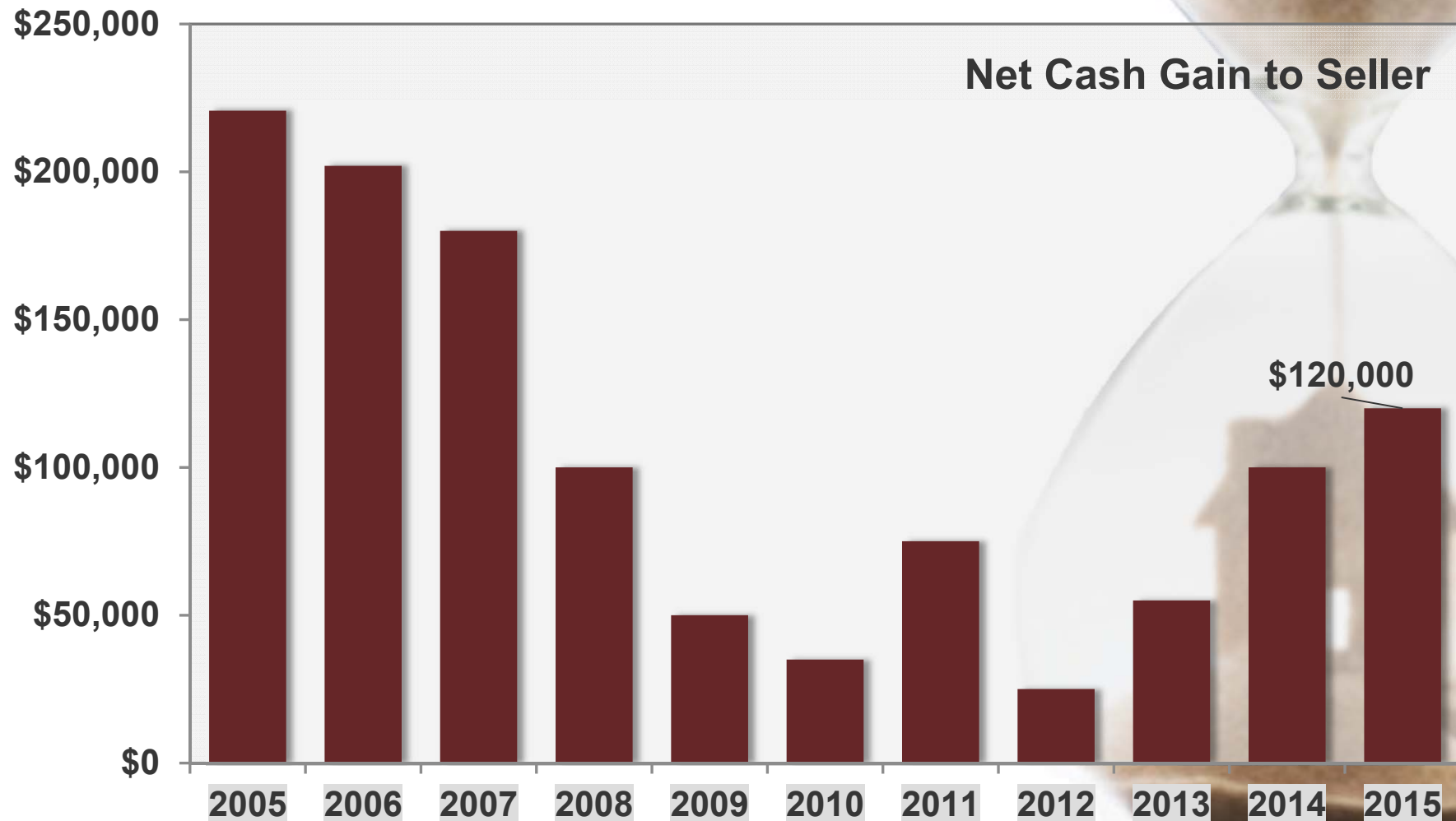


2009 Largest Annual Drop since 1938 (-3.4%)

SERIES: GDP

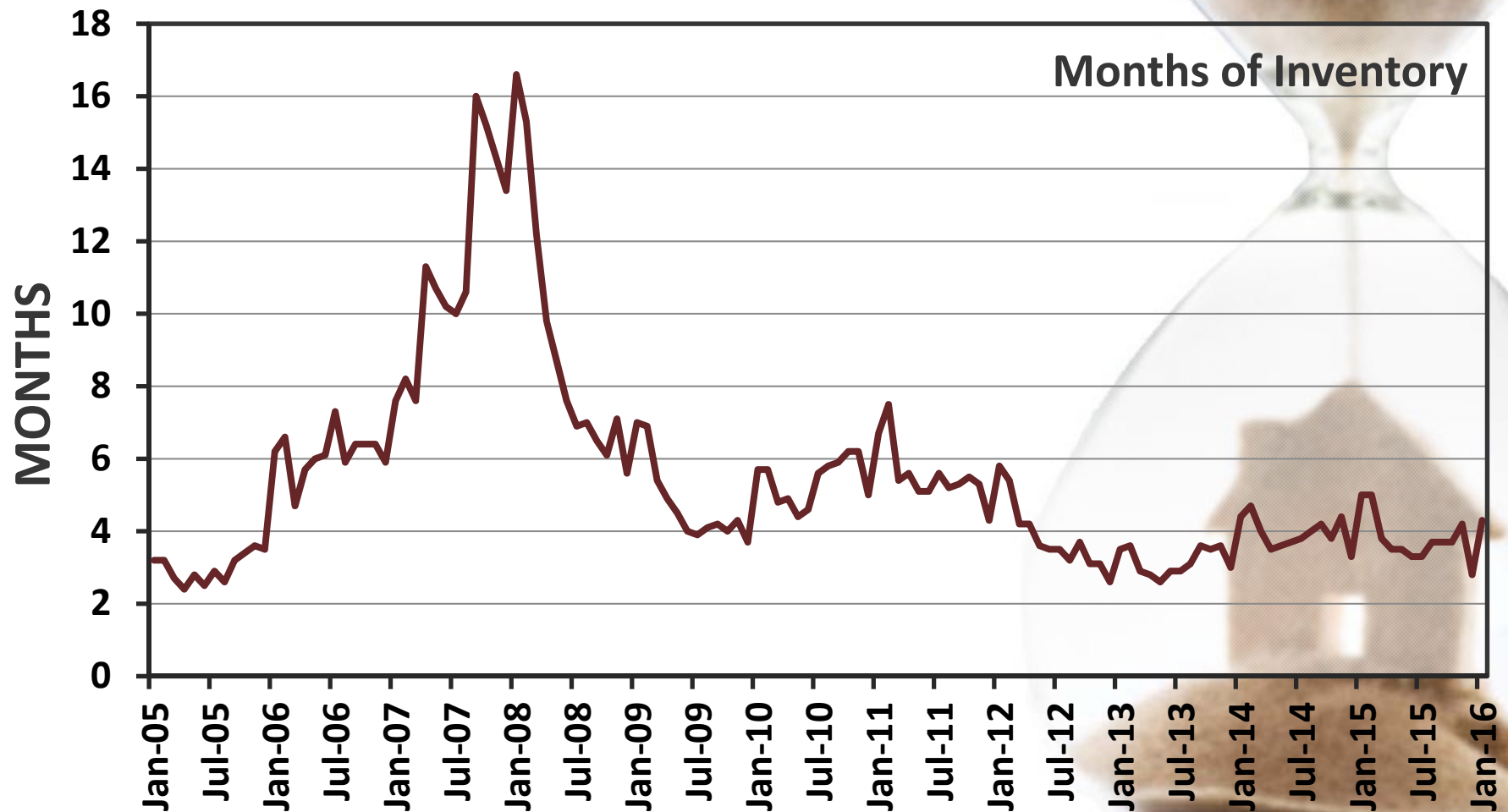
SOURCE: US Dept. of Commerce, Bureau of Economic Analysis

# You need owners with lots of equity to move up



SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®

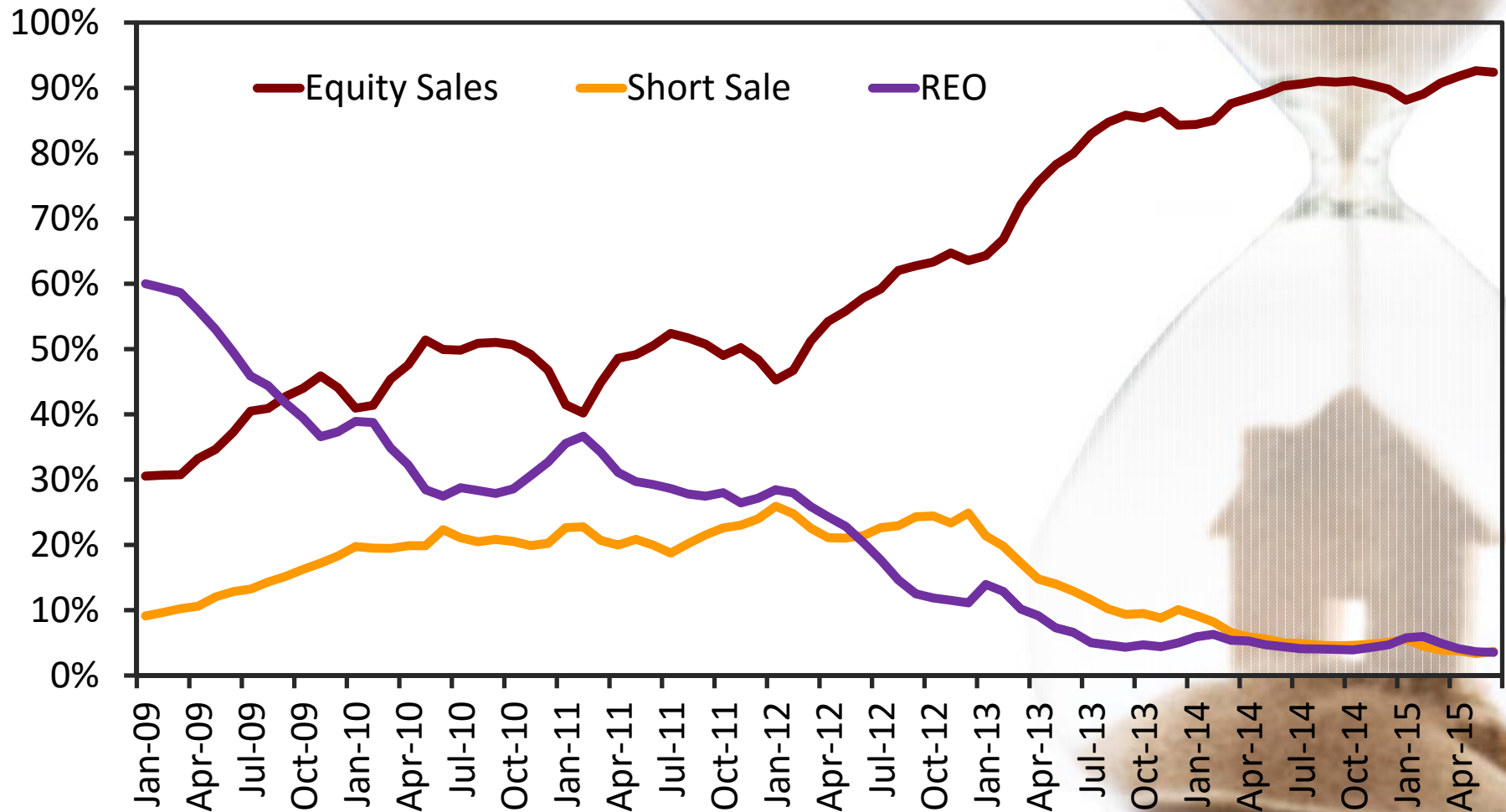
# You need inventory for sale to be below three months



SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®



# You need the mix of sales to trustee sales to be near record lows



SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®

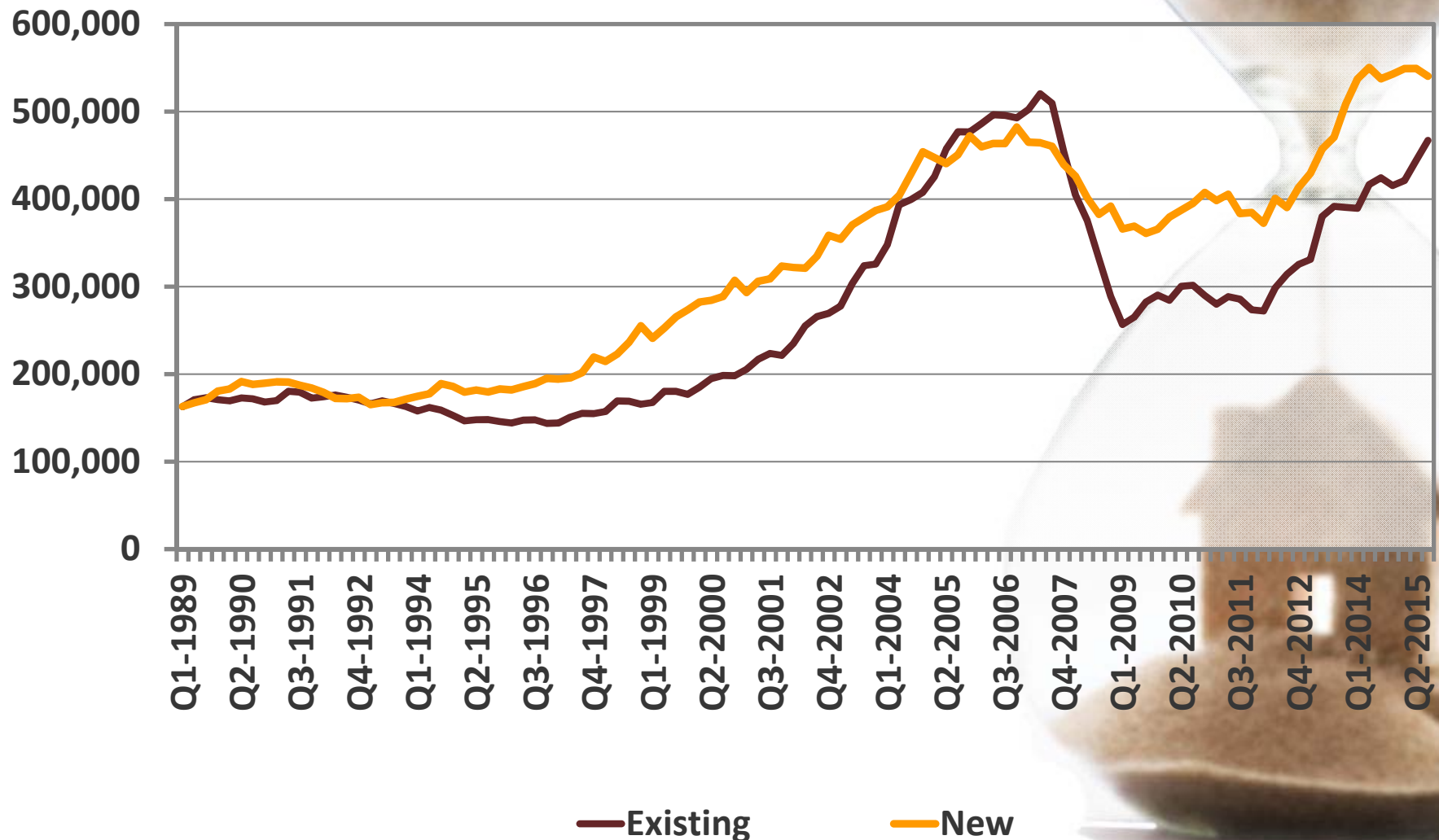
# SIGNS YOU ARE PEAKING IN PRICE

Get Charts

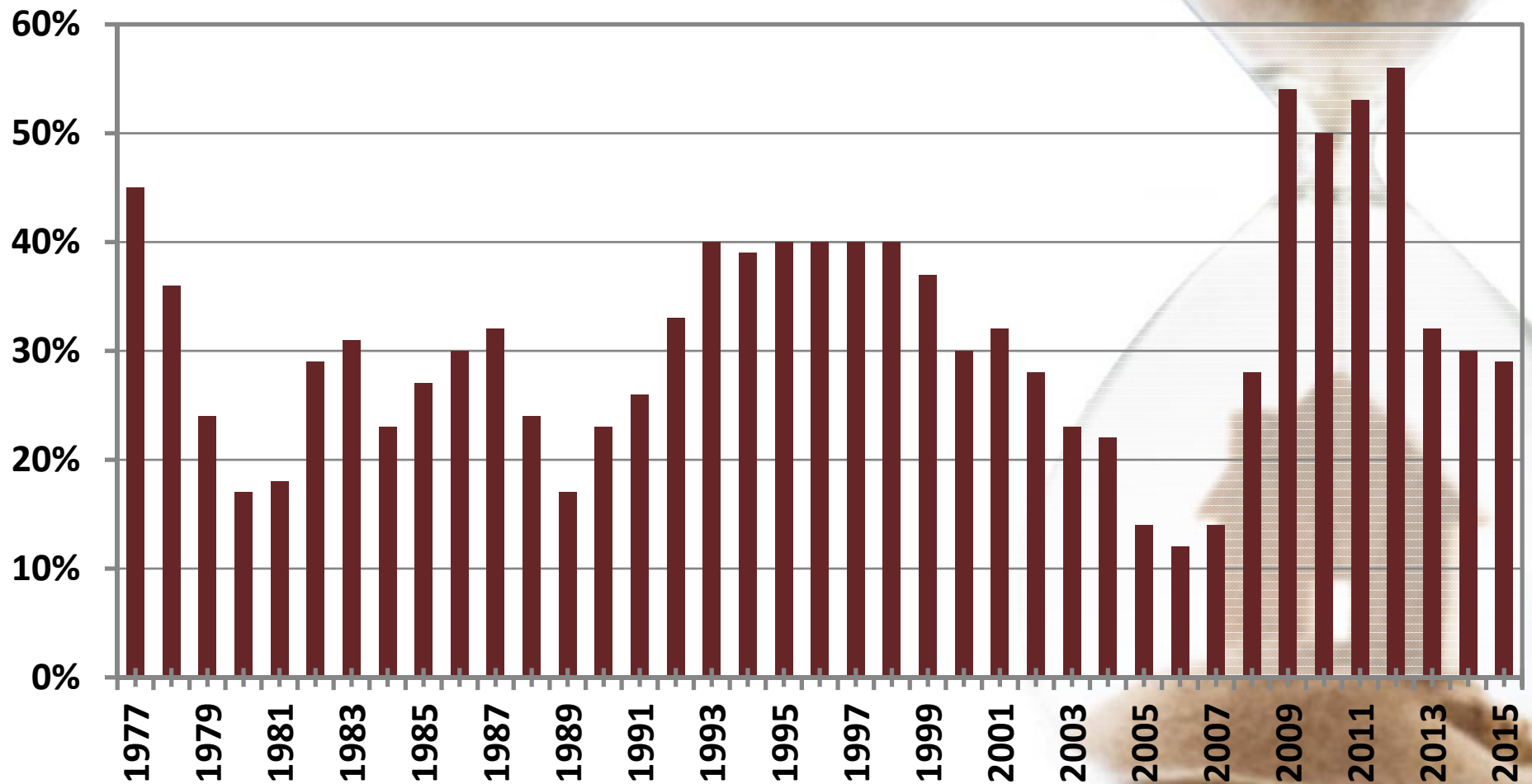
[bit.ly/tng2016](http://bit.ly/tng2016)



# New home prices and existing home prices close in price



# Affordability at Cycle Lows



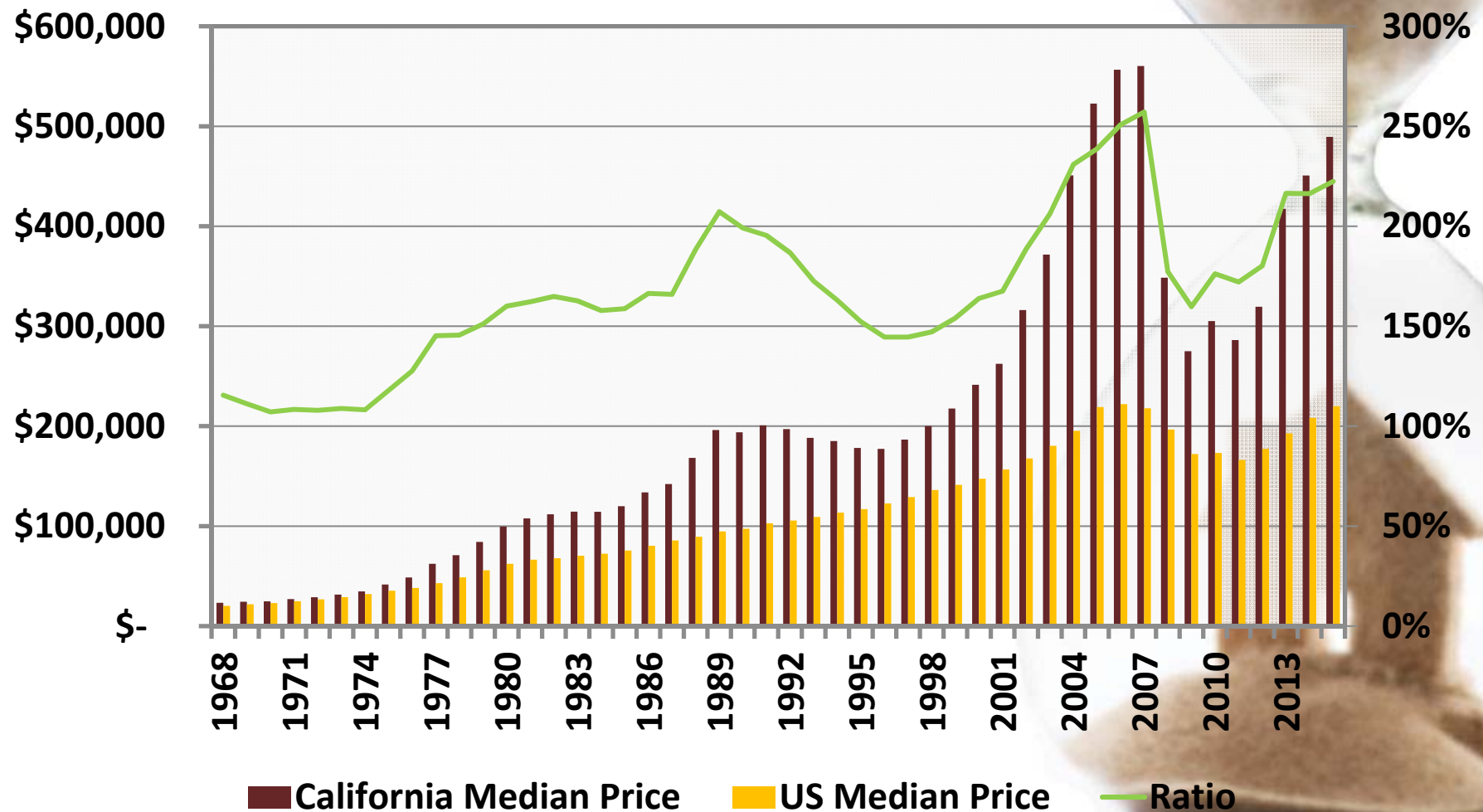
# California Buyer “Mood” Chart



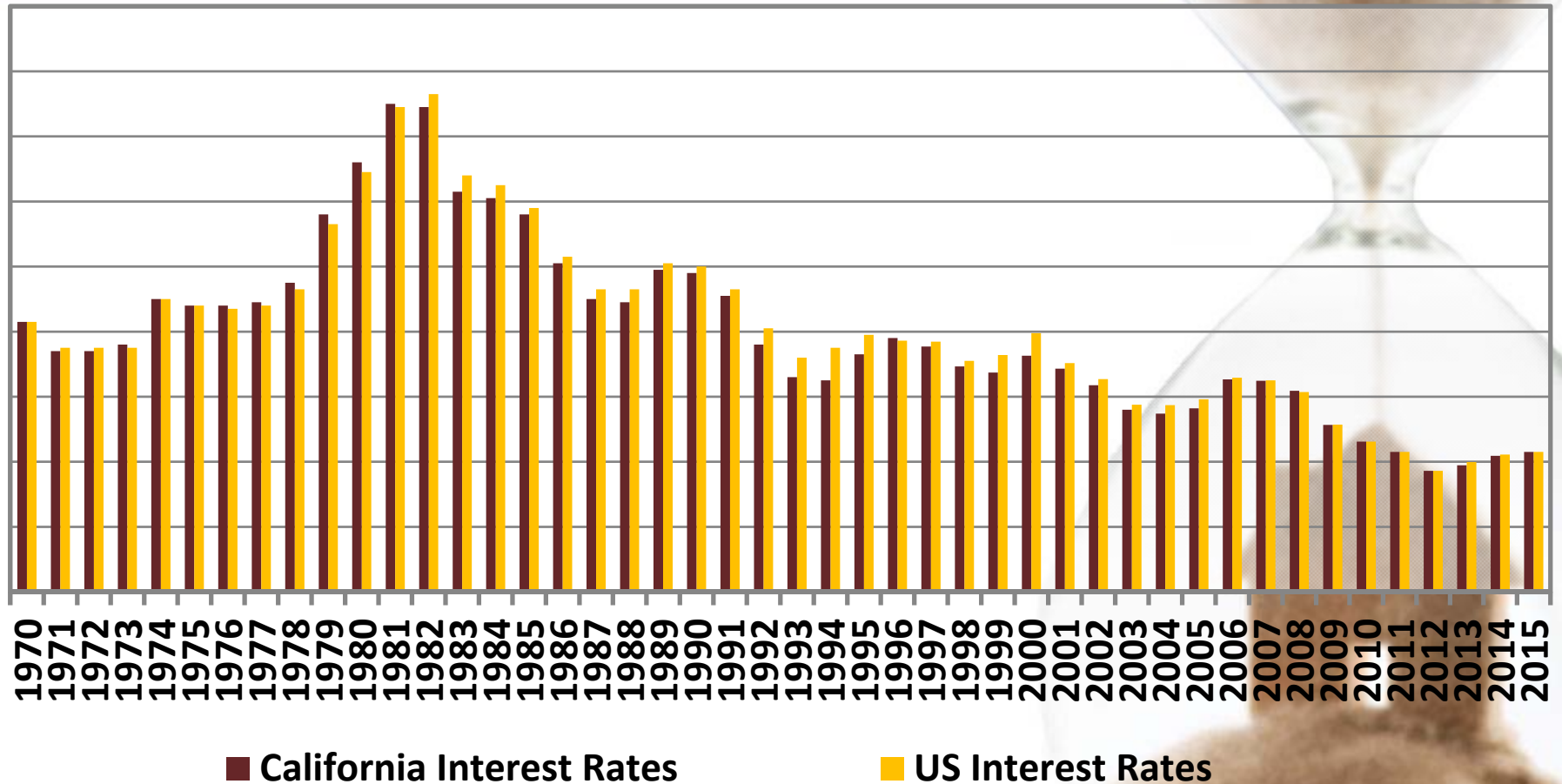
Year	Median Price	Loan Balance 20% down	PI	PITI	Annual Expense	Med. Income	Int.	Mult	% of Median Income
1980	\$99,600	\$79,680	893.89	998.30	\$11,979.56	\$21,200	13.2%	4.8x	56.50%
1981	\$107,700	\$86,160	1,089.44	1,216.69	\$14,600.24	\$23,300	15.0%	4.62x	62.66%
1982	\$111,800	\$89,440	1,152.40	1,287.00	\$15,444.00	\$24,300	15.3%	4.60x	63.55%
1983	\$114,400	\$91,540	998.33	1,114.93	\$13,379.72	\$25,200	12.8%	4.54x	53.09%
1984	\$114,300	\$91,440	997.90	1,114.45	\$13,373.46	\$26,400	12.5%	4.33x	50.66%
1985	\$119,900	\$95,920	971.90	1,085.42	\$13,025.01	\$29,000	11.8%	4.13x	44.91%
1989	\$197,000	\$157,600	893.89	998.30	\$11,979.55	\$21,200	13.2%	4.80x	55.50%
1990	\$193,800	\$155,040	1,337.38	1,493.59	\$17,923.03	\$35,800	9.8%	5.4x	50.00%
1991	\$200,700	\$160,560	1,303.47	1,455.71	\$17,468.58	\$37,050	9.1%	5.4x	47.15%
1992	\$197,000	\$157,600	1,112.77	1,242.74	\$14,912.90	\$38,150	7.6%	5.2x	39.00%
1993	\$188,200	\$150,560	961.56	1,073.87	\$12,886.44	\$39,318	6.6%	4.8x	32.78%
1994	\$185,000	\$148,000	935.46	1,044.72	\$12,536.66	\$40,600	6.5%	4.6x	30.88%
1995	\$178,200	\$142,560	977.35	1091.5	\$13,098.02	\$41,956	7.3%	4.3x	31.21%
1996	\$177,600	\$142,080	1,022.79	1,142.25	\$13,707.02	\$43,319	7.8%	4.1x	31.64%
2005	\$520,000	\$416,000	2,494.13	2,785.44	\$33,425.33	\$60,379	6.0%	8.61x	55.36%
2006	\$556,000	\$445,000	\$2,813.00	\$3,141.00	\$37,699.00	\$62,190	6.5%	8.94x	62.00%
2007	\$580,270	\$448,216	2,833.03	3,163.00	\$37,967.76	\$59,948	6.5%	9.35x	63.33%
2008	\$348,490	\$278,792	1,707.51	1,906.94	\$22,883.28	\$61,021	6.2%	5.71x	37.50%
2009	\$274,960	\$219,968	1,194.32	1,333.82	\$16,005.84	\$58,931	5.1%	4.66x	27.15%
2010	\$303,010	\$242,408	1,271.83	1,420.38	\$17,044.56	\$57,708	4.8%	5.25x	29.53%
2011	\$290,000	\$232,000	1,175.51	1,312.81	\$15,753.72	\$57,708	4.5%	5.02x	27.30%
2012	\$268,000	\$214,400	1,023.58	1,143.13	\$13,717.61	\$57,708	4.0%	4.64x	23.77%
2013	\$402,000	\$321,600	\$1,535.37	\$1,714.70	\$20,576.40	\$57,708	4.0%	6.96x	36.65%
2014	\$450,000	\$360,000	\$1,718.70	\$1,919.44	\$23,033.31	\$57,708	4.0%	7.8x	40.00%



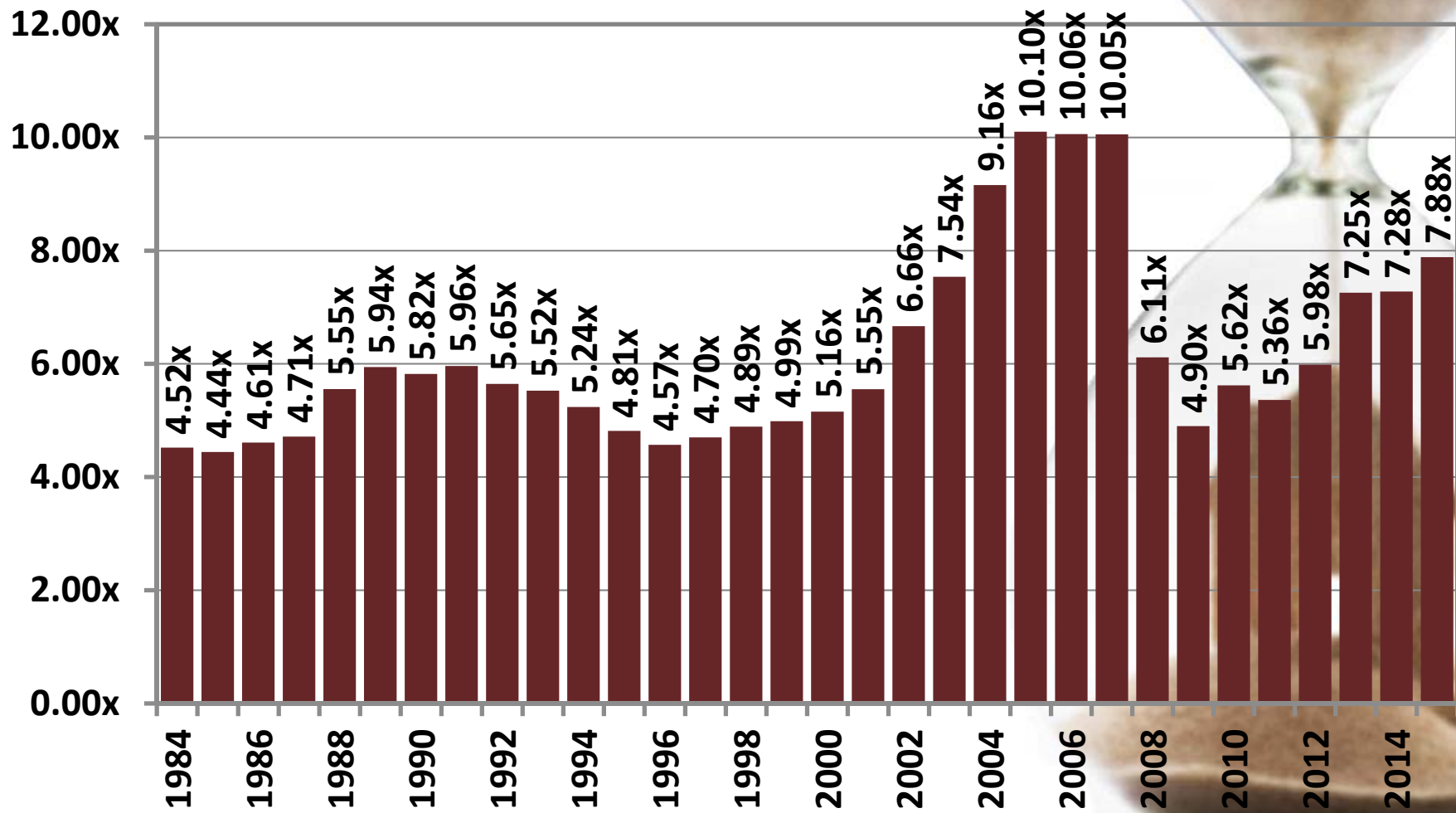
# California Median Price vs. US Median Price



# Interest Rates



# California Median Household Income to California Media Price





# Should you...



**STAY PUT**



**CASH OUT**



**CHANGE SEATS**



# Reasons to STAY PUT



**STAY PUT**

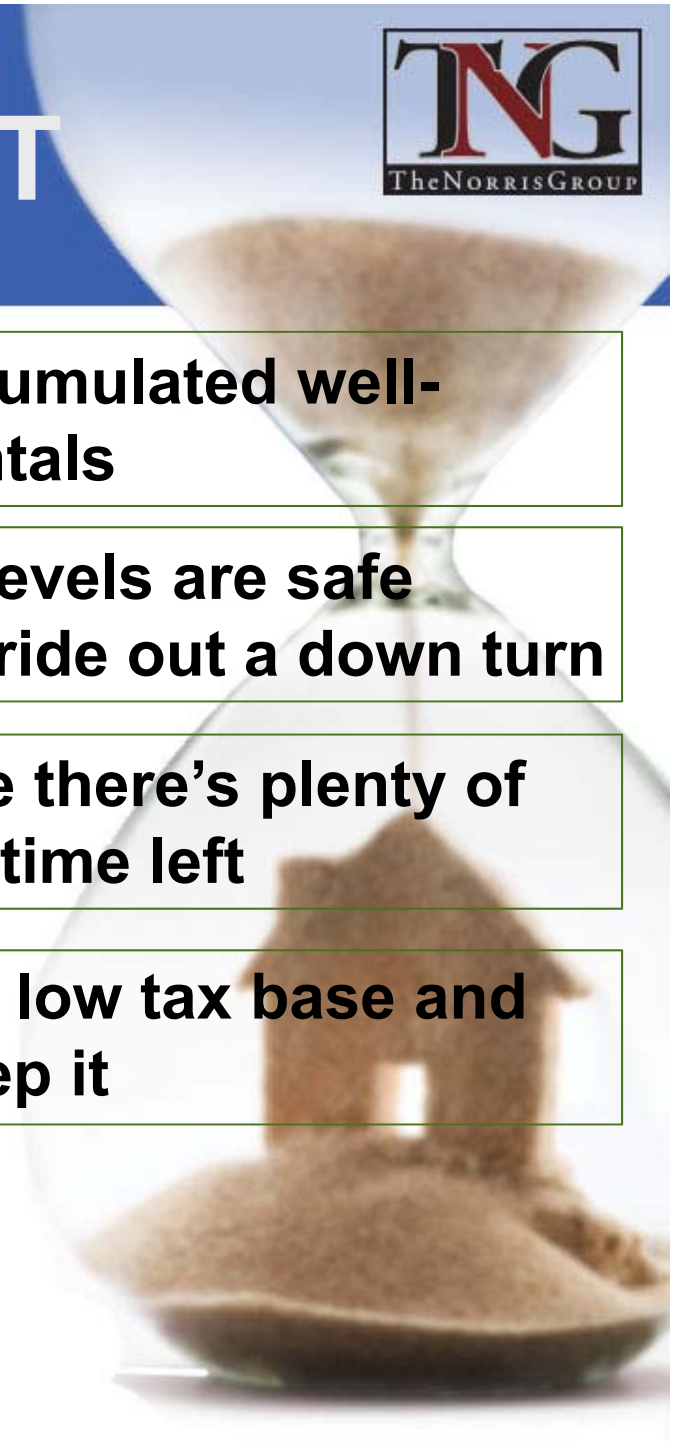


**You've accumulated well-located rentals**

**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**



# Reasons to CASH OUT



**CASH OUT**

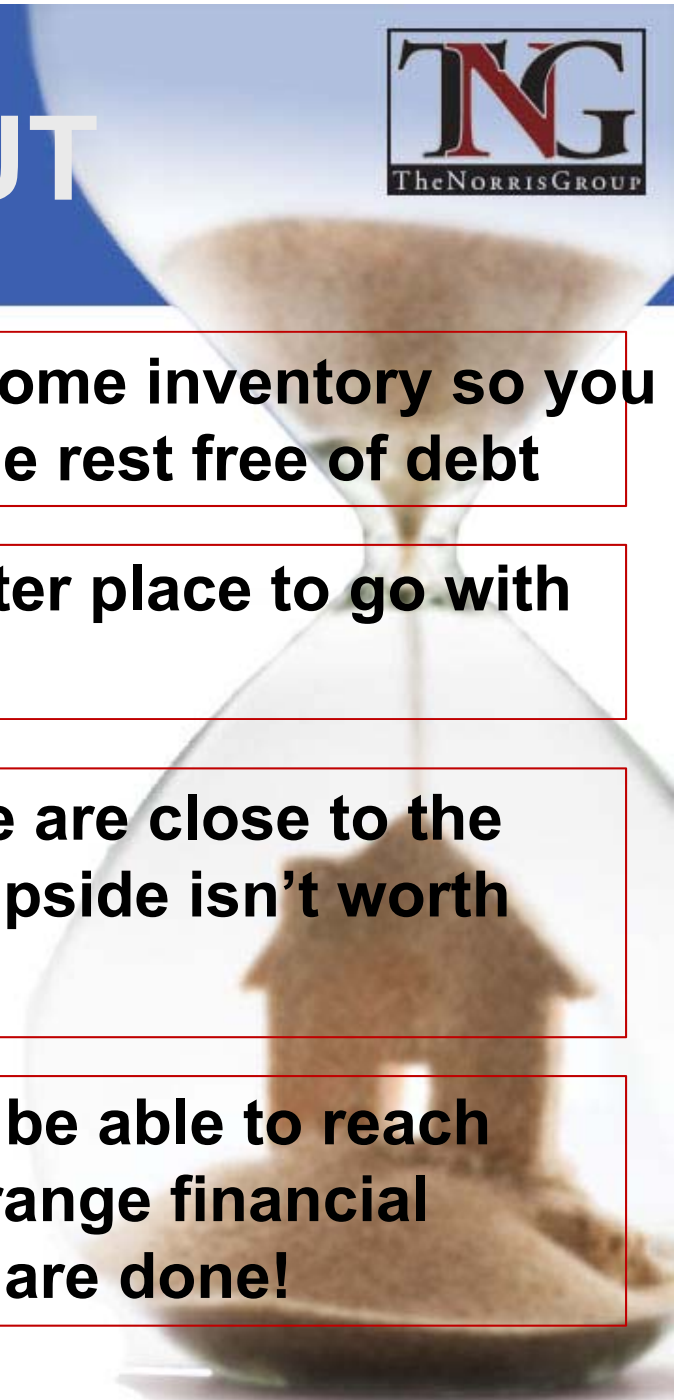


**Cash out some inventory so you can own the rest free of debt**

**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!**



# Reasons to 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  
DETERMINES  
WHAT YOU  
SHOULD DO?**





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





**What is your tolerance for risk and loss?**

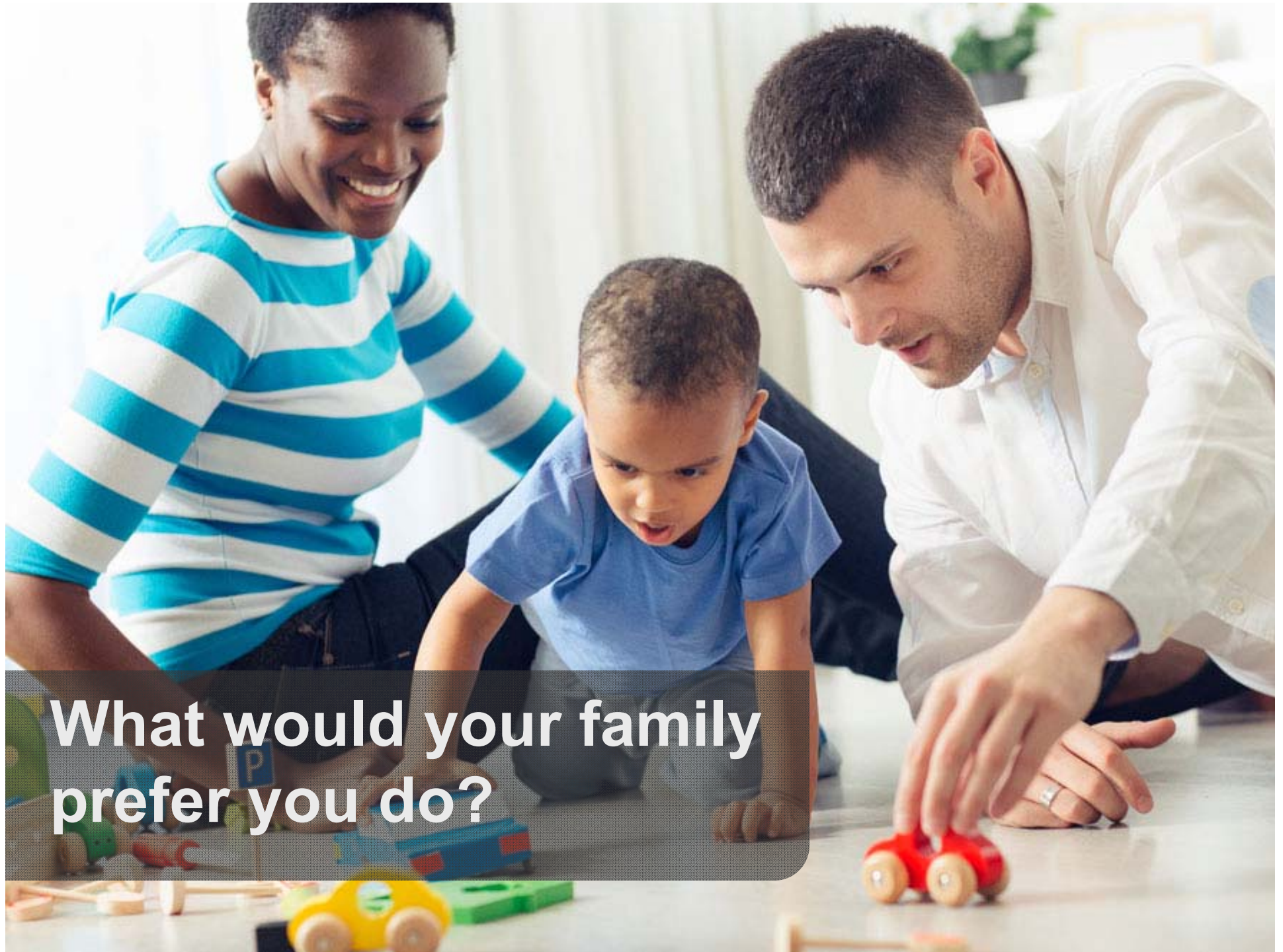




Would you like to pursue a  
new passion?







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



**Are you already financially independent?**





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





# Download Charts



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