

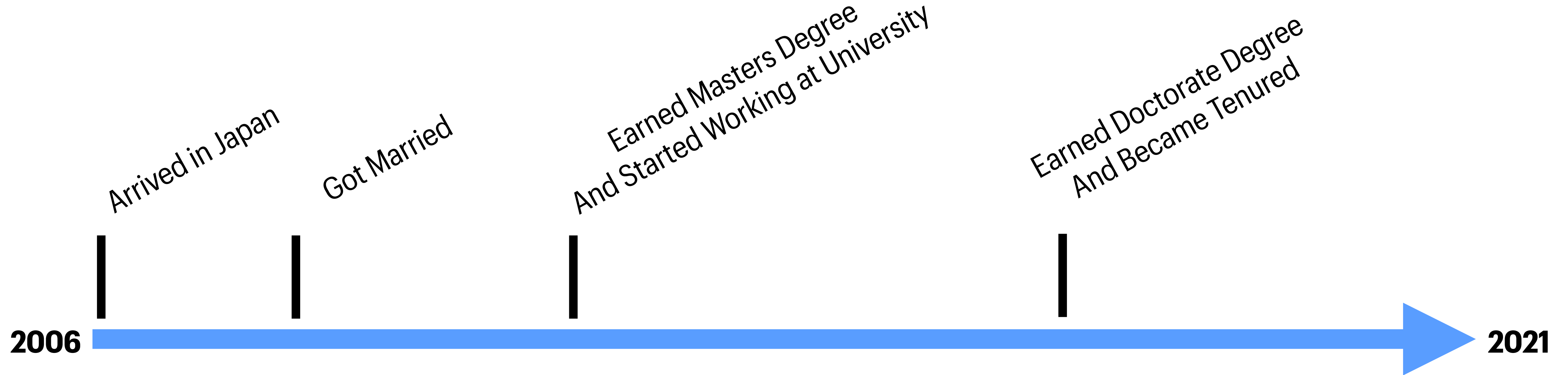
REAL ESTATE INVESTING IN THE USA

DANIEL J. MILLS



MY STORY





Networth: -\$20,000

F.I.



Building My Financial Base

- Paying off debt
- Building an emergency fund
- Investing in index funds
- Purchasing my primary residence

Investing in Real Estate

- Single-Family Homes
- Partnering in Commercial Properties
- Passive Investing in Syndications

SINGLE FAMILY HOMES

LEARNING THE ROPES

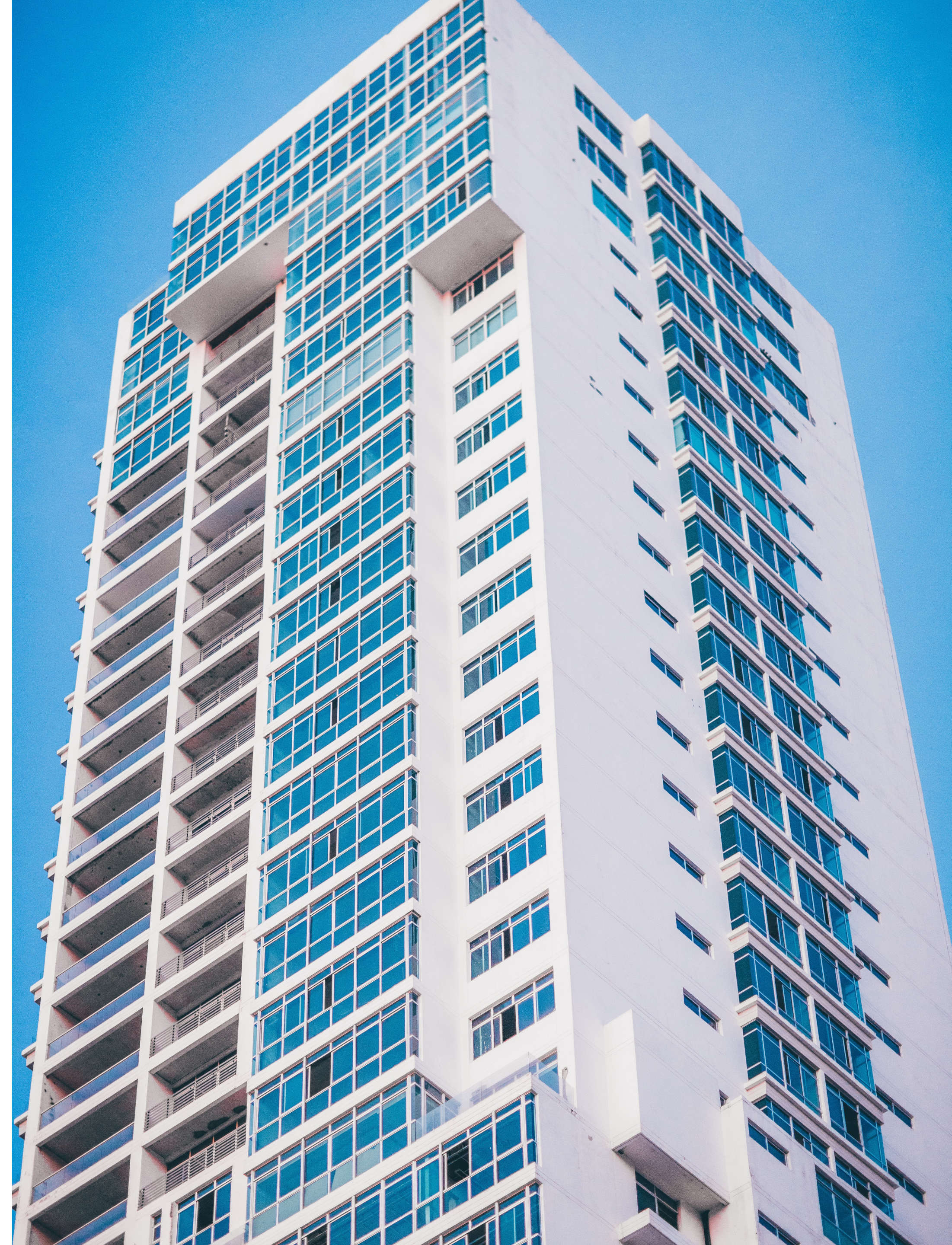
- **Boise, Idaho (Appreciation)**
- **Memphis, Tennessee (Cash-Flow)**
- **Huntsville, Alabama (Hybrid)**



COMMERCIAL PROPERTIES

LEVERAGING PARTNERSHIPS

- **19 Duplex Portfolio in
Huntsville, Alabama**
- **12-Plex in Huntsville,
Alabama**



SYNDICATIONS

PASSIVE INVESTING AND DIVERSIFICATION

- **48 Unit Multifamily in El Paso, Texas**
- **112 Unit Multifamily in Savannah, Georgia**
- **Industrial Manufacturing in Punxsutawney, Pennsylvania**



WHY THE USA?

- Financing
- Cash Flow **AND**
Appreciation
- Tax Benefits



STEP-BY-STEP GUIDE





New Construction Duplex
Purchase Price: \$220,000

Step 1: Establish Your Financial Base

- Pay off high interest debt
- Establish an emergency fund
- Begin investing in index funds
- Make sure you're adequately insured
- Establish an estate plan



Step 2a: Select a Market

Metrics

- Jobs
- Population Growth
- Crime
- Landlord Tenant Laws
- Taxes
- Convenience
- Walkability



Step 2b: Decide on a Strategy

- Buy and Hold
- BRRRR
- Flip
- Short-Term Rental
- Furnished
- Class: A, B, C





Step 3: Build a Team

David Greene's "Core 4"

- Property Manager
- Real Estate Agent
- Lender
- Contractor

Step 4: Identify and Analyze Property

- Establish your criteria
- Understand the key metrics
 - Cash Flow
 - Cash on Cash Return
- Don't forget to account for unplanned expenses



INCOME

RENT:	\$2,095
LAUNDRY:	\$0
PET FEE:	\$0
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TOTAL:	\$2,095

CASH FLOW

INCOME:	\$2,095
EXPENSES:	\$1,515
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CASH FLOW:	\$580

EXPENSES

PITI:	-\$1,015
PM:	-\$200
MISC.:	-\$300
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TOTAL:	\$1,515

CASH ON CASH

\$6,960		
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-\$60,000	=	11.6%



Step 5: Finance Your Property

- Conventional
- Commercial
- Private Lending
- Hard Money
- Partnering
- Raising Money

THE POWER OF LEVERAGE

CASH ON CASH RETURN

ALL CASH PURCHASE

- **Property Price: \$220,000**
- **Rent: \$25,140/year**
- **Expenses: -\$9,200/year (Taxes, Insurance, Property Management, Misc.)**
- **Cash Flow: \$15,940/year**
- **Cash on Cash Return: 7.08%**

FINANCE PURCHASE, 30-YEAR, 3.5%

- **Down Payment/Closing Costs: \$60,000**
- **Rent: \$25,140/year**
- **Expenses: -\$18,180/year (Mortgage, Taxes, Insurance, Property Management, and Misc.)**
- **Cash Flow: \$6,960/year**
- **Cash on Cash Return: 11.6%**

THE POWER OF LEVERAGE

TOTAL RETURN

Down Payment/Closing Costs: \$60,000

Rent: \$25,140/year

Expenses: -\$18,180/year (Mortgage, Taxes, Insurance, Property Management, and Misc.)

Cash Flow: \$6,960/year

Debt Paydown: \$3,000/year

Appreciation (1 Year): \$40,000

TOTAL RETURN (Cash Flow, Debt Paydown, and Appreciation):

\$49,960

ROI:

83%

TOTAL PORTFOLIO RETURNS

Cash-on-Cash: **11.1%**

Appreciation: **277%**

Step 6: Manage and Optimize Your Portfolio

- Bookkeeping
- Communication with Property Manager
- Prepare for Challenges
- Refinance and HELOC
- Consider Changing Strategies





THANK YOU!

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FACEBOOK GROUP: INVESTING FROM JAPAN

