

From the President:

Hassle-Free Investing with NNN Properties

When it comes to investing in commercial real estate, at the top of your list should be the one asset class that is outperforming ALL others in today's market: triple net leased properties (NNN), such as retail stores, restaurants, and banks.

Due to market pressures, sellers are dropping the prices of their assets to attract investors. **NOW is a great time to buy.** The cap rates on NNN leased retail investments have steadily increased over the past 12 months, which has directly driven sale prices down. These investment properties are selling for 10, even 20% less than they were a year ago.

NNN leased properties remove many of the risks that are associated with other types of real estate investments. The nets paid by the tenants cover property expenses such as the utilities, maintenance, management, property taxes and insurance. The best news is that the investor's baseline net income creates a steady cash flow. Most of the NNN leases have built-in escalator clauses for annual rent increases and the terms tend to be between 5 and 10 years. **Giving you many years to enjoy the solid performing cash flow without the headaches.**

We have a wonderful client who came to us with four pieces of non-performing real estate. We reviewed her portfolio and set up a game plan to sell her four properties and purchase one larger NNN leased restaurant. **Within four months of executing our strategy, she was travelling abroad in Europe and collecting the easiest monthly check she has ever earned.**

Jeffrey and Matt have very sharp pencils! Based on their analysis of my real estate portfolio, they created a strategic plan of action. Choosing from the excellent options they presented me, changed my bottom line from an almost negative cash flow position into a very positive one. They also spent many hours patiently educating me - guiding me through the intimidating world of commercial real estate - always illuminating the advantages of commercial NNN properties. Jeffrey and Matt

eliminated my real estate headaches. I am looking forward to working with them for all of my future real estate needs.

~Shirley Abbott Clark

We always have 3 or 4 NNN properties available for sale in different sizes and prices to suit the needs of our wonderful investors. To put it simply, **prices are dropping on even the best real estate and NNN properties offer the investor a conservative investment strategy.**

Call me today if you'd like to join Shirley, but don't wait too long because these market conditions and low prices aren't going to be around forever. ~Jeffrey Weitz, *President*

RECENT SALES COMPARABLES



RETAIL

\$455,000

914 NE Broadway, Portland, OR
1,292 sf



OFFICE

\$6,350,000

4640 SW Macadam, Portland, OR
46,216 sf



INDUSTRIAL

\$1,235,000

810 SE Belmont, Portland, OR
9,730 sf



Jeffrey Weitz

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Let Us Help You Purchase Your Investment Property Today!

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How to Invest When Cash is Tight

Most people have come to mistakenly view cash, rather than benefits, as the driving force behind real estate transactions. So when cash is tight, transactions don't get done, and benefits for buyers AND sellers are left by the wayside.

But knowledgeable creative real estate investors have understood that cash itself is not the answer to all real estate conveyances. As part of that equation, these astute folks realize that liquidity is ultimately the ability to readily **convert assets into desired benefits**. Consequently, they **focus on circumstances surrounding ownership of the property** and uncover objectives (benefits) sought by the parties as the basis for making more successful transactions happen.

As the dark skies of the growing "liquidity crunch" continue to threaten the economic well-being of real estate professionals across the board, they also present a tremendously rewarding challenge for those who use the opportunity to improve their skill-set: to help people solve their financial problems and to be paid well for it in the process.

It is times like these when the most discerning and well-connected real estate investors find the world is their oyster! Liquidity in its purest form is essentially barter—an exchange of goods, products, services, or even promises—in lieu of cash. Real estate transactions are a simple matter of trading benefits between principal parties.

Oddly enough, many real estate investors have failed to fully explore this concept. Unfortunately, many smaller real estate investors have limited horizons with regard to the full spectrum of time-proven alternatives for maximizing the benefits when buying or selling investment real estate!

Astute creative real estate investors and private note investors recognize that there are over 160 methods for acquiring real estate, only THREE of which are all cash; cash, cash to the existing loan, cash to a new loan. They realize that knowing how and when to use even just a few of these techniques can often replace the need for cash, thus injecting liquidity into the marketplace to facilitate more transactions and generating desired benefits for the parties, benefits that might not have occurred otherwise.

The following are just a small sample of the more common techniques that experienced investors use to buy or sell property. And most of these will usually have private notes somewhere in the mix:

Sell land only
Sale with option to buy back
Sale-leaseback with option to buy back
Installment Sales IRC 453
Pyramid Financing
Exchange land only

Sell building only
Sale with leaseback
Using Land Trusts
Wrap-Around Mortgages
Exchanges IRC 1031
Exchange building only

The private cash flow industry is again becoming fertile ground for small investors to pick up more of the quality notes that were previously snapped

up by the larger institutional note buyers. The use of real estate notes to buy, sell, and trade for accumulating equities inherently injects liquidity into the real estate markets, allowing transactions to again flow.

Real estate agents and note brokers who become familiar with at least some common alternative financing techniques, understand the basic fundamentals, and recognize how they can profit from making note holders, property sellers, and less astute investors aware of them will become rainmakers!

Excerpted from "How to Invest When Cash is Tight" by David P. Butler; published by CommercialRealEstateOnline.com, 2009.

A Welcome to Our New Tenants!

Visit our friends at the Mt Baker Building in the 7 Corners area and the K2 Building in Hollywood.

Twill
Clothing Store
2132 SE Division St, Portland

Taste Unique
Italian Restaurant
2122 SE Division St, Portland

PDX Antiques
1745 NE 42nd St, Portland



Locate Your Business Successfully Here Today!

There are only a few spaces left.

Call Matt Now! 503.525.1925



GO GREEN!

Get this newsletter e-mailed to you by sending an e-mail to amy@northrimpdx.com.

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