
RULES OF INVESTING

STABILIZED VS. VALUE-ADDED

Stabilized Properties: Investors buy stabilized properties under the assumption that the risk is substantially removed from the transaction and that nothing negative will happen to reduce future cash flow.

Value-Added Properties: Investors are betting that something positive will happen to increase the Net Operating Income (NOI), and in turn, transform the value-added property into more valuable stabilized property.

BE CAREFUL OF LEASE ROLLOVER

Rollover is any one year should not be greater than 20 percent of the entire rent roll.

IMPROVE ASSET QUALITY IN GOOD LOCATIONS

Wealth can be created by improving Class B or C buildings in Class A locations.