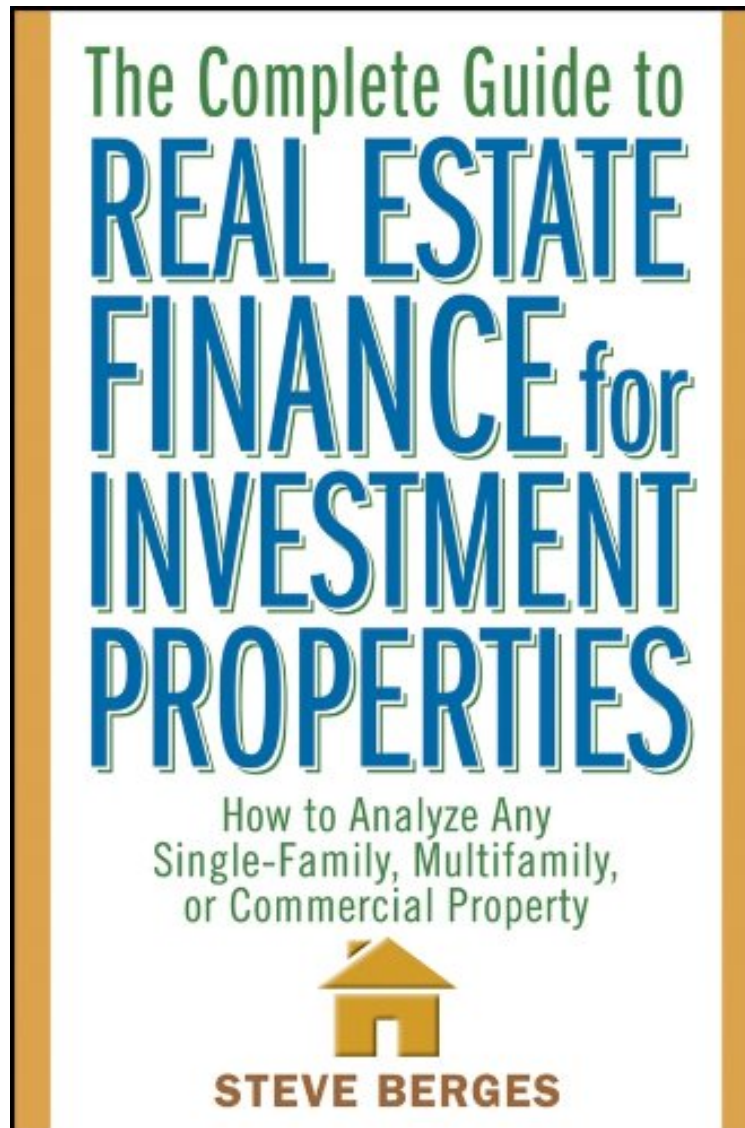


[E-BOOK] The Complete Guide to Real Estate Finance for Investment Properties: How to Analyze Any Single-Family, Multifamily, or Commercial Property

The Complete Guide to Real Estate Finance for Investment Properties: How to Analyze Any Single-Family, Multifamily, or Commercial Property

Steve Berges

**Download PDF | ePub | DOC | audiobook | ebooks*



DOWNLOAD



+

READ ONLINE

#470491 in eBooks 2007-12-10 2007-12-10 File Name: B008N9I8EA | File size: 67.Mb

Steve Berges : The Complete Guide to Real Estate Finance for Investment Properties: How to Analyze Any Single-Family, Multifamily, or Commercial Property before purchasing it in order to gage whether or not it would be worth my time, and all praised The Complete Guide to Real Estate Finance for Investment Properties: How to Analyze Any Single-Family, Multifamily, or Commercial Property:

15 of 15 people found the following review helpful. Author knows nothing of basic finance
 By Customer
 The author actually described the valuation of a bank CD as simply dividing the cash flow by the interest rate - a perpetuity valuation! But one does not receive the CD cash flow for eternity. A CD is a single cash flow that requires a simple time-value discounting. This teaching is akin to describing how the planets orbit the sun based on the theory of electromagnetics, or how a hybrid car runs so efficiently because a little gnome is in the engine turning a handcrank! A complete lack of conceptual understanding. The author also goes on to define "single-family housing" as having 4 or fewer units and "multi-family housing" as having 5 or more units - a definition that is cumbersome at best and downright knuckleheaded at worst. This distinction is important, but it is the distinction between residential (single, duplex, triplex, or quadraplex) housing and commercial (multifamily) housing. Other organization of the book is just poor. For example, in discussing useful financial ratio, the author introduces ratios using the net operating income (NOI) before actually defining the NOI a few pages later. (I won't get into the fact that NOI is introduced as another "ratio", although it's not; it's a dollar value off of the income sheet.)

120 of 122 people found the following review helpful. Great Book, but be aware of what it isn't
 By Customer
 This is a great book, and well worth purchasing if you want to learn about finances for investment properties. It is not all that it could be, but don't let that stop you from using it to get started. All that having been said, here are the things that I had to be careful about: 1) Ten performance measurements and ratios are presented in chapter 6, and they represent the heart of the book. There is little overview of which ones are most importance or how to use or weigh conflicting or offsetting results. 2) The book is heavily centered on spreadsheets, which the author offers to sell to you. Others have criticized the spreadsheets for being locked. I used the book to recreate my own version of the spreadsheets, and the extensive explanations in the book helped, mostly, to make sure that I got the underlying formulas correct. What I noticed, however, is that the book sorely needed a financially sophisticated editor. For example, the spreadsheet on page 193 has an entry for "Expense/Foot." In fact, this entry is none other than the OER - Operating Expense Ratio - that was developed in Chapter 6. Why go to all the trouble to create and define ratios, if you aren't then going to use them. Other parts of the spreadsheets were equally problematic. For example, the Net CF's - presumably "cash flow" - for a 3 year exit only had the receipts for years 1 and 2, and not for year 3. Lastly, the book has nothing to say about (a) maintaining and growing a real estate portfolio of multiple properties as opposed to a single property, or (b) evaluating the relatively new 1031 multiple tenants in common investments that some long time owners are trading into in order to stop being a full time property manager as well as an investor.

1 of 1 people found the following review helpful. Complex information that could be presented better.
 By Chris Mac
 Like other reviewers have said, the financial ratios offered by the author of this book are either extremely complex, and require a fair amount of research and head-scratching to figure out (and then are merely applicable in only a small number of instances), or are so simple they're almost useless. That being said, if you keep at it, I did find a lot of information in this book to be extremely helpful. The reliance on spreadsheets actually forced to me start some database management of my own, and the results have been great. There may be better books out there, and there certainly are simpler ones, but for the money, I'd say this is at least worth a read for novice investors.

This practical, real-world guide gives investors all the tools they need to make wise decisions when weighing the value and potential of investment properties. Written for old pros as well as novice investors, this friendly, straightforward guide walks readers step by step through every stage of property analysis. Whether you're buying or selling, investing in big commercial properties or single-family rentals, you'll find expert guidance and handy resources on every aspect of real estate finance, including:

- * Proven, effective valuation techniques
- * Finance tips for all different kinds of property
- * How various financing strategies affect investments
- * Structuring financial instruments, including leverage, debt, equity, and partnerships
- * Measurements and ratios for investment performance, including capitalization rates and gross rent multiplier ratios
- * Future and present value analysis
- * How the appraisal process works
- * Primary appraisal methods-replacement cost, sales comparison, and income capitalization-and how to know which one to use
- * How to understand financial statements, including income, balance, and cash flow
- * Case studies for single-family rentals, multifamily conversions, apartment complexes, and commercial office space
- * A detailed glossary of important real estate terminology

From the Inside Flap
 More and more Americans are getting out of the stock market for the relative safety and predictability of real estate. But buying real estate willy-nilly is a recipe for disaster. If you don't do your homework, you could lose your shirt; just like you would in the stock market. For novice investors and old hands alike, *The Complete Guide to Real Estate Finance for Investment Properties* focuses on the fundamentals of financial analysis and the key principles in property valuation as they apply to real estate investing. This practical guide provides all the tools and tactics investors need to accurately gauge both the present and future value of properties. Whether they're buying or selling, investors must base their decisions on the fundamental principles of real estate finance. Failing to do so will definitely mean failing to make a profit. This handy guide doesn't offer long-winded theories on finance or quick schemes for making a bundle in real estate, but proven real-world knowledge

every investor needs to feel secure that they've made a wise investment. This is not another real estate book about how to creatively finance a purchase or get a nothing-down deal. Instead, author Steve Berges explains the basic theories of real estate finance, simplifies them for the average investor, and demonstrates how to use them in real-world situations. Using case studies and examples to illustrate these principles, Berges shows investors how to use traditional property valuation methodologies and how to understand such concepts as cash flow, rate of return, and return on investment. Investors will find everything they need to know about financial statements and schedules, investment performance measurements, the structure of financial instruments, and valuation techniques for any kind of property. Real estate is only a smart investment if you're a smart investor. In this book, Steve Berges walks readers step by step through all the financial analysis techniques needed to get the most out of their real estate investments.

From the Back Cover This practical, real-world guide gives investors all the tools they need to make wise decisions when weighing the value and potential of investment properties. Written for old pros as well as novice investors, this friendly, straightforward guide walks readers step by step through every stage of property analysis. Whether you're buying or selling, investing in big commercial properties or single-family rentals, you'll find expert guidance and handy resources on every aspect of real estate finance, including:

- Proven, effective valuation techniques
- Finance tips for all different kinds of property
- How various financing strategies affect investments
- Structuring financial instruments, including leverage, debt, equity, and partnerships
- Measurements and ratios for investment performance, including capitalization rates and gross rent multiplier ratios
- Future and present value analysis
- How the appraisal process works
- Primary appraisal methods—replacement cost, sales comparison, and income capitalization—and how to know which one to use
- How to understand financial statements, including income, balance, and cash flow
- Case studies for single-family rentals, multifamily conversions, apartment complexes, and commercial office space
- A detailed glossary of important real estate terminology

About the Author STEVE BERGES is a real estate investment professional with over twenty-five years of experience. As Principal of Symphony Homes, he is an active investor specializing in creating value through various real estate mechanisms, including single-family houses, multifamily apartment complexes, and the development and construction of single-family and condominium housing communities. He holds an MBA degree in finance and marketing from Rice University. He is also the author of *The Complete Guide to Buying and Selling Apartment Buildings* and *The Complete Guide to Flipping Properties*, both from Wiley.