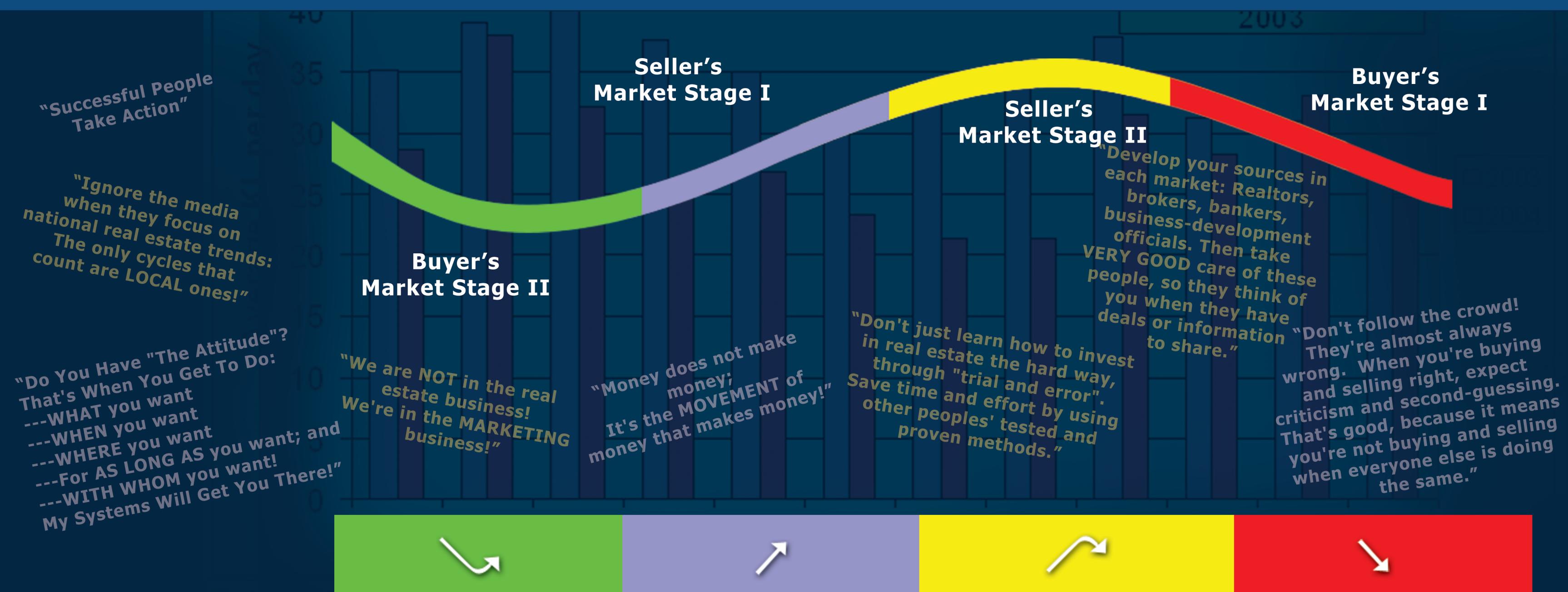


David Lindahl's Four Stages of A Market Cycle:

How To Make The Most Money In Each Stage



Characteristics

Demand	Beginning to rise as more buyers are qualified to buy at low prices	Rising; at highest point	Still strong	Prices falling
Property Values	Low values, but slowly increasing	Rising	Sellers waiting longer, but prices still inflated	Values are falling and at lowest level of any stage
Supply	Market absorbing oversupply	Supply is dwindling	Supply beginning to increase	Oversupply, and everyone knows it!
Time on the Market	Decreasing time on the market	Very short time on the market	Time on the market is beginning to increase	Sharply increasing time on the market
Foreclosures	Competition fierce as numbers decline			Foreclosures sharply increasing
Business & Job Growth	Job growth beginning. Advance indicator: incentives for corporations to relocate		Job growth beginning to slow	
Construction	Virtually no new construction. Very few properties coming on market.	Best Indicator of This Stage: Construction in full swing. There has been a 1-3 year spike in building permits	Land is being bought for speculation; excessive construction	Stagnant; construction trades looking for work
Unemployment	Unemployment begins to drop	Low Unemployment	Unemployment starting to increase	Best Indicator of This Stage: Unemployment reaches its height
Vacancy Rates	Vacancy begins to drop			Vacancy increases
Rental Rates	Rents at lowest level, but slowly increasing	Rents rising	Rents rising, but slowing and leveling off.	Rents falling

Buying Strategy

The market has turned the corner; prices & rents are slowly increasing The "Millionaire Maker" The best time to buy! Buy smart, but you can pay market prices and accept a lower cash flow, because values & rents are rising Buy everything you can finance and get your hands on.	Buy and hold long term; or buy until you see Seller's Market Stage II; or buy and flip for immediate profits, due to high demand	Flip (unless you really want to hold for a long time).	The bottom is falling out of the market
		Keep profits in cash until Buyer's Market Stage Two, or unless you see a really exceptional deal	You don't know where the bottom of the market is or how low rents will fall, so resist buying into every good-looking deal.
			Only buy deals with huge cash flow; otherwise keep your money in your pocket

"Whenever you reduce your price or give something up, ask the other party also to make a concession."

"The most important time to sell a prospective renter on your apartment unit is when the person drives up to the curb; Make your building look inviting!"

"Practice the Safe Island Technique" Summarize each step you'll take the seller through, so nothing's a surprise."