



小型多单位公寓进阶课程

手把手教你实操如何购买小型多单位公寓

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北美地产学堂

June 14, 2020



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The strategies mentioned in this presentation may not be appropriate for everyone. Other options not mentioned maybe more suitable for your specific circumstance. This is for Educational Purpose only. Consult your personal accountants, tax advisor and/or attorneys, financial planners to discuss your specific situation.

课程中提到的策略不一定适用于每个人，仅供参考。可能其他策略更适合你的情况。具体请咨询你的会计师，税务顾问，律师等专业人士。

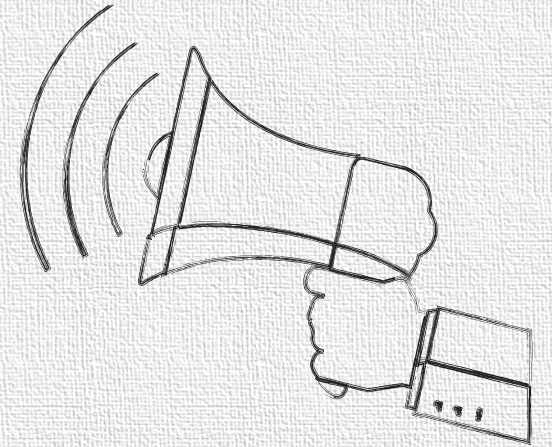
Past performance is no guarantee of future results. Real estate purchases are subject to investment risks, including the possible loss of amounts invested.

过去的投资回报不能用来预测未来结果。房地产投资有风险，理论上有可能会失去本金。

While every effort is made to maintain accurate and current information, the possibility of error and/or updates always exists.

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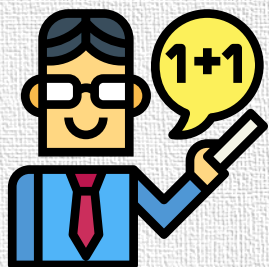
Housekeeping

- 为不影响讲课质量，讲课期间所有同学会先被静音，课程讲完后解除静音，统一开放提问。
- 解除静音后，请大家保持背景安静，避免影响其他同学听课。
- 听课期间有任何问题随时在讨论区里留言，老师会择机回答小问题，其他问题等到当天课程结束统一回答或每周Live Q & A Session回答。
- 每30分钟左右会休息3-5分钟。
- 课程以中文授课为主，但商业地产专业词汇讲师会以英文表述，方便学员学习。如有问题，欢迎课下交流。
- 每周日固定美国西部时间6PM, 中部时间8PM, 东部时间9PM 准时授课。每次1.5-2个小时。请大家准时出席。
- 每周三固定Q & A美国西部时间6PM, 中部时间8PM, 东部时间9PM为答疑时间。每次一个小时左右。





讲师助教班主任简介



Tim Chen, CCIM

- 前CBRE(世邦魏理仕)全职商业地产经纪人，主要负责大洛杉矶地区多单位公寓 (5个单位和5个单位以上)的买卖
- 国际注册商业房地产投资师证书(CCIM, Certified Commercial Investment Member)
- 个人参与买卖和投资的多单位公寓项目超过一亿美金
- 南加州大学USC会计和工商管理双学士

Ivans

- 主业从事物流领域进出口物流/贸易
- 2017年购入第一个投资房，目前目标每年购买一套2-4单元投资房
- 新目标未来2-3年自己进行小型多单元公寓投资
- 多单元公寓进阶课程第一期学员



Tony

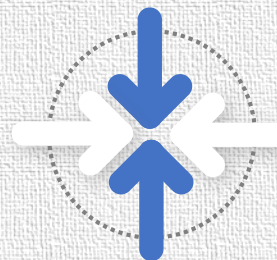


- 主业从事金融固定收益产品分析
- 目前投资以SFH和duplex为主，计划3年后进阶多单位公寓
- 初级和进阶多公寓课程学员兼组长





市场周期



市场分析

PART



第一课Outline

1

详细讲解房地产市场四个周期

2

影响Apartment价值的因素

3

Resources – Research the Market

4

如何使用 City-data.com等网站





市场周期

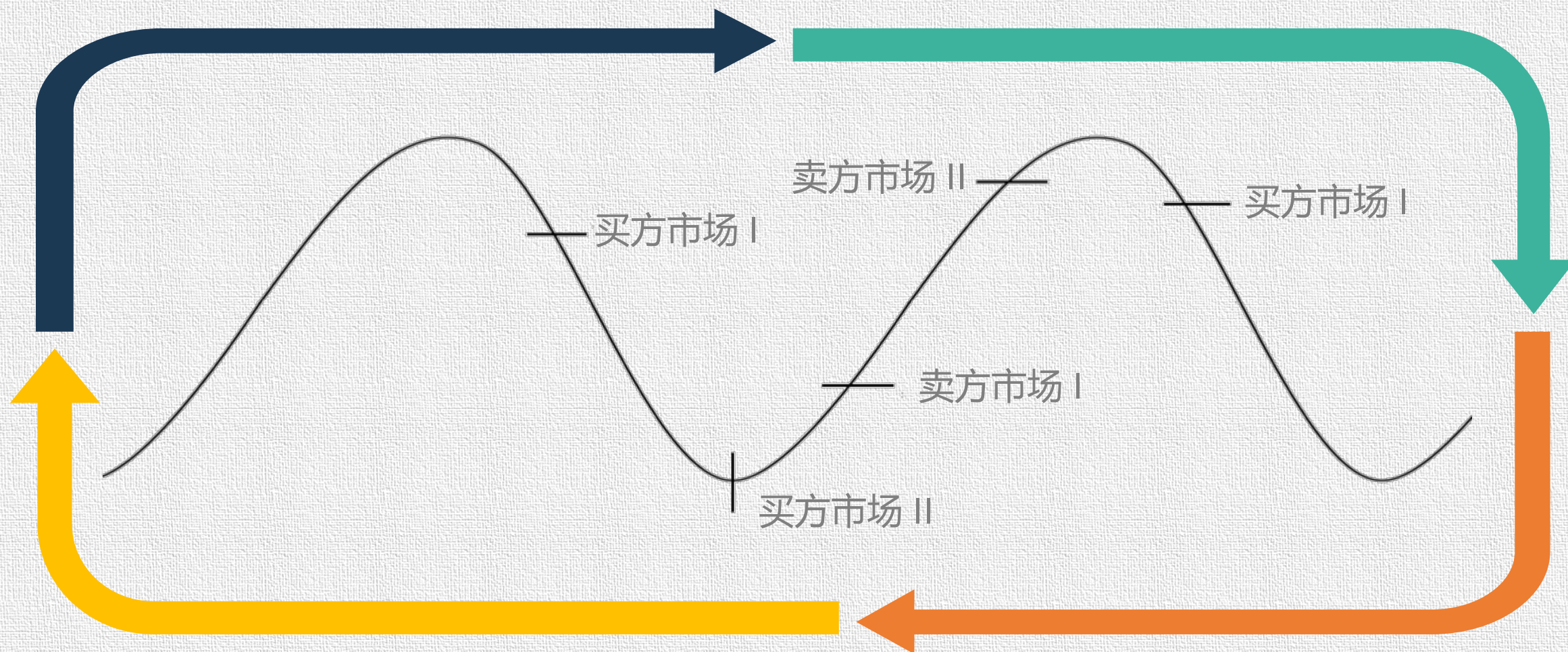
Real Estate Market Cycle

- 一个周期一般8-12年
- 一般每个Phase 2-4年
- 同一时间下，不同区域
市场可能正在经历不同
市场周期



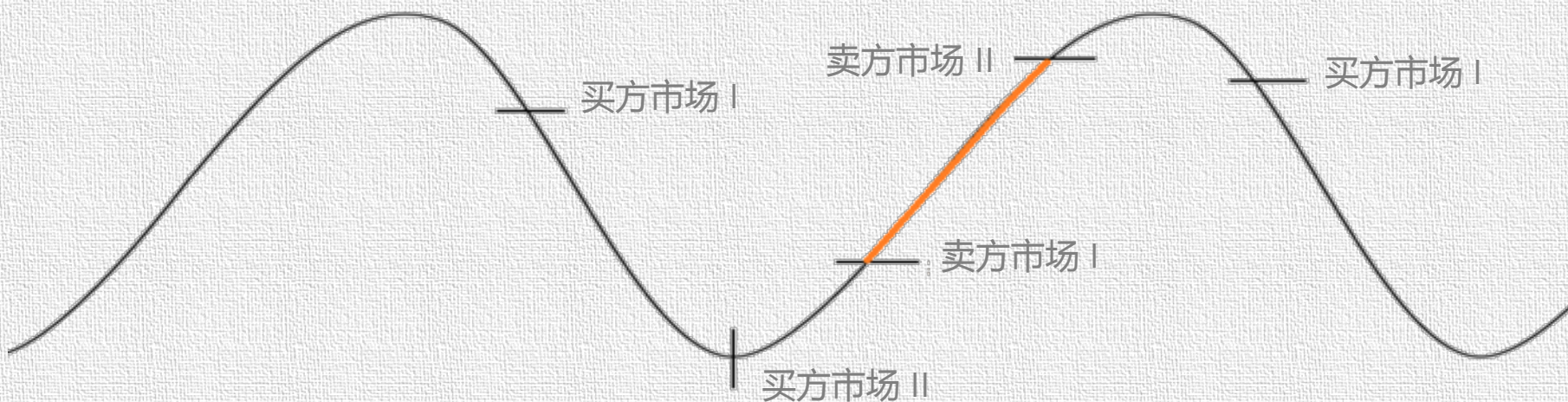
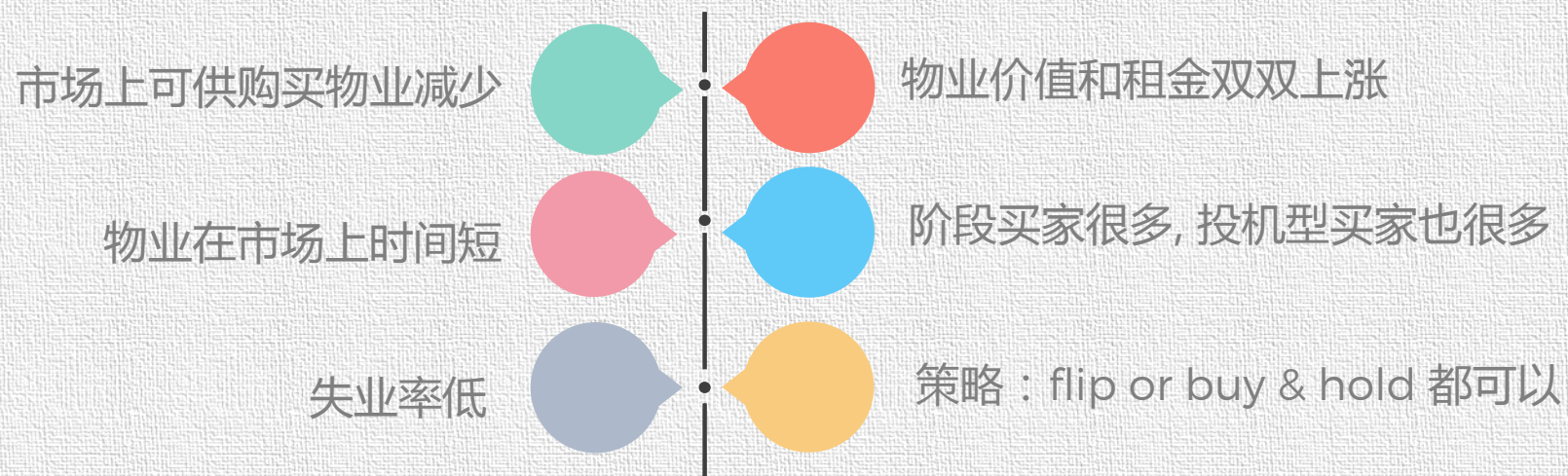


市场周期





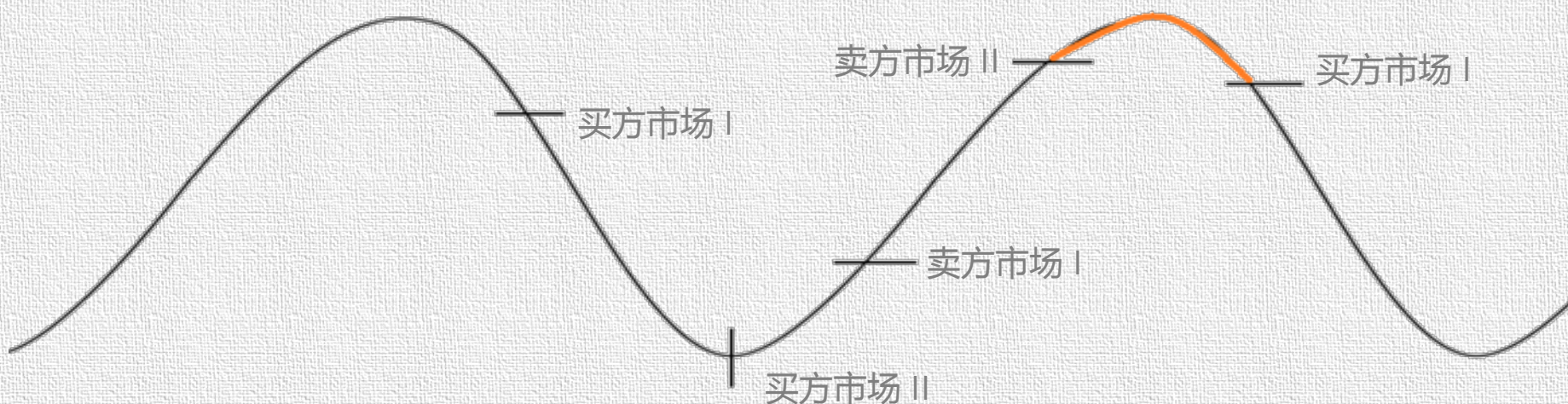
Seller's Market I





Seller's Market II

| | | | |
|------------------------------|---|---|---|
| 物业价值接近最高点或下降 | ● | ● | 市场新建unit太多，建筑业繁荣结束 |
| 阶段后期租金下降，物业价值也跟着下降 | ● | ● | 生意和工作机会增长缓慢 |
| 物业在市场上时间变长 | ● | ● | 银行知道周期接近尾声，但是还是很激进房贷 |
| Never try to time the market | ● | ● | 最好只在自己的当地市场投资 |
| 阶段前期买家开始减少，但卖家还是拿到市场最高价 | ● | ● | 策略: quick flip or hold on to your cash and wait |





Buyer's Market I

物业价值快速下降，达到最低水平

租金也下降

市场供给unit大于需求

市场上买家不多，以观望为主

物业在市场上时间增多



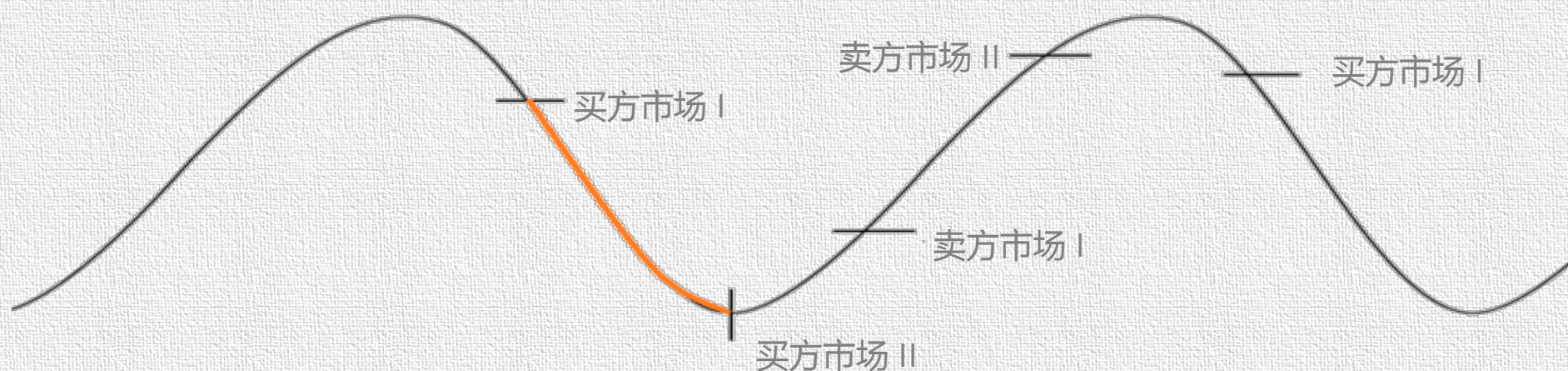
新建物业流动性低，没人买

失业率升高，人们开始搬出贵的区域

法拍屋增多

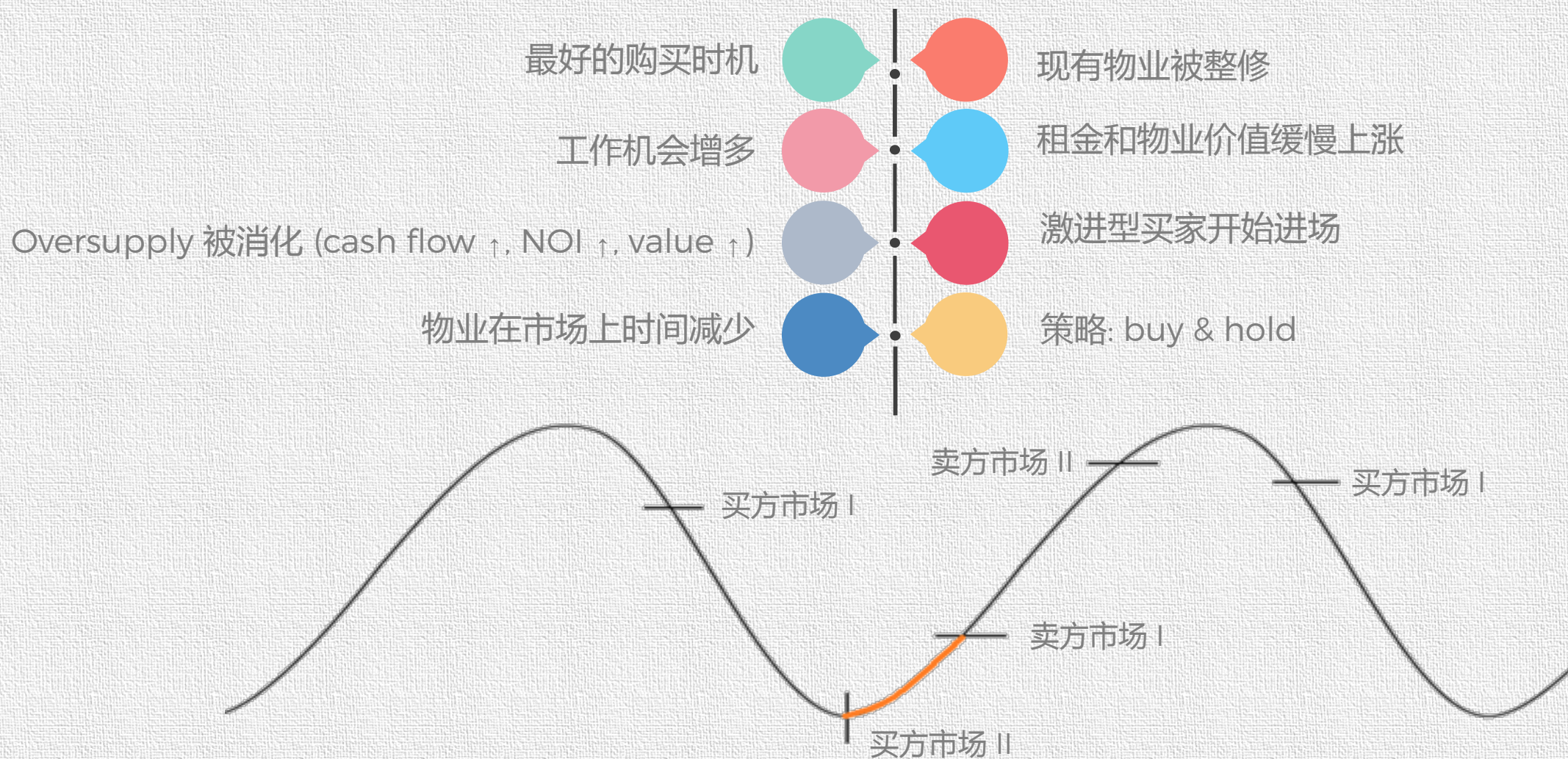
阶段后期，有区域开始 job announcement 建筑和基建行业最先复苏

策略: hold for cash flow due to no appreciation





Buyer's Market II





影响Apartment价值的因素 – The Market

- Supply vs. Demand
 - Rental market
 - Investment sales market
- Market Analysis
 - National vs. Local
- Job growth 是最重要的
- Current and future population trend and demographics
- Home ownership
- Rental market demand
- Median household income
- Vacancy rate
- Average home price
- Crime/safety
- Number of new units delivered
- Performance of the economy in general
- Is the area is desirable/has things to do
- Surrounding area amenities
- Think like a tenant





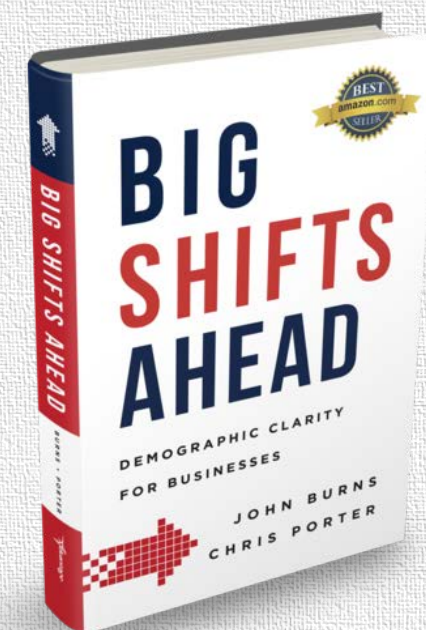
影响Apartment价值的因素 – The Competition





Resources – Research the Market

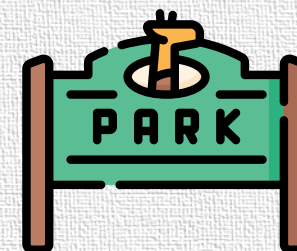
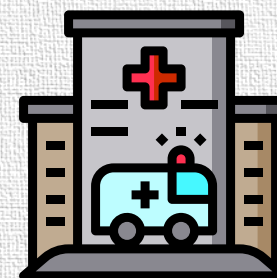
- Google
 - 举例: Phoenix AZ Economic Growth 2020 PDF/PPT (pick the most recent one)
 - 举例: Phoenix AZ Economic Growth 2020 Forbes/Zip Code
 - 举例: Phoenix AZ Economic Cushman
- Get on LOCAL brokers lists, as many as possible
- Reports/Webinars on CBRE, JLL, Cushman & Wakefield, Newmark, Marcus & Millichap, Berkadia, Colliers International, local brokerage firms 等等网站
- Ask brokers to provide info
- Local newspapers
- City-Data.com
- NeighborhoodScout.com
- Trulia.com
- National/Local Apartment Association
- Globest.com
- MultiHousingNews.com
- RENTV.com
- REBusinessOnline.com
- MultifamilyInsiders.com
- NMHC.org
- BizJournals.com
- Curbed.com
- <https://www.uhaul.com/Articles/About/19966/U-Haul-Migration-Trends-Top-25-Growth-Cities-Of-2019/>
- <https://www.gopenske.com/blog/rental/2019-top-moving-destinations-list>
- 其他





Market Analysis – What We are Looking for

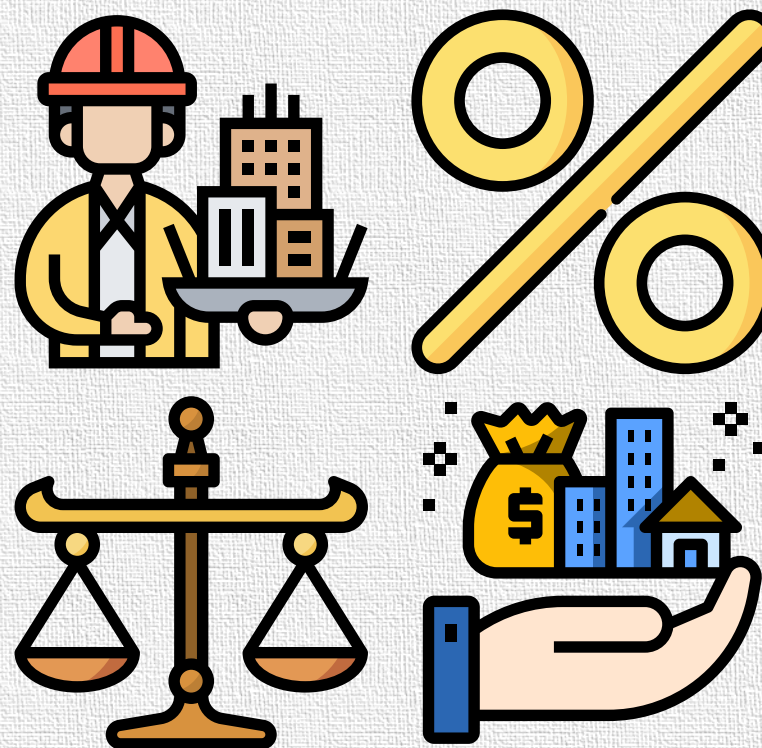
- Cash on Cash, DSCR 1.2+, Cap Rate depending on the area and your investment goals
- 大学
- Big Box Retail, Starbucks, Restaurants, Shopping Malls
- 医疗中心
- Strong Local Leadership
- 靠近 major interstates
- 机场
- 最少不少于10万人口
- 等等





Market Analysis – What We are Looking for

- General Trend
 - Population
 - Job Growth
 - Employer
- Current Cap Rate
- Immediate Upside
- Management
- Rent Collection
- Pro-landlord/Law





Cities Analysis

- Population Growth (2000 – 2018)
 - 0.25-1M, 20+%
 - 1-2M, 15+%
 - 2+M, 10+%
- Median Household Income Growth (2000 – 2017): 30+%
- Median House or Condo Value Growth (2000 – 2017): 40+%
- Change in Crime Levels: below 500
- 12 Month Job Growth: 2+% or 1.5+% for cities with more than 1M
 - <https://www.deptofnumbers.com/employment/metros/>





Neighborhood Analysis

- Median Household Income
 - \$40K to \$70K – cash flow
 - \$55k to \$90k – appreciation
- Median Contract Rent
 - \$700 to \$1,000 (no lower than \$650)
- Unemployment Rate no more than 2% higher than city's unemployment rate
- Poverty Level: no more than 20%, preferably lower than 15%
- Population by Race: better to be mixed and not have one higher than 75%





第一课知识要点

1

详细讲解房地产市场四个周期

2

影响Apartment价值的因素

3

Resources
– Research the Market

4

如何使用 City-data.com等网站



第一课作业

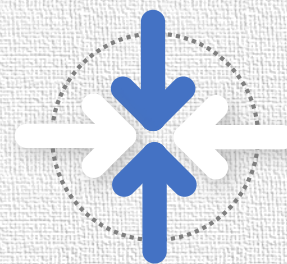
利用第一课所学的知识，对你所在的City (而不是County), 或周边的一个 apartment market 做一个市场分析, 产生一个市场报告。如果查不到最新一年的数据, 用2017或2018年的也可以。报告格式如下:

1. 人口。目前人口数，过去十年的人口年增长率。
2. 工作。失业率，去年工作机会增长率，主要支柱产业，家庭平均收入。大的 employer 有哪些？列出主要的机场、大学、医院、购物中心等大型服务性机构。
3. 房价与租金。平均房价在什么范围，平均租金在什么范围（如果需要的话，可以选择一种户型，比如2B/1B，来回答）
4. 发展。有哪些比较大的基建工程/商业地产项目正在进行或即将进行？犯罪率水平每十万人里多少起犯罪记录？
5. （本题选做，可以不递交）分区。试着将城市按收入或房价水平分成A/B/C/D四个区位。每个区位可以有多个不相邻的区域。
6. Cap Rate Research。查看市场上的一些deal来大致估算中等区域（B区，C区）的中等多单位公寓(Class B, Class C building)的cap rate 大概在什么范围（给出一个范围即可）

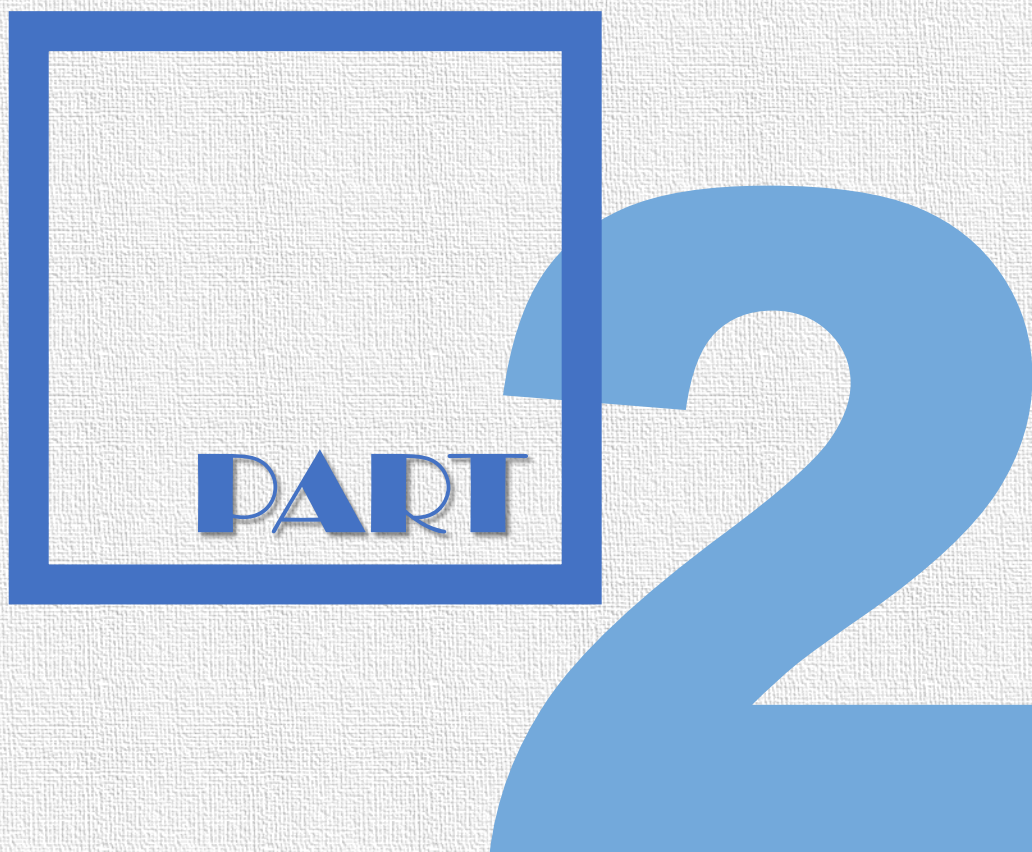




介绍IRR

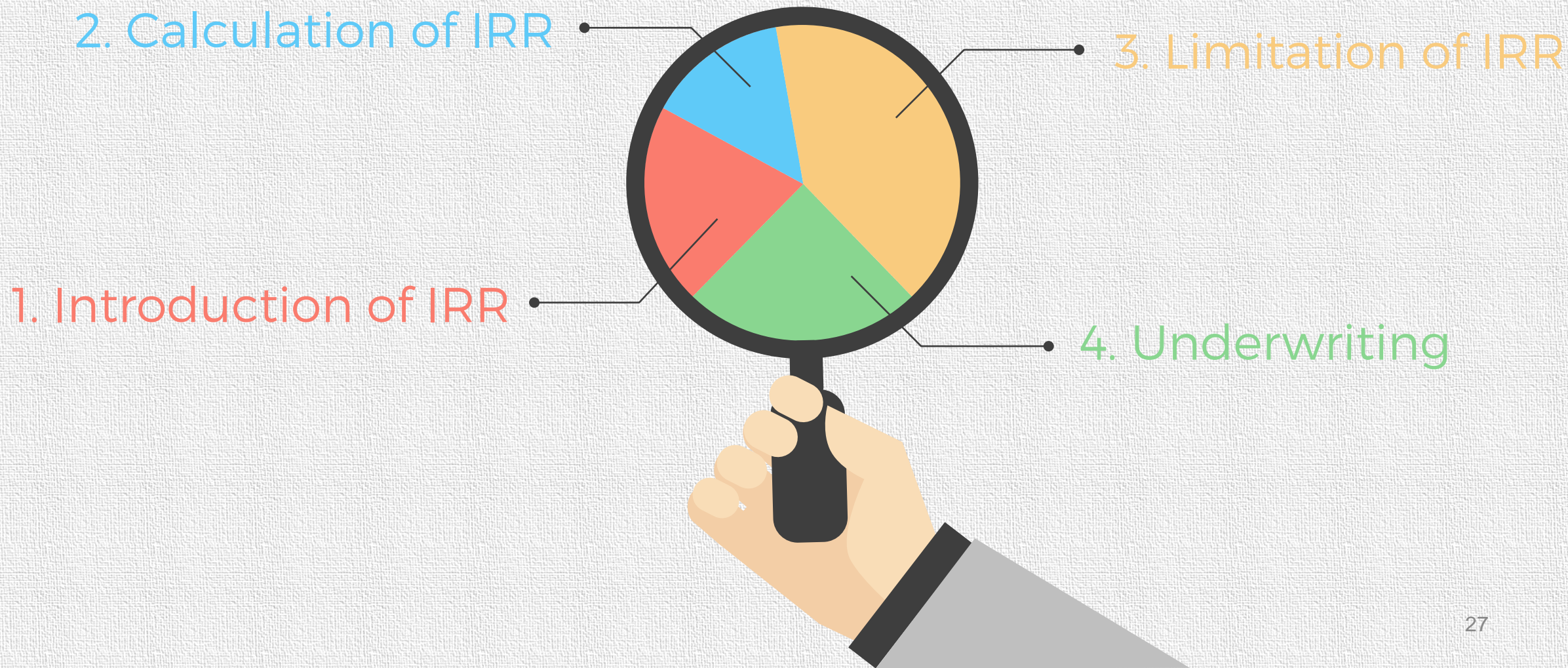


详细Underwriting





第二课Outline





Introduction to IRR

- Internal Rate of Return (IRR) is the rate of return each dollar in an investment earns while it is in the investment.
- Another term of interest rate, discount rate, or yield.
- 其实就是年化投资回报率(compounded复利)
 - 举例 $\$100 \times 1.1^5$ (IRR 10%, 5年)
- 在每年现金流都不一样的情况下最好用 (都是正向现金流)
- IRR可以用来和其他投资比较投资回报率





Introduction to IRR

多少钱进到这个投资里面去了？

什么时候投进去的？

多少钱从投资里面拿出来？

什么时候拿出来的？

四个基本问题



Calculation of IRR

| EOY | Cash Flows |
|-----|-------------|
| 0 | (\$100,000) |
| 1 | \$0 |
| 2 | \$10,000 |
| 3 | \$50,000 |
| 4 | \$79,310 |

| EOY | Cash Flows | |
|-----|-------------|--|
| 0 | (\$100,000) | + \$0 + \$8,264.46 + \$37,565.74 + 54,169.80 = \$0 |
| 1 | 0 | $\frac{\$0}{(1+0.1)^1}$ |
| 2 | \$10,000 | $\frac{\$10,000}{(1+0.1)^2}$ |
| 3 | \$50,000 | $\frac{\$50,000}{(1+0.1)^3}$ |
| 4 | \$79,310 | $\frac{\$79,310}{(1+0.1)^4}$ |

Given: Discount cash flows at 10% discount rate

为了买这个cash flow, 现在愿意花多少钱



Limitation of IRR

01

Don't work well with unconventional cash flows

02

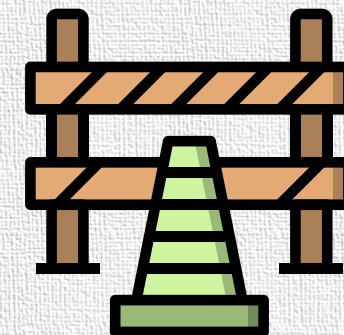
Reinvestment of periodic cash flows

03

Size disparity (difference in initial investment amounts)

04

Time disparity (difference in projected holding periods)





Cap Rate, COC局限性

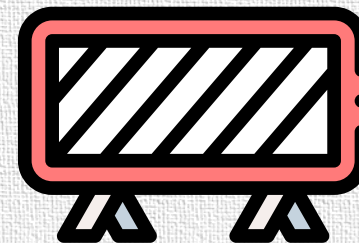
Cap Rate 局限性

- 具有迷惑性，很多人以为Cap Rate就是全部的回报
- 不适用短期投资 Fix & Flip, 短期投资赚物业升值的钱
- 无法计算有贷款情况下的回报率



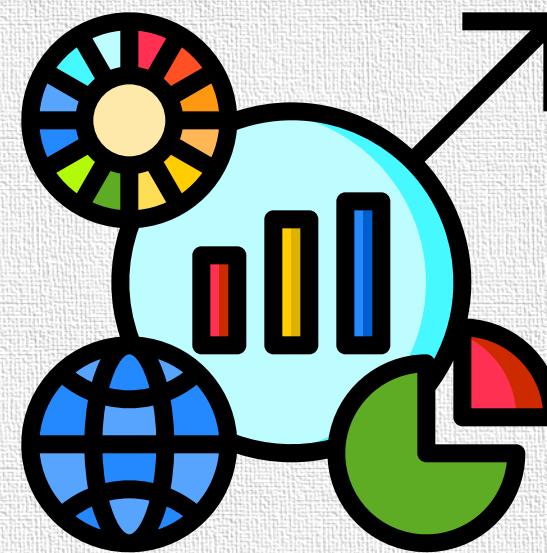
Cash-On-Cash Return 局限性

- 不适用于没有或负现金流的地产投资:开发，土地投资，需要花很多钱升级维修的物业





Underwriting!

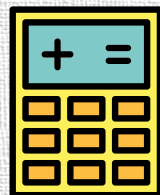




第二课知识要点



1. Introduction of IRR



2. Calculation of IRR



3. Limitation of IRR

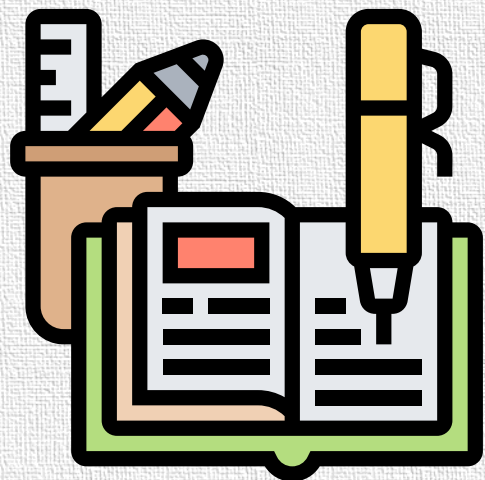


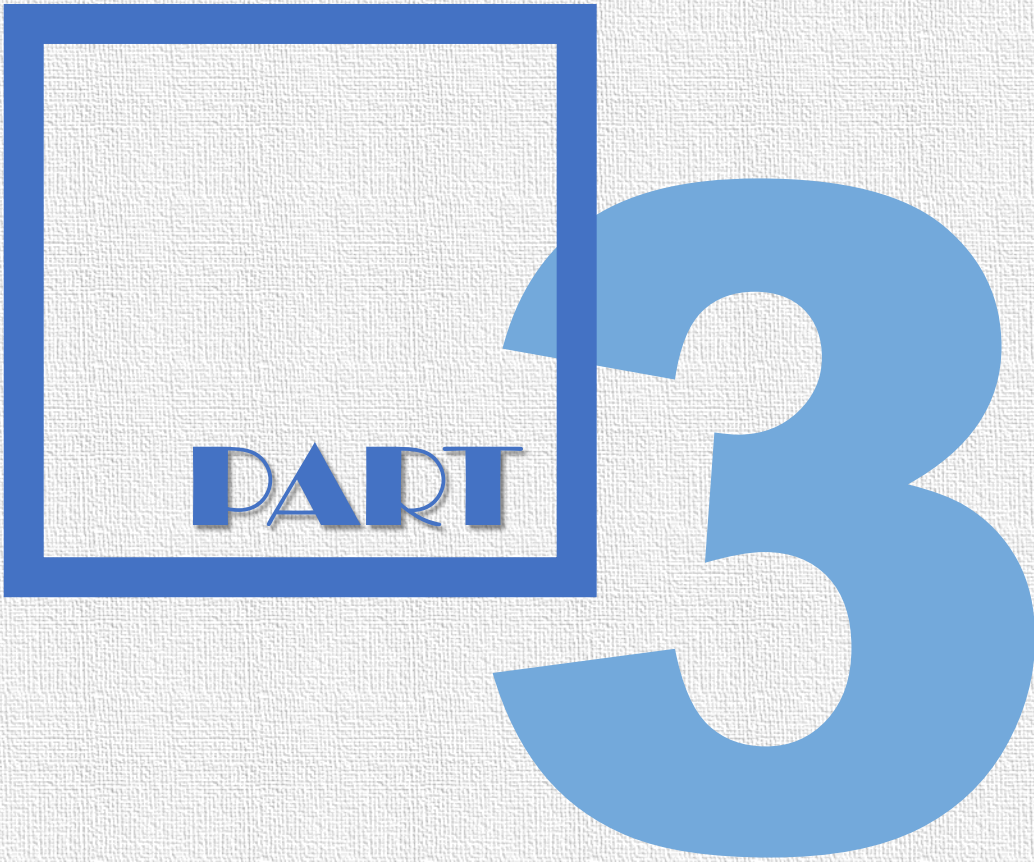
4. Underwriting



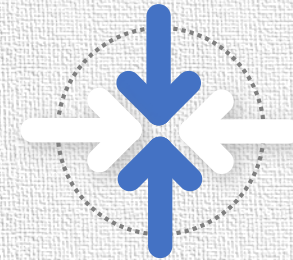
第二课作业

1. Cap Rate, Cash-On-Cash Return 和 IRR 都与投资回报率有关，请从实际使用的角度思考，三种indicator分别如何使用？
2. 仔细研究Plaza West OM, 从buyer的角度来看，你觉得OM中的underwriting有几个不合理的地方 (比如为什么会有Other Rent Loss等等)
3. 应用今天学的知识，underwrite “The Tropicana” 多单位公寓
4. 思考: IRR一般只适用于有conventional cash flow的物业，如果物业的现金流为unconventional cash flow, 比如第一年，第二年的现金流为负，这时如何测量物业回报率？是否可以用其他的indicator?





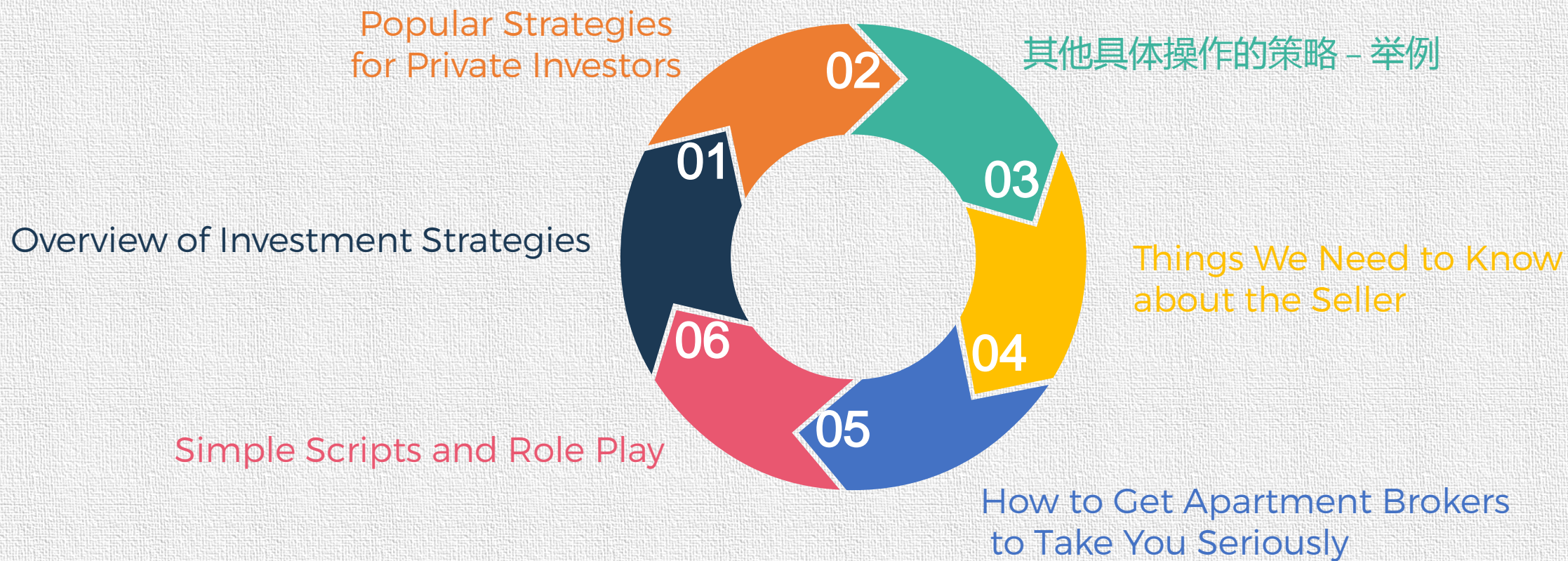
投资策略分析



如何和地产经纪人建立有效关系



第三课Outline





Investment Strategies - Core

- Low risk and generate the most predictable cash flow
- Low to no leverage (50% or less)
- Long time horizon (at least 5-7 years)
- Very low tenant risk (stabilized property, turnkey)
- 1-5% cap rate





Investment Strategies – Value Add



- Upside opportunity with some cash flow to begin with
- Moderate to high leverage (50-80%)
- Light to moderate renovation

- Typical ideas:
 - Cosmetic physical improvement
 - Improve amenities
 - Higher rent
 - Higher occupancy
- Higher operating efficiency
 - Solar roof
 - drought-tolerant landscaping
 - RUBS (Ratio Utility Billing System)

- Add more income streams
 - Laundry facility
 - Parking fee
 - Storage fee



Investment Strategies – Opportunistic

- Try to maximize full return potential via capital appreciation
- Moderate to high leverage



Typical situation

- Major renovation
- Adaptive reuse – convert an office building to an apartment building
- Building from ground up
- 100% vacant apartment building



Risk

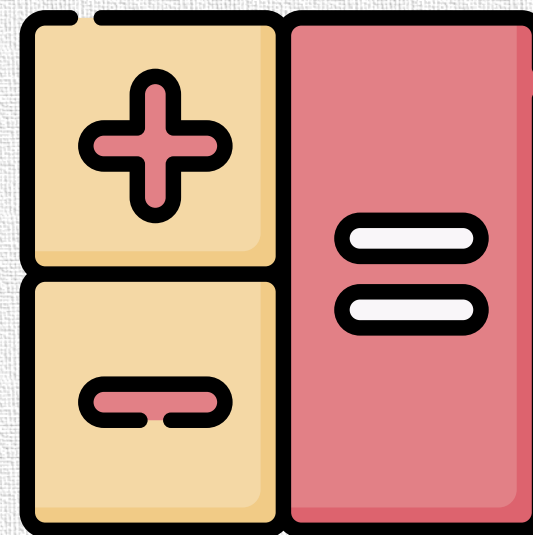
- Cash flow
- Permitting and construction (cost and timing)





Numbers Game

Every \$1 NOI increase, whether it's from income increased or expenses saved, it's equivalent to \$20 increase in property value @ 5% cap rate, or \$12.5 increase in property value @ 8% cap rate





Popular Strategies for Private Investors

01

Flip for Profit (not so popular)

- Risk Vs. Return
- #1 priority is buying “right”
- Solid submarket knowledge

02

Buy – Sell (the least popular)

03

BRRRR (Buy, Rehab, Rent, Refinance, Repeat) (**popular**)

- There is cash flow while rehabbing or adding value to the property
- It takes longer time to “rehab”
- Rent the vacant units or increase rent on existing units
- Refinance – commercial loan (easier to get, no limit on the number of loans, but relatively short term comparing to residential loan)
- Repeat!
- Usually, you can never buy back the property you had in a great location



Popular Strategies for Private Investors

04 Buy – Sell – 1031 exchange (trade up, popular)

- Typically 3-5 year hold
- 1031 exchange is very common in CRE
- There is always risk associated with 1031 exchange, not 100% safe
- Introduction of reverse 1031 exchange
 - Benefit: identify and purchase the replacement property first, then sell the relinquished property
 - Downside:
 - need to come up with the down payment first
 - Cost of reverse 1031 exchange is substantially higher
 - Reference: <https://www.ipx1031.com/the-reverse-exchange/>

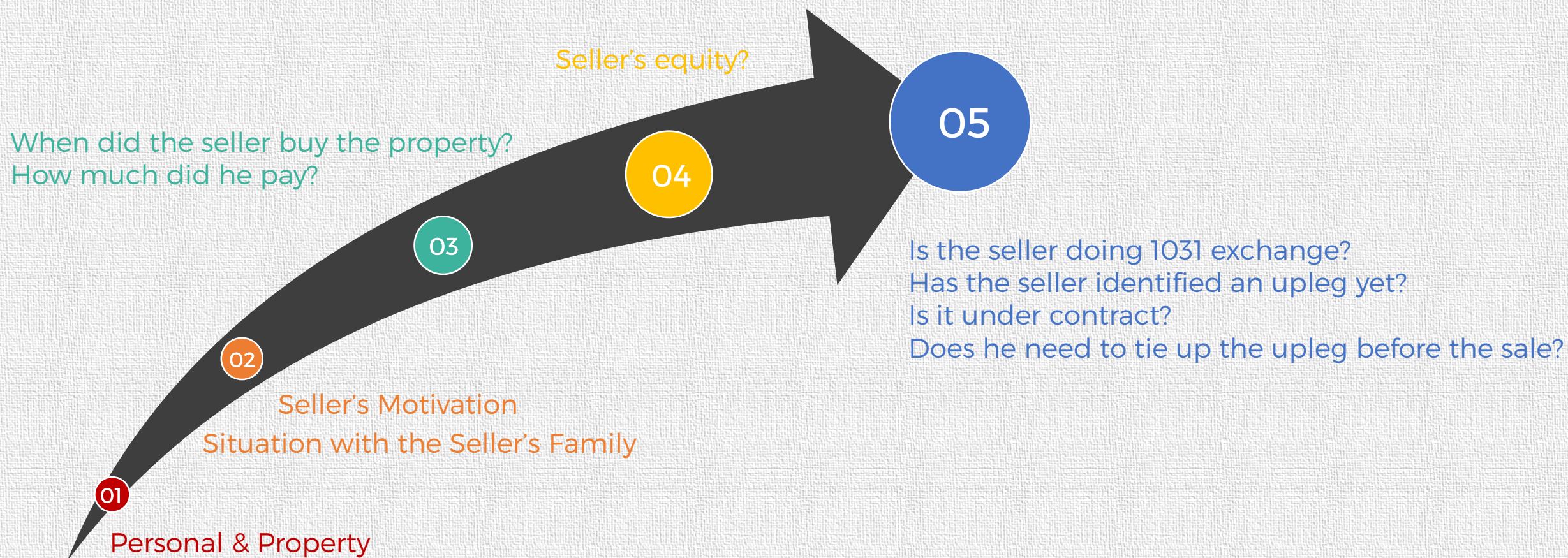


其他具体操作的策略 – 举例

- 1 Seller financing
Negotiate terms: length, payment structure, pre-payment penalty, etc. in advance
 - *Private-Seller Financing with 33% Down Payment!*
 - *3% Interest-Only Payments for 2 Years!*
 - **Motivated Seller - Seller Is Negotiable on Price!**
 - **All 2-Bed/1-Bath Units**
 - Excellent Value Add Opportunity
 - 70% Upside Potential in Gross Income!
- 2 Assume the existing loan subject to terms of the loan and qualification of the buyer
- 3 Prepare the property for sale
 - Don't tell tenants you are selling the property
 - No For Sale sign
 - Clean the building exterior, fix the termite problem
 - Keep the common area clean
 - Make a list of improvement done
 - Prepare a financial due diligence package for buyers
 - Utility/vendor transfer contact information



Things We Need to Know about the Seller





How to Get Apartment Brokers to Take You Seriously

What Apartment Brokers Want to Know?

- What is your capacity to buy this property?
- Do you have the money to buy?
- What multifamily experience do you have?
- How many units do you currently own?



纯商业地产经纪人和住宅地产经纪人不一样



沟通专业 - 具备基本商业地产知识



不浪费经纪人时间, 不讲废话



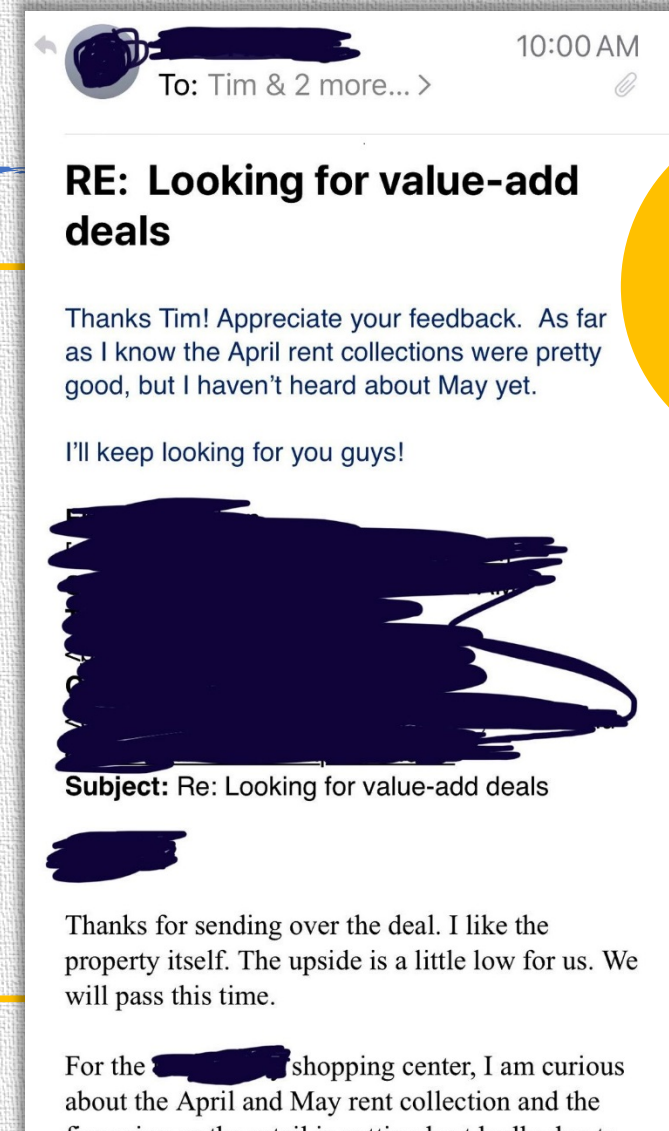
Most importantly, you don't want to be treated as a newbie



▶ 第三课：投资策略分析 + 如何和地产经纪人建立有效关系

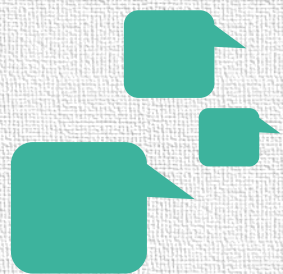
How to Get Apartment Brokers to Take You Seriously

- Treat brokers with respect and be fair
- Use common sense





Simple Script # 1



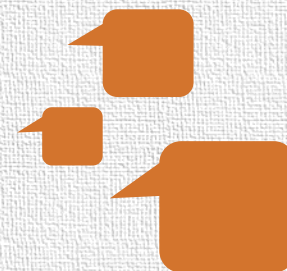
- Hi Nick, my name is Tim (Chen)(from ABC Investment Group). I was calling regarding your listing at 123 main street, the 20-unit apartment building in Harbor City. Is it still available?
- Is it possible to schedule a meeting with you next week? I'd like to put a face to the name.





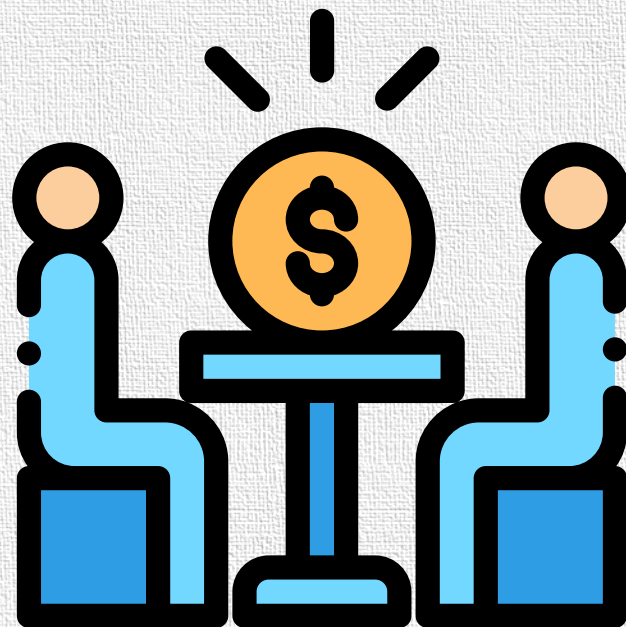
Simple Script # 2

- Hi Nick, my name is Tim (Chen). My friends and I are looking to acquire a few apartment buildings in the area in the new few months. We typically buy 10-50 units, cap rate above 5% with a little bit of value-added components. I was calling to see if you have any deals in the pipeline.
- Is it possible to schedule a meeting with you next week? I'd like to put a face to the name and it's better to discuss in person.





Role Play





第三课知识要点





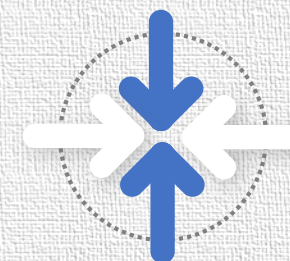
第三课作业

- 1.(小组作业) 小组讨论，总结至少5条和多单位公寓经纪人建立有效关系的经验/心得/想法，越多越好。
- 2.(小组作业) 下次答疑时，两个小组各选出两名组员，和另一个小组组员进行和broker电话沟通的role play. 请提前做好准备。(可以用自己的script)
- 3.(小组作业) 和broker第一次见面时，我们的目的是 get to know the broker (and his team) and the local apartment market (both investment sales market and rental market) as much as possible. 最好的方法是问一系列相关的问题。思考和broker第一次见面时，应该问哪些问题？请写出你能想到的所有问题 (最好用英文写)。





尽职调查 Due Diligence



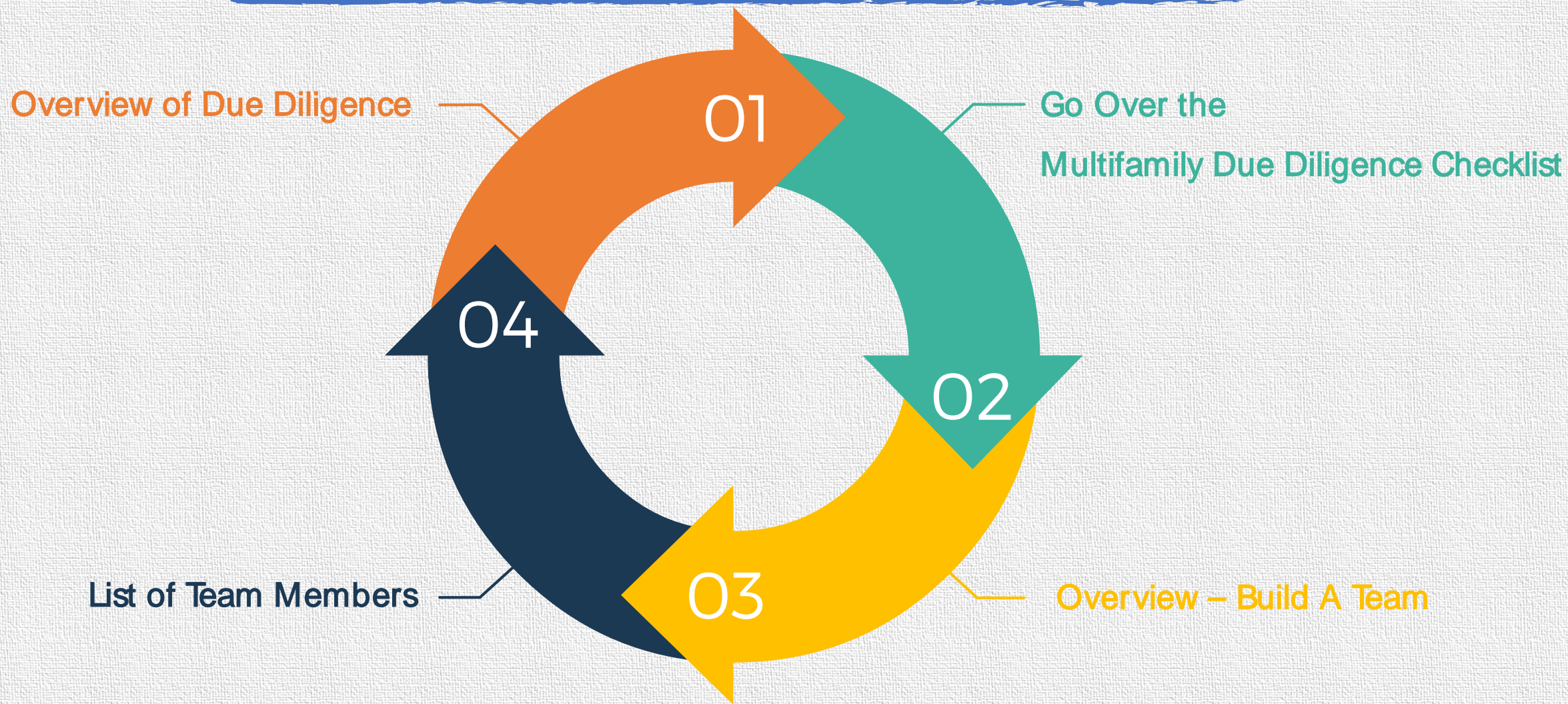
建立团队 Build A Team

PART

4

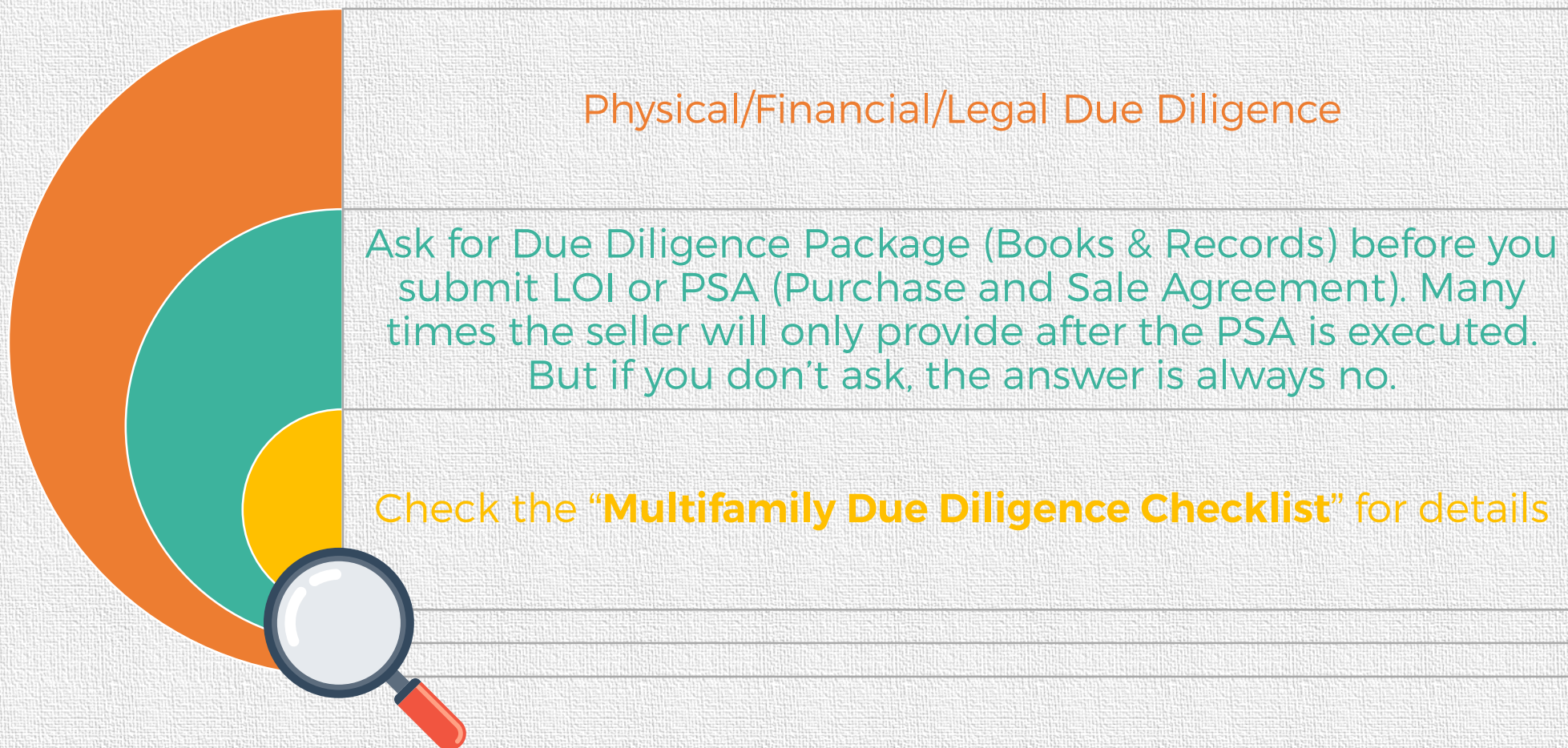


第四课Outline



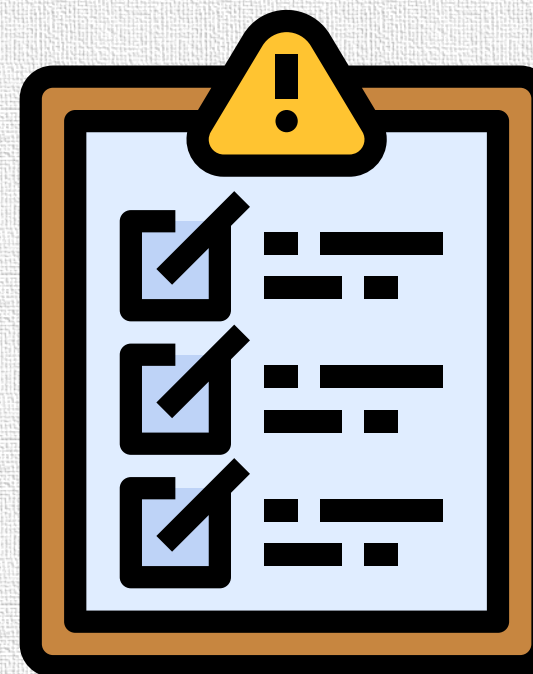
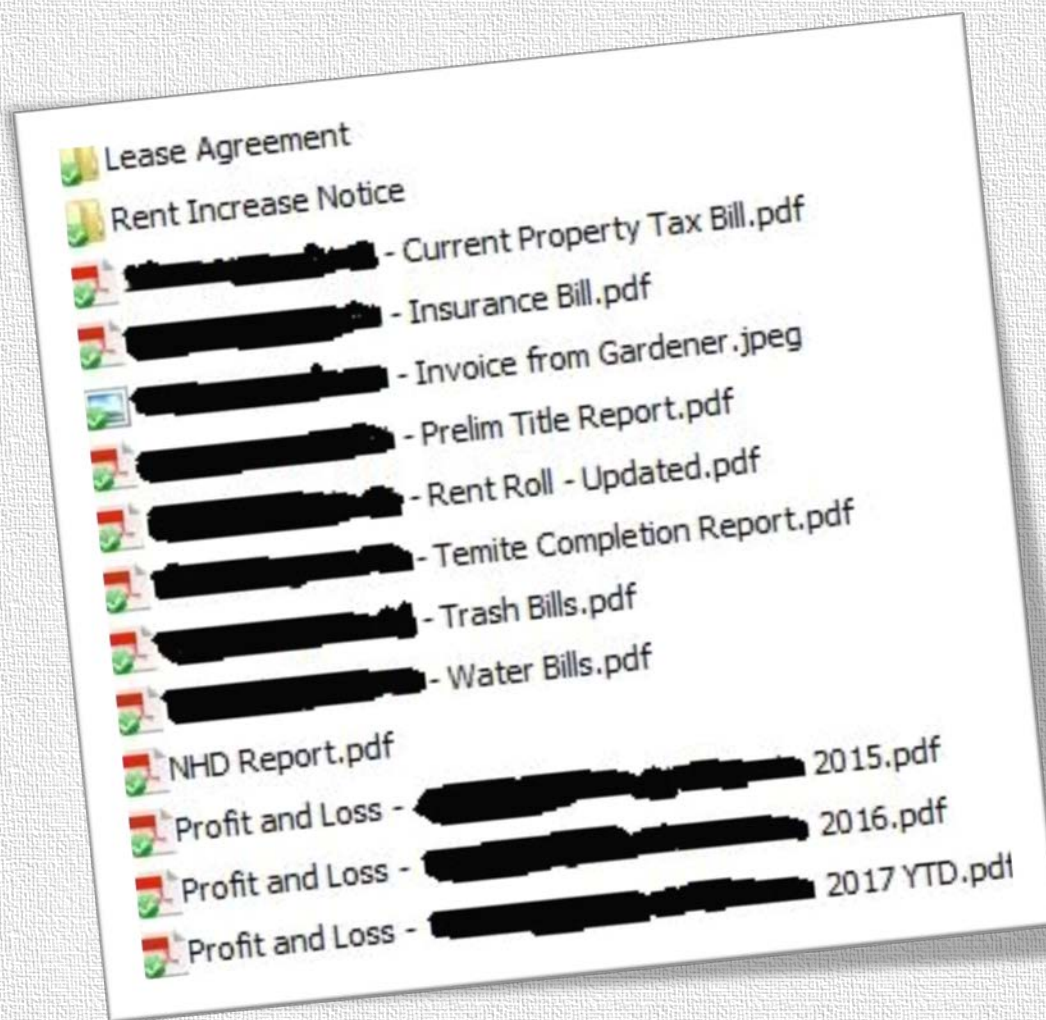


Due Diligence





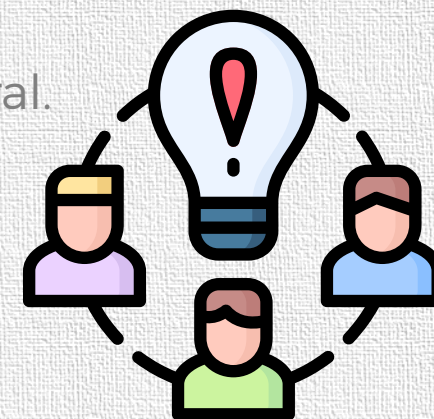
Due Diligence Package (Books & Records)





Build A Team

- CRE Investment is a team sport
 - Pre-qualify and sell yourself
 - Biggest challenge: being taken seriously
 - Like any startup business, you can't skip this phase
 - "Team up" with an experienced investor for instant credibility if necessary
 - Don't burn any bridges.
 - It's always better to build a personal relationship with your team members.
 - Don't skimp on the cost, you do get what you pay for.
- Referral - Single best way to find team members
 - 小型多单位公寓投资很多专业知识比较繁琐，但不难（装修，物业管理），关键是帮你干活的人上不上心。如果有人介绍，干活好的几率比较大。
 - Best source: other apartment owners and apartment brokers in the area.
 - Ask everyone you know for referral.
 - Interview 3-5 people for each position
 - Already have a 2nd choice





List of Team Members

- Apartment broker
- Commercial lender: bank and broker
- Property manager
- Contractor
- Real Estate attorney: review contracts (deal making attorney, not deal breaking attorney)
- Eviction attorney (landlord/tenant attorney)
- Property inspector
- Insurance provider/agent
- Appraiser
- Tax Professional or CPA
- 1031 exchanger
- Escrow/title company/attorney
- Other service providers and vendors





第四课知识要点

Overview of
Due Diligence

Go Over the
Multifamily
Due Diligence
Checklist

Overview
– Build A
Team

List of Team
Members



第四课作业

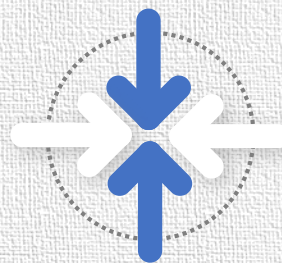
小组自行复
习今天上课
内容

开始准备多
单位公寓的
实战PK赛





PART 5



Bonus 内容



第五课Outline



Letter of Intent



Negotiate with a
Broker/Seller



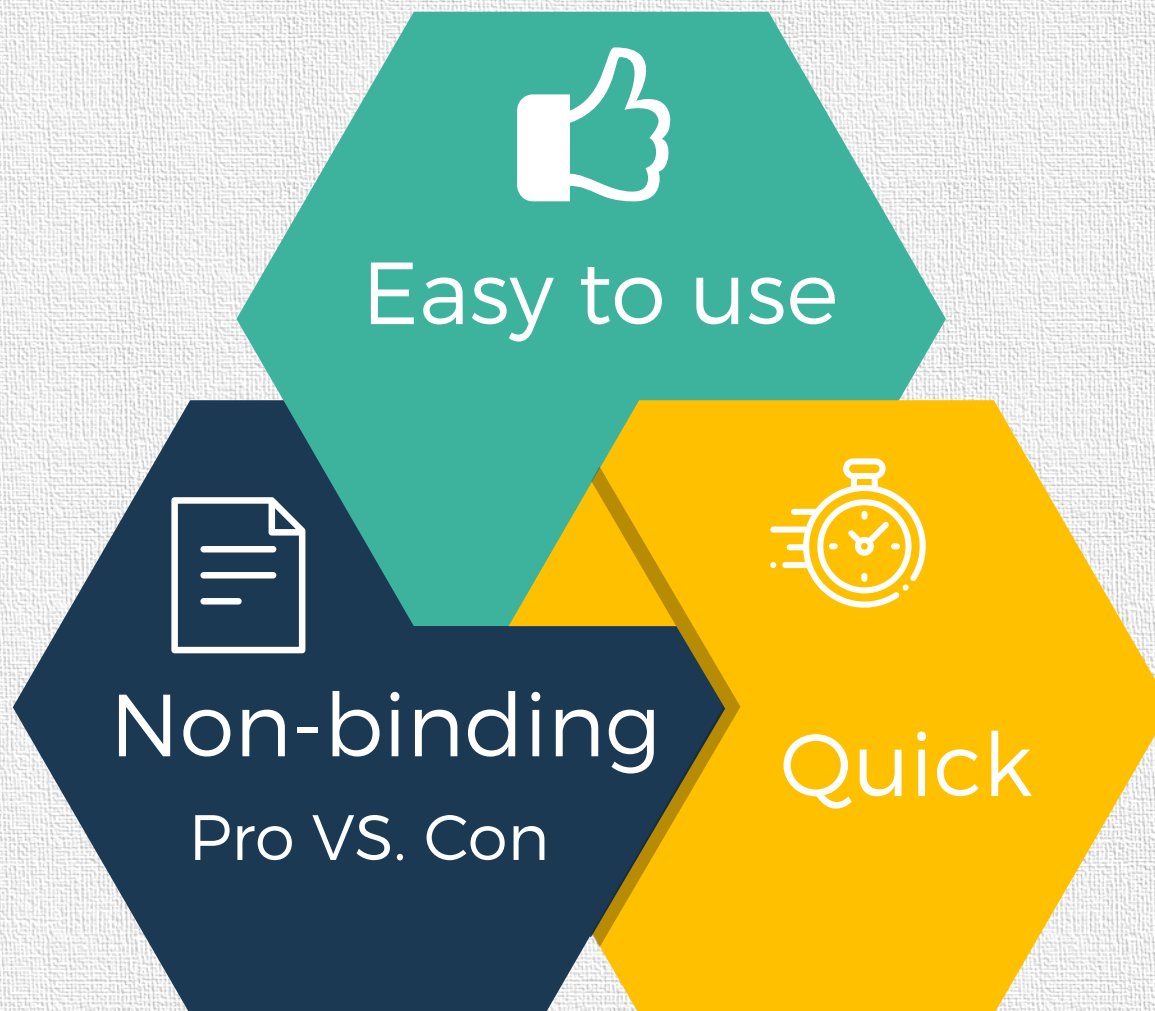
Closing Tips



Miscellaneous



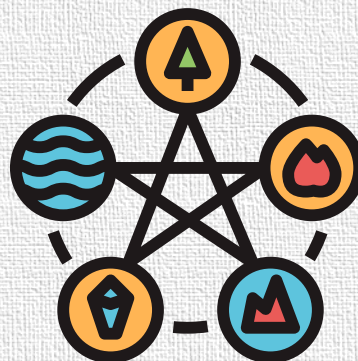
Letter of Intent 特点





Key Elements of LOI

- Price *
- Key terms
 - Buyer *
 - Seller *
 - Property *
 - Earnest money (deposit) *
 - Closing date *



- Down payment *
- Contingencies *
- Escrow/title *
- Transaction cost (optional)
- Broker involved (optional)
- Commission (optional)

注: *部分通常情况下必须包括



How to Negotiate with a Broker/Seller

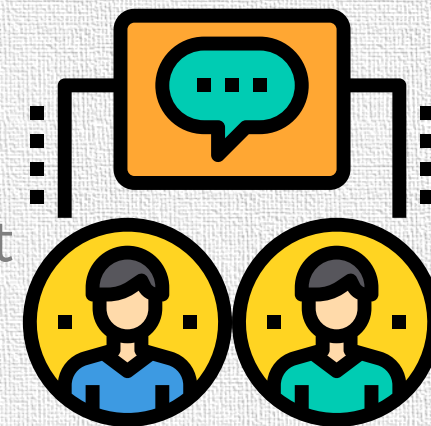
- Do your homework!
 - Everything about the property, rent comps, sales comps
 - Condition of the property – inspection report
- Get the listing broker to be on your side
 - Commission
- Follow the rules
 - I can close
 - Show him the numbers
- Understand seller's true motivation
 - Price
 - Timing
 - Assume the existing mortgage





How to Negotiate with a Broker/Seller

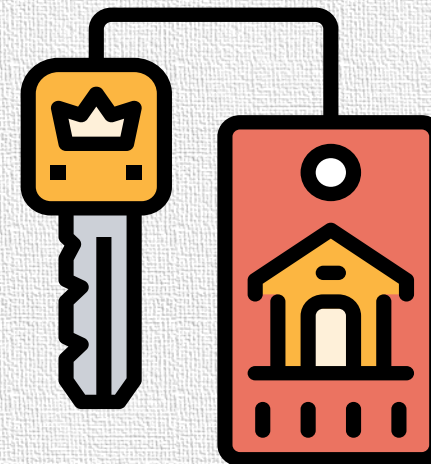
- Always “have” a partner or partners
- Try to meet with the seller in person
- The broker has his own agenda, you need to find out
- Talk to tenants during inspection, get a feel on the tenant quality
- Try to leave room to negotiate
- It’s numbers game, never get emotionally attached to a deal.
- Trade cash for price and terms
- Leverage the financial due diligence
- Leverage the inspection report
- Leverage the appraisal report
- Willing to walk away





Closing Tips

- Close on Tuesdays
- Close after 10ths
- Have the seller keep all utilities on for 3 more days
 - Get all the utilities and vendor accounts info before closing, after remove of all contingencies.
- Pick up keys at the closing date
- Post Change of Ownership Notice (Where to pay rent next month) on the closing date





Miscellaneous

Loan

- Figure out the loan before searching for properties!

Follow the timeline!

- PSA negotiation
- Under contract/escrow





第五课知识要点

Letter of Intent



Negotiate with
a Broker/Seller

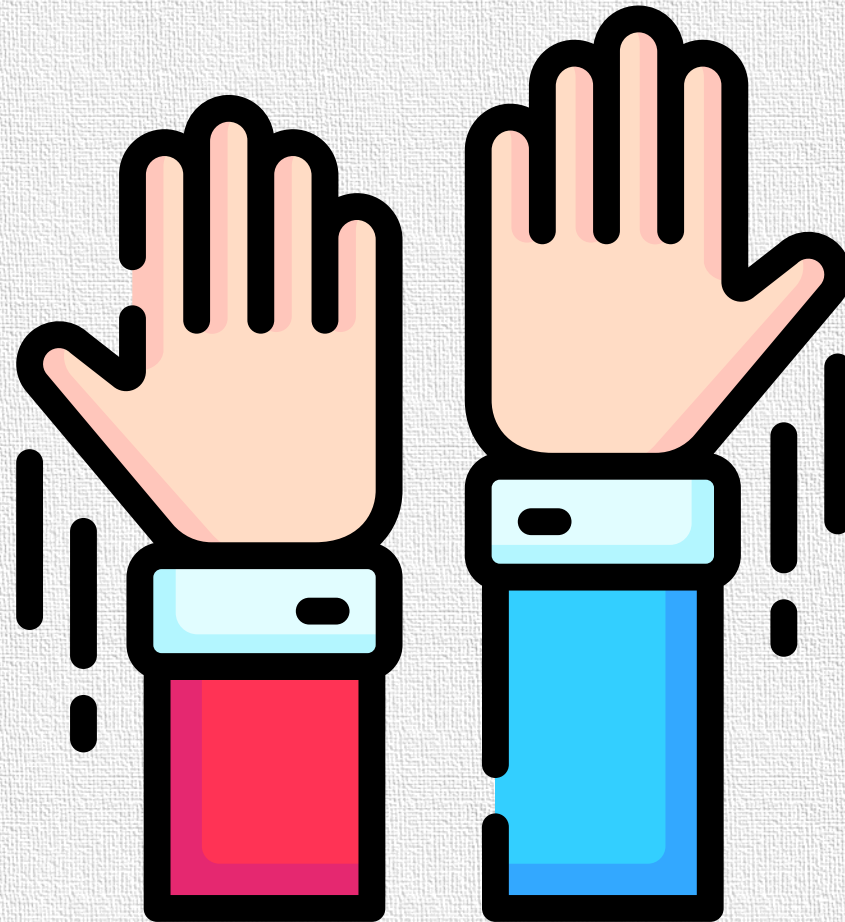
Miscellaneous

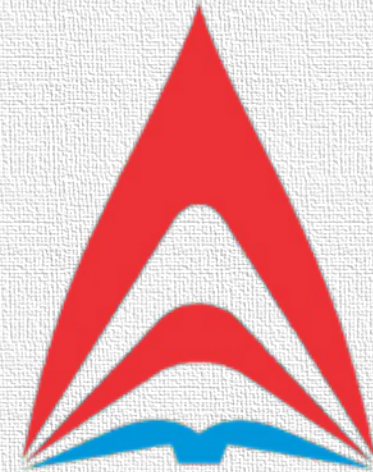


Closing Tips



Questions?





感谢您的参与

Thanks for Your Participation