

TNG

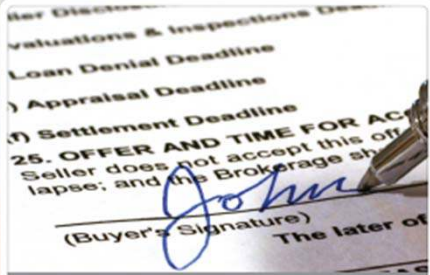
The NORRIS GROUP



Real Estate
INVESTMENTS



HARD MONEY
LOANS



TRUST DEED
INVESTMENTS



INVESTOR
EDUCATION



10 DECISIONS TO MAKE BEFORE THE NEXT DOWN TURN

1

**UNDERSTAND
MAKING
DECISIONS
EARLY IS SAFER
THAN LATE**



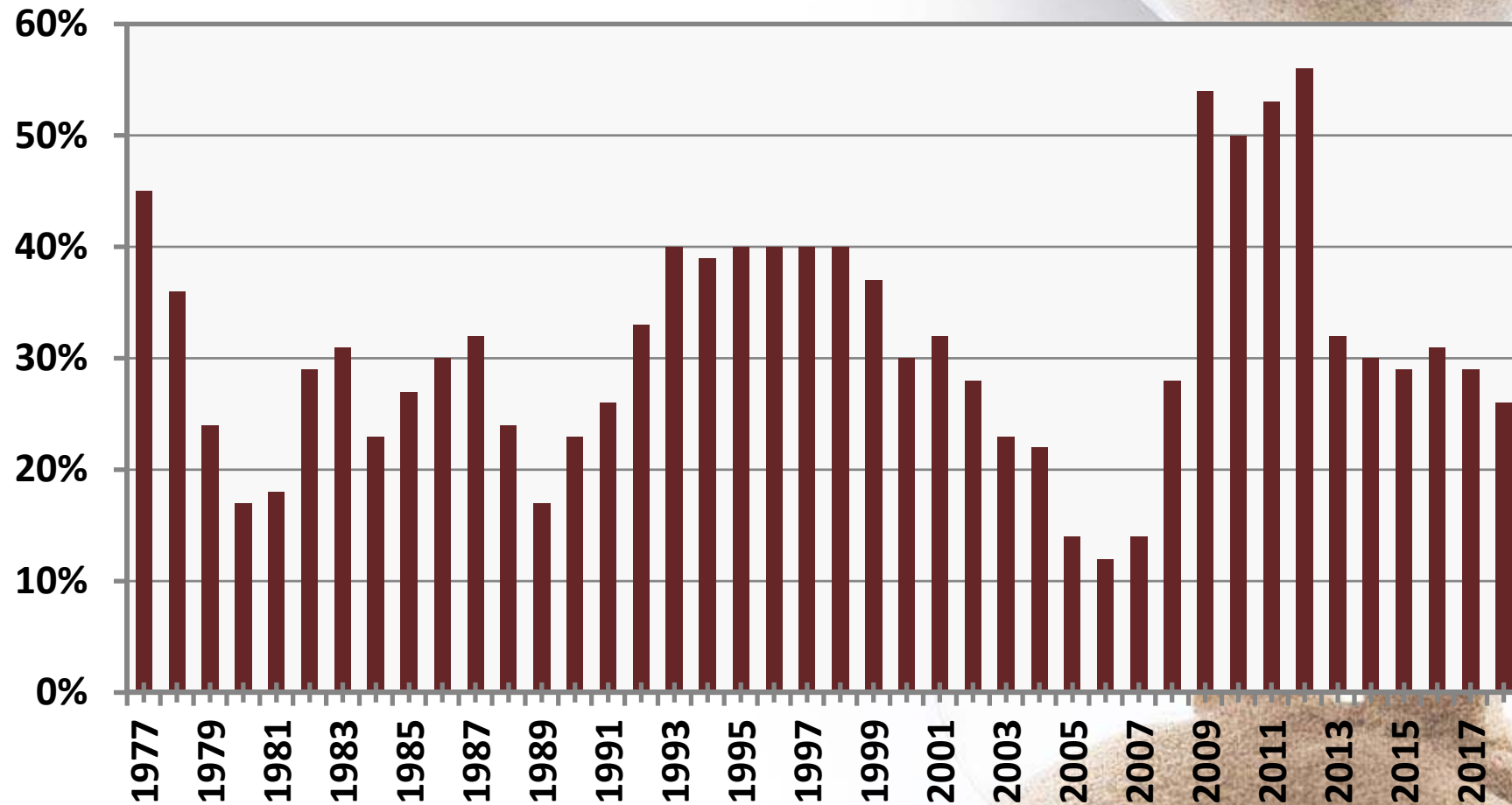
1. Make a decision early



- **Sequence of negative events**
- **Affordability getting too low
kicks off negative charts**



Affordability



Source: California Association of Realtors.

1. Make a decision early

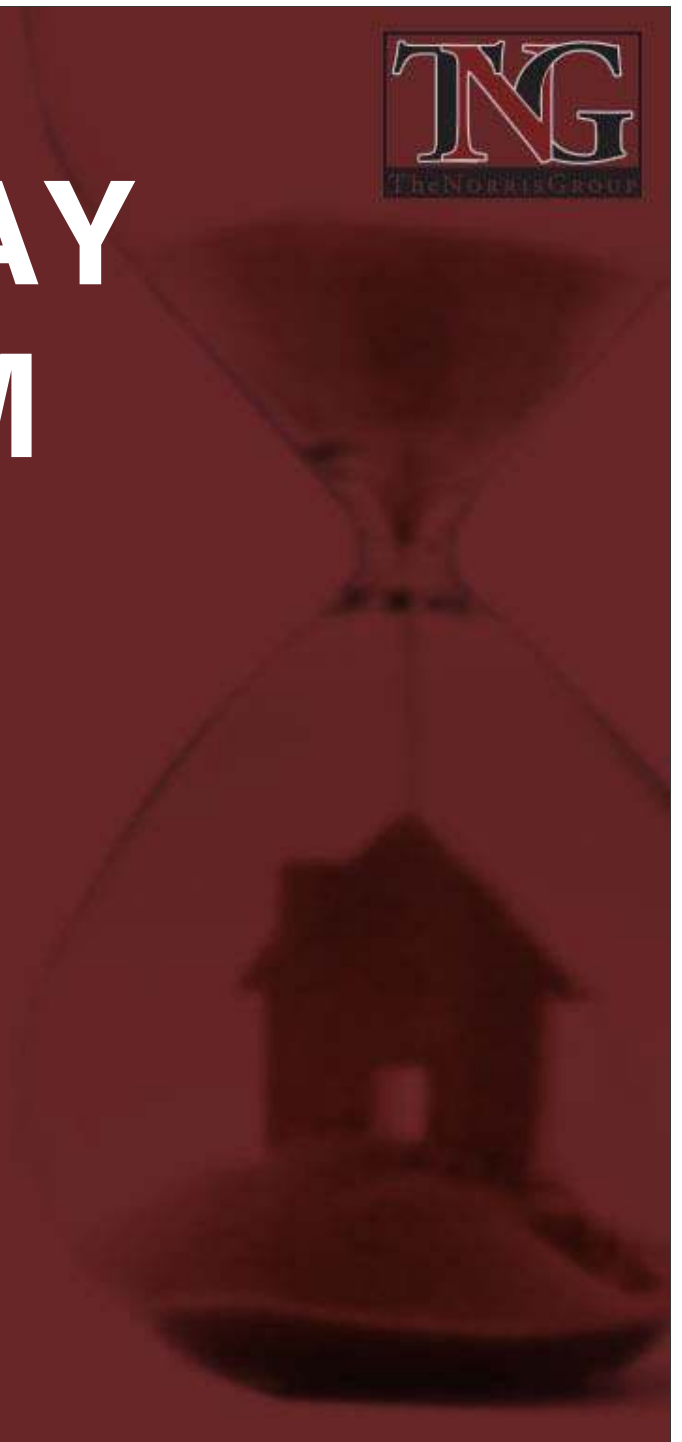


- **Probably in the top of the 8th inning**
- **Interest rate hikes locked and loaded creates tipping point**
- **Making decisions in the next year better than in 2 years**



2

EXIT OR STAY AWAY FROM FLAWED INVENTORY



2. Avoid flawed inventory



2. Avoid flawed inventory



- **Flawed inventory naturally eliminates a certain percentage of buyers**



2. Exit/avoid flawed inventory



- **In a hot market, people ignore those flaws**
 - » As the market changes, those flaws are not ignored
- **In a hot market, the deals you find are often flawed inventory and they sell anyway**
 - » In the bottom of the 9th inning, they don't sell!
- **Kiss of death? Houses with multiple flaws like mobile home on dirt road on lease land**



3

**1031 EXCHANGE
IN THE NEXT
12-MONTHS OUT
OF RENTAL
INVENTORY WITH
FLAWS**

3. 1031 Exchange



- **Old Houses**
- **Deferred or coming maintenance**
- **Remote locations**
- **Inventory spread all over the place**



4

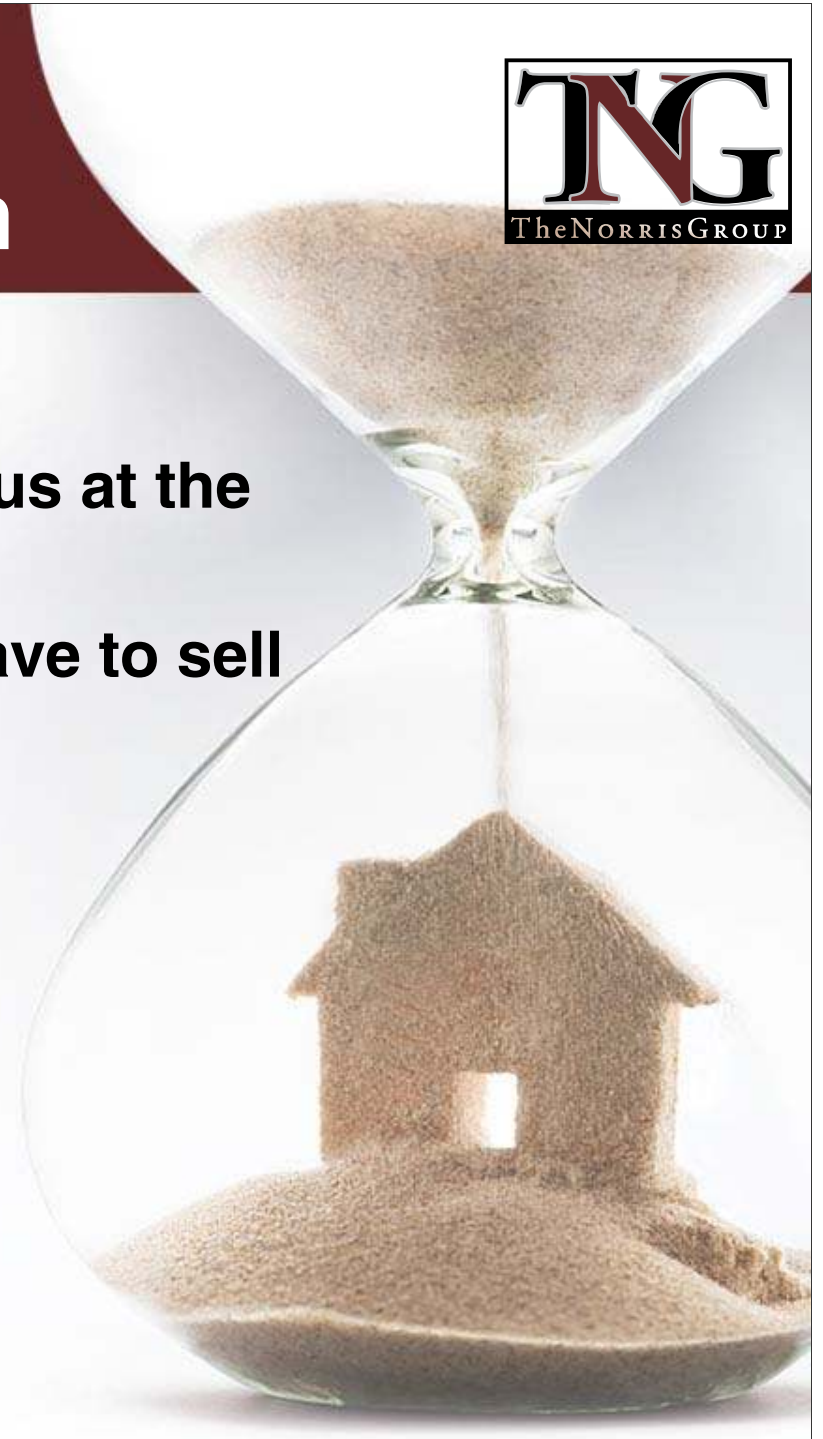
**EXIT FLIP
PROPERTIES
WITH ONLY ONE
SOLUTION**



4. Exit Flip Properties with Only One Solution



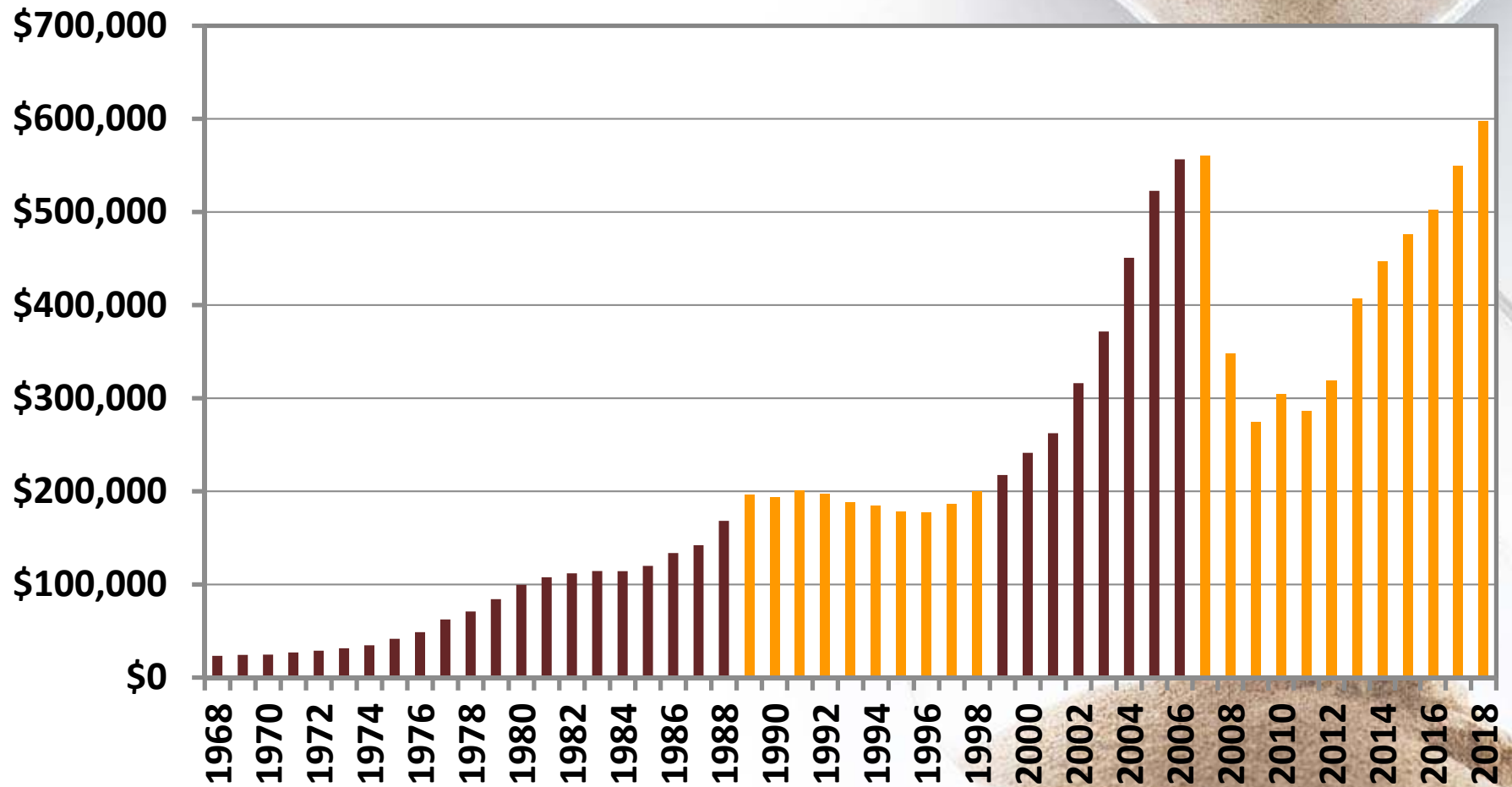
- **High dollar inventory dangerous at the end of the cycle**
- **Makes no sense to rent and have to sell in a tough market**



5

**CONSIDER THE
NEXT DECADE,
NOT JUST THE
NEXT COUPLE OF
YEARS**

California Median Price



Source: California Association of Realtors.

5. Consider the next decade just the next couple of years



- **California is very likely to experience one of these “break-even” cycles**
- **Would you like to own your California inventory at a close to break-even price for an 8-10 year period?**



6

**CONSIDER
OWNING LOW
MAINTENANCE,
DESIRABLE
PROPERTY WITH
NO FLAWS AS
RENTALS**

6. Consider owning low maintenance, desirable property with no flaws as rentals



- **New**
- **Single story**
- **Wins tie-breakers**
- **Gets occupied regardless**
- **Consider the equity positions you have and what that could translate to in an affordable state**



Florida



7

ASSEMBLE A TEAM YOU TRUST



7. Assemble a team you trust



- Financial advice
- 1031 Exchange advice
- Retirement planning advice
- Inventory to purchase
- Financing
- Property management



8

**BE WILLING TO
GO THROUGH A
TRANSITIONAL
YEAR**



8. Be willing to go through transitional year



- This transition takes planning
- It takes gradual execution
- Very doable but knowing you need a year is important



9

**CONSIDER
ANOTHER STATE
TO MIGRATE
YOUR MONEY TO
FOR THE NEXT
DECADE**

9. Consider another state



- **What \$200,000 buys in the fastest growing area in Florida**



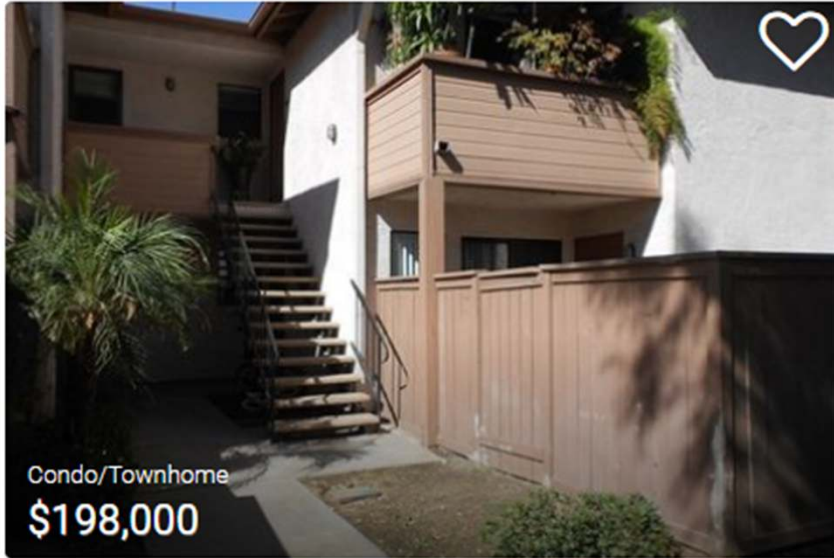
U-Haul Growth State Rankings for 2017



1. Texas
2. Florida
3. Arkansas
-
-
-
50. California



Brokered by Century 21 Peak



Condo/Townhome
\$198,000

2 bd 2 ba 886 sqft
1339 Massachusetts Ave Apt 104, Riverside, CA 92507

Brokered by Michael Green Realty & Inv.



Condo/Townhome
\$195,000

1 bd 1 ba 671 sqft
7606 Crenshaw Blvd, Los Angeles, CA 90043

Brokered by First Team Real Estate



Condo/Townhome
\$269,990

1 bed 1 bath 593 sqft
660 S Glassell St Apt 94, Orange, CA 92866

Brokered by Selective Realty Inc



Condo/Townhome
\$335,000 ↓

1 bed 1 bath 456 sqft
1962 Prince George Dr, San Jose, CA 95116

10

**UNDERSTAND
WHAT MAKES A
STATE
ATTRACTIVE FOR
THE NEXT
DECADE**

10. What makes it attractive



- **Affordable**
- **Attracts positive migration**
- **The main employment source is likely to grow not contract**



10. What makes it attractive



- **The main reason I like Florida: Seniors**
- **As people age, they need care-takers**
 - » At 65 you need 2 care-takers
 - » At 85 you need 7 care-takers
- **For every senior that gets older or moves to Florida, 350% more care takers will show up in the next 20 years.**
- **It's the safest business model I know; betting on someone getting a year older every year!**



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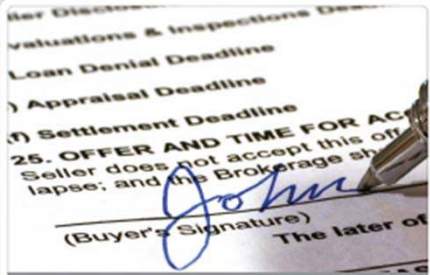
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