

MAXIMUM PROFITS WHILE NAVIGATING ECONOMIC CHANGE

"THE REAL ESTATE CYCLE AND ITS IMPACT ON WEALTH"



ARE YOU LIMITING YOUR INVESTMENT GROWTH POTENTIAL?

Compliments of

Real estate investors who build wealth using the traditional long term "buy and hold approach" often overlook one of the most profitable and passive strategies of real estate – timing. Strategically building a real estate portfolio based on timing focuses investment buying decisions in parts of the country with economic strengths that support rising real estate values, regardless of the investor's hometown. The real estate market cycle is based on the fundamental economics of supply and demand. As economic conditions in one city cause real estate values to rise, values in another city remain flat as vacancies climb. A few years later, economic conditions change in both markets, the cities swap place in the cycle and the opposite city now has skyrocketing real estate values. It is useful to seek out experts who track this cycle and monitor the economics of thousands of real estate markets weekly.

WHAT IS A PORTFOLIO COMPRESSION?

Building a real estate portfolio by timing investment property purchases in cities where economic conditions lead to rising real estate values could substantially increase an investor's net worth. Strategically timing the purchase and the sale of real estate investments is called *Portfolio Compression* and results in exceeding the growth of the traditional 15 year buy and hold approach. *Portfolio Compression* captures real estate growth in shorter segments of between 1 and 3 years resulting in increased diversification and a more linear equity growth curve. This allows investors to target a wealth building plan through the growth phases of 5 to 6 market cycles rather than limiting growth to any single economic location.

Portfolio Compression incorporates a multi-market investment approach focused on:

- Buying investment property in cities where economic conditions support rising real estate values;
- Selling investment property as economic conditions change and a city moves into the plateau aspect of the cycle;
- Incorporating the use of strategic releveraging plans, combined with a §1031 tax deferred exchange;
- Identifying next market growth phase opportunities for replacement investments.

Supply and demand imbalances create a trendable, trackable and predictable cycle. By monitoring economic fundamentals, it is possible for investors to fully implement Portfolio Compression and time predictable cycles.



ASSET PRESERVATION
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