

## Investor profile Report card

Real estate professor  
*Mark Leavens* reviewed  
the investment strategy  
of each investor, and  
provided this feedback



### Timing

Comments: The biggest benefactor of timing has been Mr. Hecht. Because his purchases date back as far as 1992 and many of those were acquired in the early 2000's when the market was lower, he has been able to receive substantial returns from selling them off in the mid-to-later 2000's.

Ms. Beauchamp, has focused on acquiring rentals, which are returning positive cash flow. This has been a good move since most markets have recently been in a decline, and therefore holding on to them, collecting a continuous stream of income from them, and continuing to pay down the mortgages in order to increase her equity, has been a sound, low-risk game plan.

### Property selection

Comments: Mr. Zettle followed one of the most basic rules of a "smart" first home purchase. Buy a duplex and live in one half, while renting out the other half. This is one of the smartest things any first-time home buyer can do. In making this move, Mr. Zettle was able to get his tenant to cover \$600 of the \$700 per month mortgage payments, allowing him to save and build up equity for another purchase.

I was impressed with Ms. Beauchamp and her partner's demonstrated willpower in not rushing in once they had decided to purchase investment properties together. Initially they were looking at smaller duplexes, but instead of getting one that didn't meet their criteria, they decided to alter their course and finally decided on an eight-unit apartment. This is an excellent example of showing restraint, realizing that the market demand may not be what they initially were looking for in a property type and not being afraid to alter their course mid-stream in order to obtain the best property selection at the time in the chosen location.

### General comments

Ms. Beauchamp looked at the positives (cash flow) of the 10-unit apartment but ALSO looked at the negatives in that it didn't pass the building inspection, which was a sound investment decision. Beauchamp also pursued her investment strategy with a sound legal agreement with defined responsibilities and a partner whose strengths (accountant) complimented her own (manager).

One strategy I was impressed with was Mr. Zettle's approach of establishing relationships over the phone to counteract the potential of not being taken seriously due to his young age. This was an excellent method of combating something he felt was playing against him in negotiations.

Mr. Hecht has been able to recover from his financial pitfalls by demonstrating a resourcefulness in utilizing the intangible skills he has acquired through his experiences. When he could no longer bring funding to a partnership, he was still able to enter into an investment proposition by managing the tenants, contracts, marketing and handling maintenance. This allowed him to re-establish a stake in the return on an investment.

