



Unlocking the Door to a World of Real Estate Wealth

Presented By: Walter Borgen

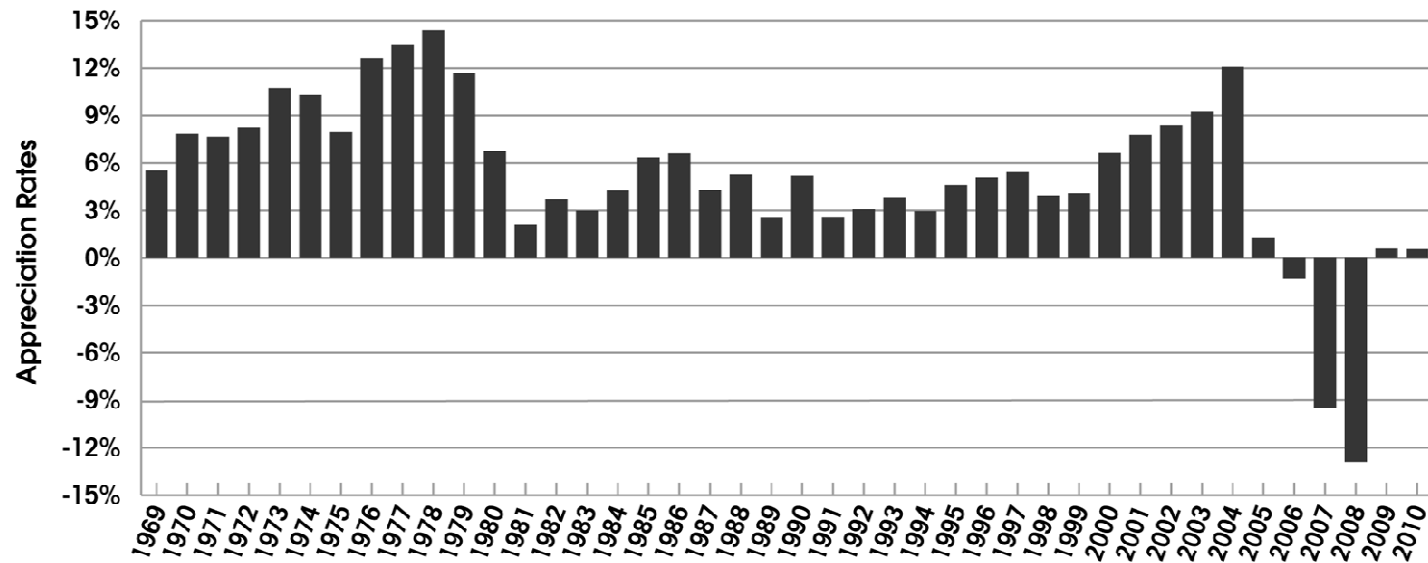
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Real Estate

Residential Real Estate Appreciation Rates Over Time



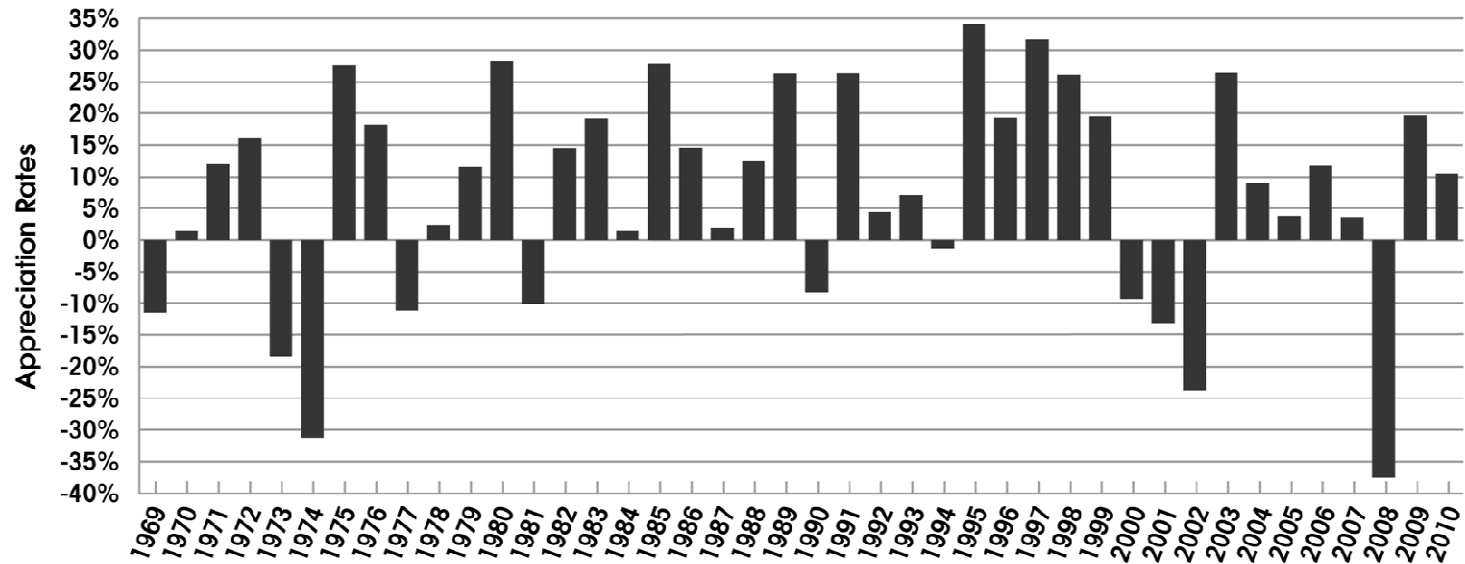
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Real estate has lost value 3 years in the past 41 years

Source: HUD Historical Data: www.census.gov/indicator/www.newsreconst.pdf

S&P 500

S&P Appreciation Rates Over Time



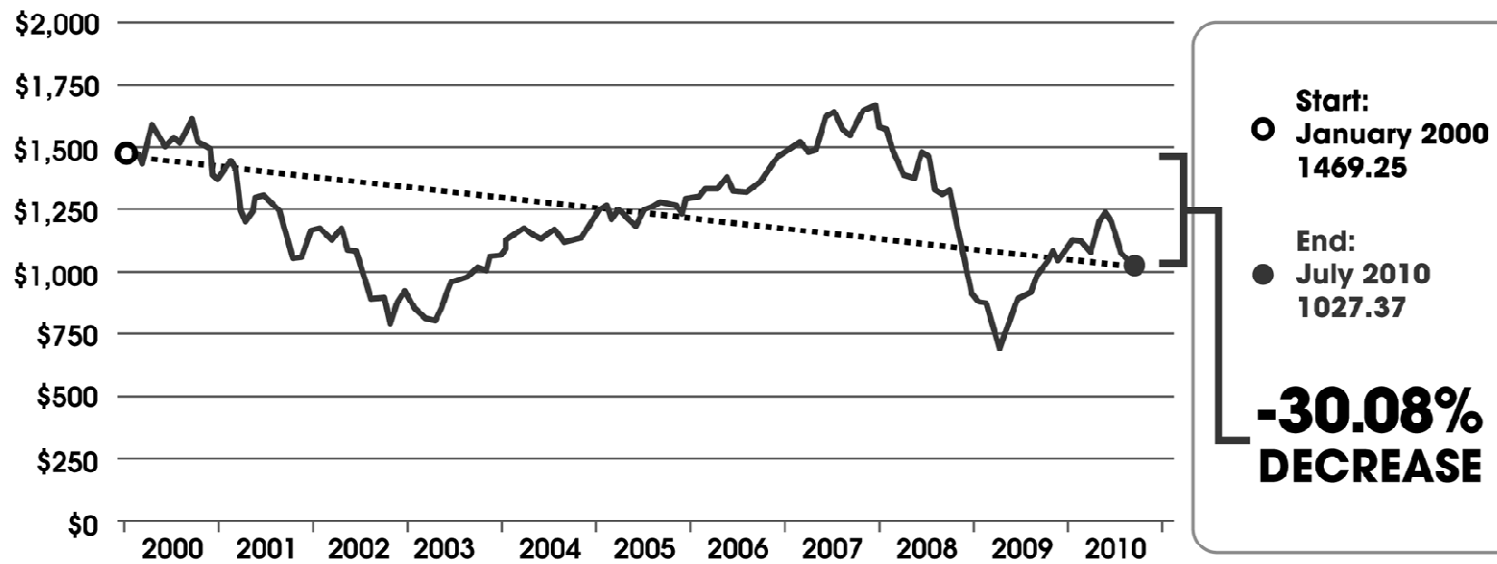
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S&P 500 has lost value **13** years in the past 41 years

Source: S&P 500 data: [http://moneycentral.msn.com/stock_quote?symbol=\\$inx](http://moneycentral.msn.com/stock_quote?symbol=$inx)

Stocks

S&P Index Over a 10 Year Span



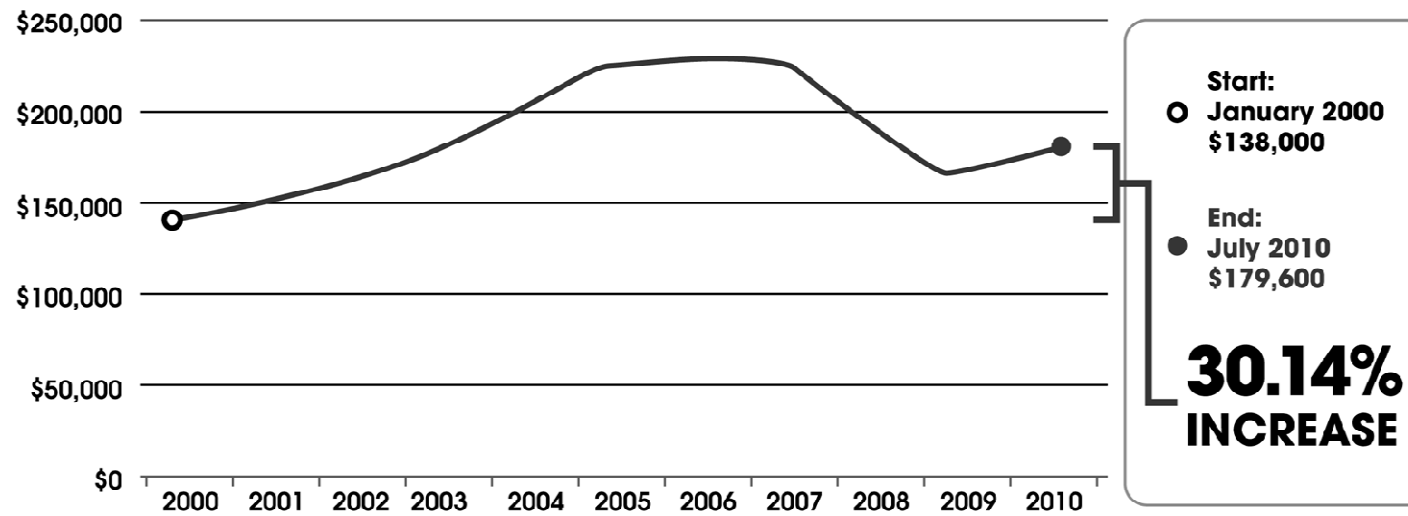
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Stocks in S&P 500 have averaged a 1.82% dividend yield since 2000

Source: S&P 500 data: [http://moneycentral.msn.com/stock_quote?symbol=\\$inx](http://moneycentral.msn.com/stock_quote?symbol=$inx)

Real Estate

Average Sales Price Over a 10 Year Span



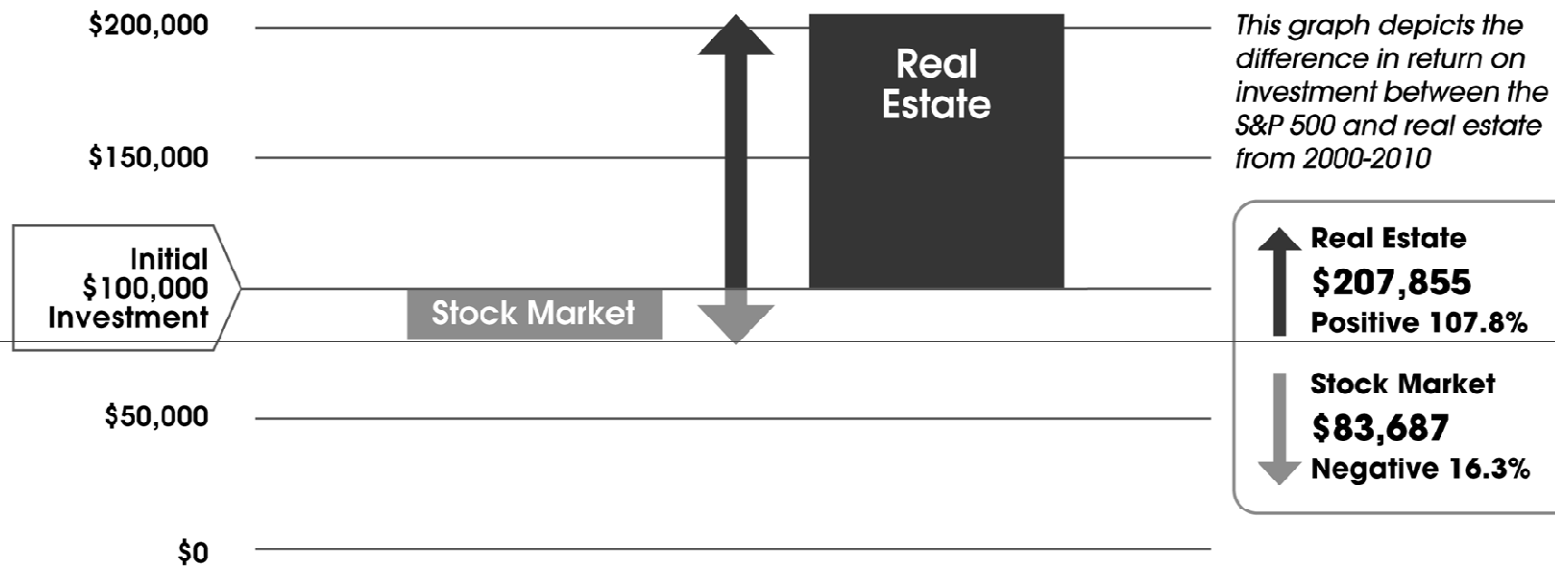
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Appreciation of 30.14% since 2000
despite negative economic factors

Source: HUD Historical Data: www.census.gov/indicator/www.newsreconst.pdf

Real Estate vs. Stocks

Return On Investment: Stock Market vs. Real Estate 2000-2010



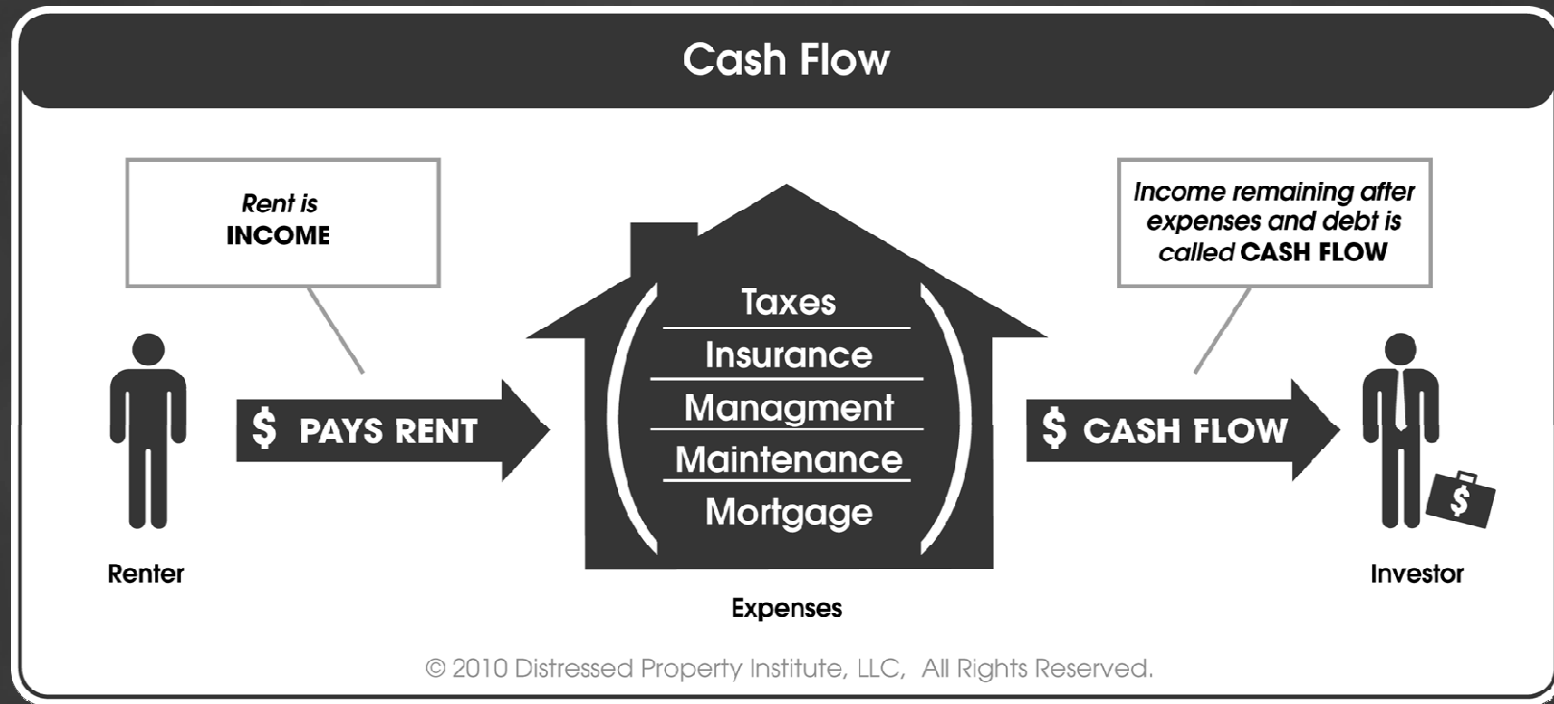
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With the benefit of cash flow, a \$100,000 investment in real estate would have doubled from 2000-2010.

Even with dividends, the S&P 500 would have lost 16.8%.

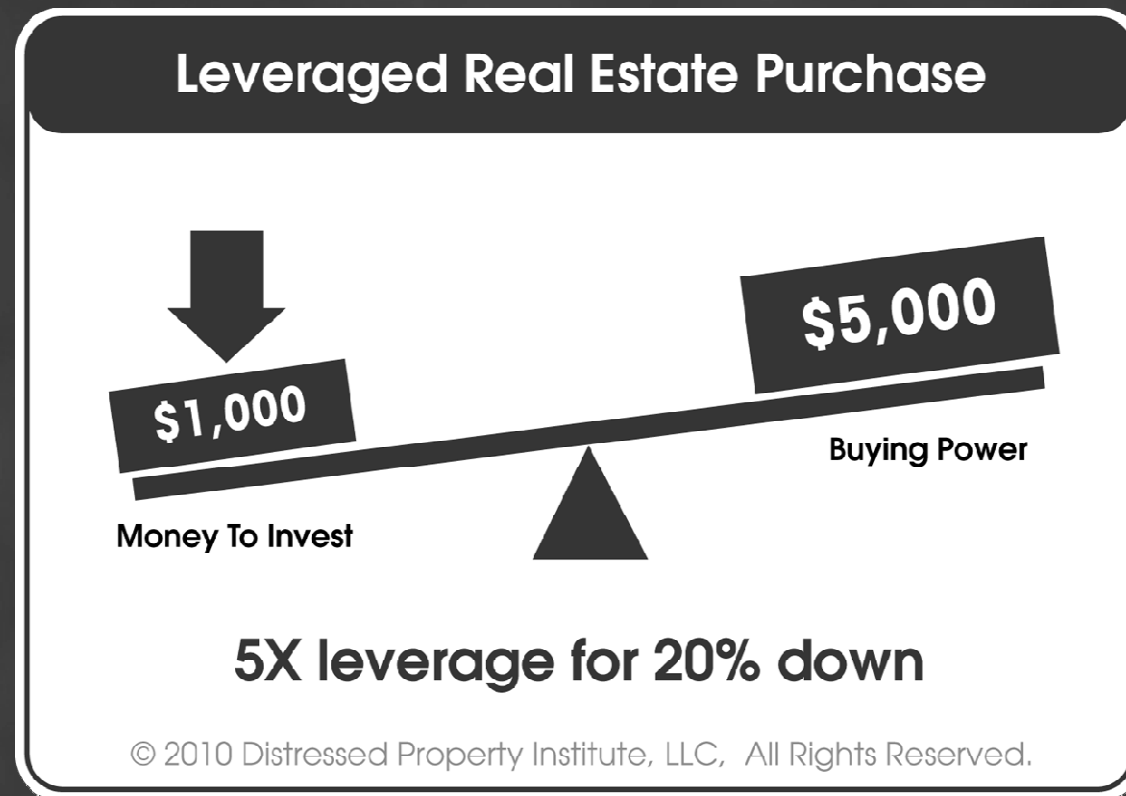
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[http://moneycentral.msn.com/stock_quote?symbol=\\$inx](http://moneycentral.msn.com/stock_quote?symbol=$inx)

Cash Flow Can Be A Steady & Significant Stream of Income



- Most stocks don't provide cash flow
- Cash flow increases over the years
- Cash flow is liquid and can be reinvested

Leveraged Real Estate Purchases Have Increased Buying Power



- Earn returns with other people's money
- Leverage is a key way to increase returns
- Leverage is largely unique to real estate

What the Average Investor Really Looks Like

Portrait of the Investor



- Median income \$87,600
- 39% of investors in 2010 made less than \$75,000
- 56% of investor households have dual income
- Half of investors are less than 45 years old

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Source: 2011 NAR Investment and Vacation Home Buyers Survey, 6.

What the Average Investment Property Really Looks Like

Portrait of the Investment Property



- 75% of investment properties are in small towns and rural or suburban areas
- Most investment properties are within 20 miles of the investor's primary residence
- 63% of investment properties are single-family detached
- 93% are not resort properties

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Source: 2011 NAR Investment and Vacation Home Buyers Survey, 6.