

Investment Property Analysis (IPA)

IPA Report Overview...

To start with... the (IPA) will analyze and summarize the performance of your current real estate holding-(s) from a return on invested capital (equity) standpoint. A one-(1) and five-(5) year projection is made clearly detailing **pre-tax cash flow, income tax burden, debt/loan impact on investment yield, and projected appreciation impact**. If your current holdings include multiple properties each property will be analyzed individually as well as cumulatively.

Next... two fundamental strategic approaches are evaluated; the first is cash-out refinancing with the reinvestment of "pulled" net proceeds; and the second is the selling of current properties and reinvesting of all the net sale proceeds. Then a combination of both these approaches is also evaluated. The investment returns from each strategy (and a combination of these options) are then compared to the current returns being generated to determine if there is an opportunity to improve the financial performance of invested capital (equity).

The details & process...

► **STEP 1:** The operating data (income and expenses) for each property, any debt (mortgage) information, and finally property acquisition and estimated current valuation data is provided by the owner/investor.

► **STEP 2:** This data is used by **The Carlson Company** to generate a Quick View Property Analysis summary of the investment return on invested capital (equity) for each property in an investors current portfolio. Additionally, the cumulative investment returns of all properties owned is conveniently illustrated in our proprietary Real Estate Wealth Building Analysis Summary. **Once again, the four-(4) primary engines impacting investment real estate returns (pre-tax cash flow, income tax burden, debt/loan impact on investment yield and projected appreciation impact are all factored**. Additionally, a tax basis computation is calculated for even greater accuracy.

► **STEP 3:** Reallocation options of invested capital (equity) are examined.

The first alternative analyzed focuses on a cash-out refinance scenario utilizing the available "pulled" net proceeds for reinvestment into a new property-(s). The cumulative returns of the current property-(s) with new loan-(s) PLUS the new property-(s) are compared to the current as-is situation.

The second alternative analyzes the option of selling existing property-(s) and reinvesting the total net sale proceeds. Once again, a comparison is made between the proposed new property-(s) and the current as-is situation.

A comparison is then made between the refinance and reinvest; and the sell and reinvest strategies. Also, as mentioned above a combination of incorporating both strategies is also analyzed.

The bottom line is that the optimum allocation of invested capital (equity) is found to maximize overall leveraged returns. All relevant tax basis, depreciation and debt/loan issues are carefully examined and considered. Lastly, and most importantly all strategic options analyzed and recommended are always 100% consistent with an investors goals and risk/return tolerance.