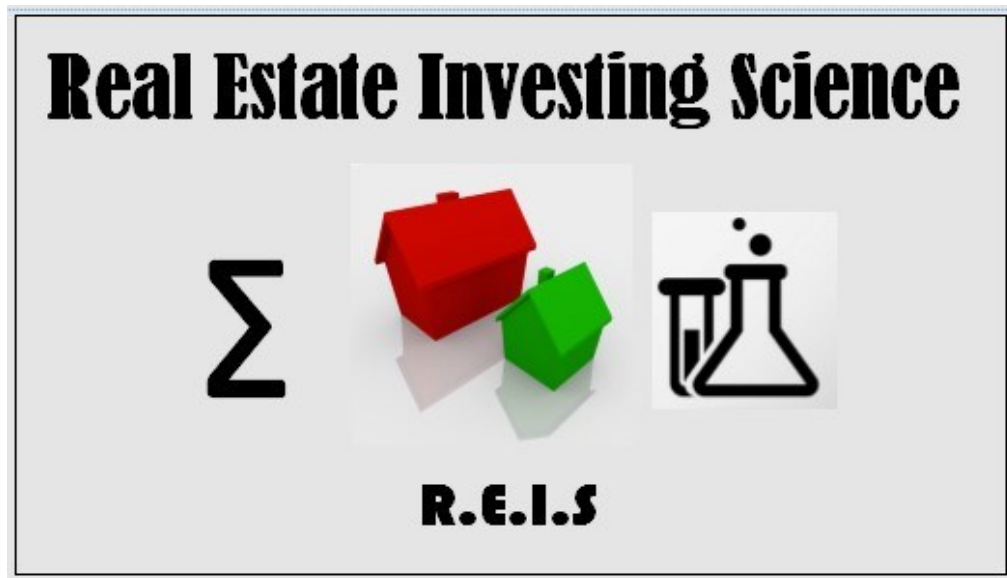


Real Estate Investor Newsgram

Investing Options Every Real Estate Investor Should Know



The World of Real Estate Investment All In One Place, Made Simple

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Newsletter Investor
Options 2019



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An Introduction to Higher Profit, Lower Risk Real Estate Investing

After 42 years dealing in all things real estate, from homes and apartments, to every commercial real estate type and transactions from \$100,000 to \$225 million, I realized that most real estate investors, new and experienced, have only a narrow knowledge of the investing options open to them. It's a bit like trying to build a treehouse. Off the top of your head you could come up with some of the tools and materials you'd need, but envisioning the end goal would be a bit fuzzy. But with a blue print, the world opens up and you have a path to follow. And you could modify the project to suit your specific needs.

A few years ago I undertook writing 3 books about what I'd learned. I created my first home study course & taught live classes to real estate professionals for continuing education. In doing so, *I came to see that the whole of real estate investing in a new light.* Reviewing decades of transactions across the spectrum (a restless curiosity) including what some of my most successful clients did (a few are highlighted in this letter), unravelling their approaches, plus those of other clients, my own investing experiments, dissecting the highlights of all the "guru" courses and seminars I paid for, I came up with a summary and a blue print of options any investor could use and should know about.

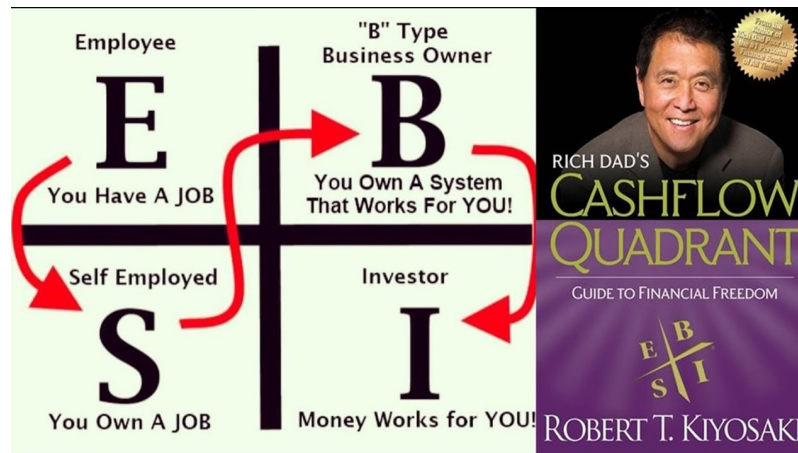
This introduction outlines what I came to understand and the possible uses by you of these ideas. After reviewing this letter, there's a FREE REPORT offered that expands on this overview. The free report let's any investor, large or small, full time or part time, quickly discover more options few investors know about. Whether you have \$10,000 or \$10 million to invest, this letter is STEP 1 and the FREE REPORT: *Real Estate Gold Rush Blueprint*, offered at the end of this letter is STEP 2. The free report will let you discover a whole new world of profitable opportunities. Here's to your success.

Sincerely,



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Why Bother Learning About This?



As a follow up to his best selling book, Rich Dad Poor Dad, real estate investor Robert Kiyosaki published his second book, Cash Flow Quadrant. It expanded on his core idea from the first book: people earn their primary living from one of four different positions. Let's look at a pizza restaurant as an example.

An **employee** works for others. Say, a waiter at a pizza restaurant. A **self employed** person owns their job. He owns the pizza restaurant and likely works longer hours than any of his employees. A **business owner** has expanded the self owned job by using *systems* (1). He may now work part time in one pizza restaurant or he may own several pizza restaurants and is no longer consumed by the day to day activities he dealt with as the sole proprietor of one when he was self employed. The **Investor** puts money to work to make more money and is independent of day to day work. He owns several restaurants and others handle the operations. He may now be expanding with other restaurants or investing excess funds in other, unrelated things.

With a real estate investing blue print, it's possible for the employee or self employed person to start part time and just make some money on the side. However, this same employee or self employed person may also choose to move to quadrant B & even quadrant I (Business owner or Investor). All the opportunities exist, if you know the options.

So, let's take a look at those options and the key features of the blueprint.

(1) The guidebook to business systems is The E-Myth by Michael Gerber

Super Investors: Every Investor at Any Level Can Learn from Them. Few people could do what they did, but you can unravel their ideas & apply to everything from a 4 plex to an office tower.



I first met George Ablah in person aboard his \$12 million Gulf Stream jet. On board was a \$4 million sculpture collection. George was at first a client, then a friend and mentor for the next 25 years. What George told me was this “What I do on a large scale, anyone could do on a small scale”. George dealt in all property types but his main focus was the lowly warehouse. George was a

Situation A

Investor

I'll be making a point about “situations” shortly.



Jerry was a
Situation A
Investor



Jerry J. Moore invested in modest sized shopping centers. He never paid over \$500,000 for any one that I'm aware of. Besides his outsized home with the 22 car garage, pictured here, his investments funded one of the biggest private, collector car assemblies in the world. He had a museum for them and would often greet visitors while in his overalls, pretending to be the mechanic just taking care of them. He sold his 100 property portfolio for \$ 125 million. The lesson from Jerry— MINIMIZING RISK



Darby Suiter first came into my office on a Saturday & typed up his own offer on a form contract. About 10 days later he closed on this 76 unit mess of an apartment I'd almost given up on selling for the desperate owner. It was a cash deal, apparently paid from his checking account. I would go on to help Darby expand from about 120 units to 740. In the latter years of our 25 year friendship, I learned he'd acquired over 150 homes on the side. He cashed out everything in his final years: \$50 million. The lesson from Darby—Niche Markets. Darby was a **SITUATION A Investor.**

Darby Suiter



Howard Ruby founded the firm R&B Realty Group. I was his acquisitions guy for several states. We bought large institutional grade properties but with a twist. I learned about adding value in short order to any size property. Howard is now a philanthropist and lives off passive real estate income that would make most of the higher profile real estate moguls in the world wonder where they went wrong.

Howard was a SITUATION B Investor



Ron is a
Situation A & B Investor.

I first picked up a book by Ron Legrand that would revolutionize my thinking about what one could do with real estate that few understand. Ron has done over 2,500 house deals since 1982. My first deal, using one of Ron's 4 approaches cost me only \$50 for an \$8,500 profit. Not big money but it was the door opener that lead me to look back on all I'd learned about commercial real estate & see endless possibilities. Ron's first 350 house investments during his first 5 years almost wiped him out. They were all classic Situation C investments, like most investors start with. Ron is now both a **Situation A & B** investor just like George, Jerry, Darby, & Howard. I have a framed email I got from Ron on an apartment deal we were looking at that reminds me of his "the less I do, the more I make" philosophy that deals with "systems".

So, what's the SUMMARY from All This ?



95% of all real estate investing can be summarized in:

**Two Simple Formulas (calculations really)
Four Situations (A,B,C,D)
Five Approaches**

Most investors focus on the least profitable Situation C & D investments.

George, Jerry, Darby, Howard & Ron focused on Situation A or B (or both) investments. **Situation A & B Investing creates wealth, C & D investing keeps wealth stable. These investors kept going with A & B situations.**

Now, there is no right or wrong with any of the situations. People are at different stages in their lives and have different needs. But wouldn't it be worth knowing what situations exist so you can make your own decision ?

Here's a final blueprint of what all this means to you.



A PLAN of ACTION

For Additional Income or Ownership of An Income Property or A Portfolio of Them. (real life Monopoly)

STEP 1 SEED CAPITAL

Profits with homes & small commercial properties using **zero down or micro small** investments. A needed step if you don't have much money to invest or use to accelerate growth if you do. A business in itself for some investors, an optional step for others.

STEP 2 Create Wealth

Seed Capital may then be invested in High Profit A&B Situations

STEP 3 Stabilize Wealth

Create or Acquire Modest Cash Flow Passive Income Properties: C&D Situations.

Situation A : 100% or more return **OF** original investment then 8% or greater ongoing cash flow.

Situation B: Appx 60-75% return **OF** original investment plus ongoing cash flow of 30% and up on remaining investment.

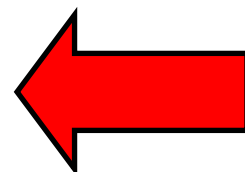
Situation C: Cash flow of appx 7% to 12% year one on original investment plus possible appreciation of cash flow and value.

Situation D: 6% to 9% annual return with some staged increases over time.

A SPECIAL FREE OFFER

This special report is free. There is no obligation. It will fill in the blanks in this letter with real world ideas and examples.

GET THE FREE REPORT
“Real Estate Gold Rush Blueprint”



Go www.ReiScience.com
Then to the “Home Study” tab at top of page
Then click the “Gold Rush” Button



F. Scott Tonges

**Additional background info
& client letters can be seen at
www.SouthwestTrust.com
Then to the “About” tab.**

About the Publisher - F. Scott Tonges—President, Southwest Property Trust, Inc

Named among the top 25 commercial real estate brokers in the U.S. by the nations largest commercial service firm (CBRE), Scott’s background includes brokerage nationwide of all income property types, building a 100 employee property management company overseeing 1,860 apartment units and 500,000 SF of commercial space in 5 cities, development, and exclusively representing clients like Merrill Lynch, Deutsche Bank, Canadian Imperial Bank & scores of private investors. Today, Scott is a private investor, author of 3 books on real estate investment, teaches a state approved continuing education course to brokers in Colorado on income property investing and is a consultant to income property investors and commercial agents nationwide. The focus is on small income properties: \$500K to \$5 million. His Books are at Amazon.com. **Services include**

Investment Consulting & Representation
Done-With-You Investing Advisory
Dispositions & Acquisition Assistance
Custom Investing Systems Development