



SOUTHWEST PROPERTY TRUST

Real Estate Since 1976

REAL ESTATE SERVICES SUMMARY

UNORTHODOX REAL ESTATE INVESTING

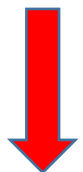


By F. Scott Tonges

Apartments/Office/Retail/Warehouse & Hybrids/Lodging

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A MESSAGE FROM F. SCOTT TONGES

Soon after my book, Property Empire, was published in the spring of 2021, I sent a copy of it to my favorite mentor, Ron Legrand (see page 19). Ron called me soon after receiving it and invited me to be his guest and to say a few words at his upcoming, 3 day, Commercial Property Boot Camp in Jacksonville, Florida. He was interested in my application to commercial properties of his concept of profiting from properties you do not own. It's a key feature of his residential investment training. After 3,000 house deals since 1982, he has a pretty good grasp of unorthodox, high profit investing. At one time, he had 23 commercial land development projects underway in 9 states and how he pulled that off in addition to his ongoing, personal house investing plus running his educational empire is revealed in his latest book, The Less I Do, The More I Make. It's about systems and applies to any business. I highly recommend it to any kind of business owner or entrepreneur - see Amazon.com

When he called, he asked me if I could explain what I did, in just a few words. I'd not created an elevator pitch as yet and we were talking mainly about my upcoming real estate investing training course. I realized it was important to be more concise about how I applied what's in the book to the 3 areas I offer to assist investors, besides my own investing. So, in this letter, I'll do that. You can decide of any of the areas are for you. They are:

I. ASCENSION CONSULTING

Howard Hughes' aircraft, the H-4 Hercules, aka the Spruce Goose, a name Hughes hated, shown on the cover page flew just once. It flew a few hundred feet and never gained more than 100 feet altitude. This is what happens to a lot of investors. I call it "inflation" investing. That is, buying the fully up and running, pride of ownership property and expecting inflation to generate profits in the end. There's nothing wrong with this approach, but it's not what master investors would buy.

With this in mind, I help investors to rapidly expand their real estate holdings to increase equities and cash flow much faster than mere inflation investing would allow. It's done by focusing on specific property situations, A& B, as you'll learn about in the book. A,B,C & D situations are explained. Contrary to what most assume, this can be done safely. In addition, the Buy-Hold-Sell strategy is an alternate application of these ideas. In short:

Situation A – Turnarounds are about acquiring underperforming properties which are most likely vacant or partially vacant properties. They are purchased so that the "all in cost" to buy, lease up, and reposition to full operation is 75% of the end or target, market



value. This allows you to refinance 75% of the created value, pulling out 100% of invested capital and keeping the property and its cash flow.

Situation B - Value Added investments are those in which rents are below market rate or expenses out of line, or both, but operations can be improved and stabilized so that the net operating income is raised such that the value of the property is quickly increased by at least 20%: a \$1 million purchase becomes \$1.2 million valued property. This can then be refinanced and most of the invested capital returned & a high return (double digit) generated on the remaining equity.

Commercial Buy-Hold-Sell – Some of my most successful mentors and clients do the unexpected. They buy distressed or underperforming properties, sit on them, don't fix them up, and then resell them for a profit. It's like house wholesaling but with commercial properties. I've been involved doing it with a 760 unit apartment portfolio, as is explained in the Ascension Options Report, and a closed fast food restaurant bought for \$465,000 and sold for \$750,000, and my friend George Ablah's turning portfolio of 800 properties he bought for \$120,000,000 into a profit of over 50% in short order (it was all the Chrysler dealerships in America).

Special Investments These are special situations, usually for larger scale investments, \$5 million and above, that I can secure and oversee for clients. You can get a sense of some of the components of these situations in Chapter 10 of my Property Empire book, the chapter titled More Secrets of Master Investors. These investments often combine some of the concepts noted in this report with other features.

To learn more, if the **Ascension Options** report is not enclosed here, you can get it at the company web site, **www.SouthwestTrust.com**, then to the "Services" tab, then "Service 3". I work only with a **maximum of 3 clients** at any one time. For more information about how we might work together, just call (970-731-4421) or email me at **PropertyTrust@frontier.net** and ask for the "Consulting Packet" and include your US postal mailing address.

2. TRAINING COURSE & COMMUNITY

At my training web site, **www.REIScience.com**, you can learn about my upcoming (August 15, 2021), home study course that shows investors "How To Parlay \$10,000 Into A Property Generating \$75,000 to \$150,000 Per Year in Passive Income" and much more. The basics are outlined in my report of the same title, also at the training web site. In short, this takes anyone willing to learn, how to become a Navy SEAL level investor with the ability to make



money with multiple property types and situations, and even generate the seed capital to invest, starting with as little as \$10,000.

3. PROFITABLE BUILDING OWNERSHIP FOR YOUR BUSINESS

Here I help business owners, particularly professionals, acquire a building that, at minimum, has an excess space tenants' rent cover most or all of the owners mortgage cost. I can also arrange for loans that require only 10% down to buy and outfit the property. The key is that the deal make economic sense as a true, solid investment, and NOT get into an overpriced property from which you are unlikely to make a profit in the end, much less while you own it; a very common mistake.

In SUMMARY & The Next Step

FREE STUFF --- First, order the free book. Next, get the free monthly newsletter. Then, get the Ascension Options Report at the "services" tab. All are offered at the company web site (www.SouthwestTrust.com) – the book and newsletter on page one & the Report at the "Services" tab. Finally, if appropriate, request the "Consulting Packet"

I provide various levels of consulting and asset management for both passive and active investors. If you'd like to consider my help, let's have a talk. Getting the "Consulting Packet" would be a good start. I look forward to hearing from you.

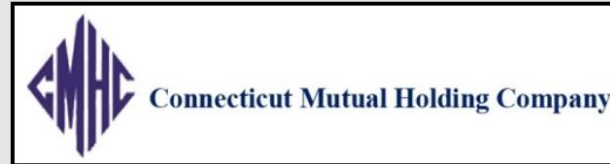
Here's to Your Success.



F. Scott Tonges / propertytrust@frontier.net / 970-731-4421



Some Past, Paying Consulting & Asset Management Clients of Scott Tonges



Client letter excerpts regarding Scott Tonges. Full letters & more at www.SouthwestTrust.com then to “About” tab.

Re: Medical Center Del Oro / 60,000 Multi-Tenant Investment Building. Letter from Owner-Bert Zweig, Esq / Chairman – Corp Finance Division of the law firm Finley, Kumble, Wagner. Beverly Hills, CA. *“I can say he is an expert in real estate finance, development, and sales. Mr. Tonges has performed such services for me and for others with whom I am associated, all to our great satisfaction. I respect his experience and rely heavily on his judgment in such matters.”*

Re: Analysis of a Planned, Full Service Hotel Acquisition by Brokers Client. Brokers note to me after a meeting with his client on a paid basis. Broker: J. Jackson. Colorado *“Scott, thanks so much! Your knowledge in this area of real estate is quite obvious”*

Re: Management and Sale of Apartment Complexes. Owner: Eastern Savings Bank – Scarsdale, NY. Coleman Donaldson, Assistant Vice President. *“...they (Tonges – McKelvy firm) possess broad knowledge of the financing and marketing of commercial real estate projects which is essential in today’s competitive & complex market. I hold both individuals in the highest esteem”*

Re: Development & Brokerage. Service: Employed Attorney; Joe Bax, Esq – Hoover, Bax, & Shearer. *“...has always conducted himself in professional manner. He is a most capable individual with a rather broad range of abilities.”*

Re: Acquisition Brokerage, Management & Resale of 713 Unit Apartment Portfolio – Client: Sparhawk Development-North Reading, Massachusetts *“Scott and his firm have done great job managing the apartments and also reselling 566 units for a profit”*

Re: Single Mom seeking to own her first 4 plex. Unsolicited email. Laura N. *“I never forgot you & am so thankful and blessed that I received your time and coaching years ago...As of December 2016, I purchased my first 4 plex...I did it !”*

Re: 168 Room Hotel Sale – Owner: Group of 15 attorneys – Tom Farr, Managing Member/ Miami, FL / Cash sale. *“...the letter of intent was signed Nov 15, and the transaction closed December 27. Our group was pleased with Scott’s professional attitude and methods of keeping everyone informed, especially given the fast pace once this final transaction got underway.”*



Named among the top 25 commercial real estate brokers in the US, Scott’s 42 year career has spanned every facet of investment real estate. Spending an average of 6 years focused on each commercial property type, he founded a commercial property management firm operating in 5 cities, has developed both commercial and residential properties, founded a residential brokerage firm, and has been involved in transactions from modest to \$220 million dollars. Today he’s a private investor, consultant, trainer, and author.