




Introduction



Book Content & Reading Suggestions

This book is divided into three sections.

- + The investor success stories, which are the core of this book, are contained in Chapters 1 through 4.
- + Chapter 5 outlines some of the basic concepts that influence the real estate market by product type, and offers some of our thoughts about the future of investment real estate.
- + The final section—Annotations—is comprised of 65 detailed descriptions of strategies, pitfalls to avoid, professional tips, useful tools and resources, ideas, and concepts that expand and build on the investor commentaries.



This book can be read in several different sequences depending on your previous experience and your particular interest. However you use it, you will come away with a deeper understanding—both theoretical and practical—of how fortunes are made, and in some cases lost, in real estate investment:

1. Read the four success stories without referring to the annotations.
2. Read the success stories and refer to the referenced annotations in the order you encounter them.
3. Read all the annotations first, then the success stories.

Chapter 5, “A Growing Population,” explains how demographics will drive real estate investment in the next 15 or so years; outlines the fundamentals that drive the investment real estate market; provides additional background about how the investment market is segmented; and how macro-economic trends influence the cyclical nature of the business.



This is not a textbook, but the reader should be able to correctly answer the following multiple-choice question after reading it:



Which of the following has the greatest impact on changes in the valuation of investment real estate?

- A** The anticipated increase or decrease in the cash flow.
- B** The balance between the number of qualified buyers vs. the number of properties on the market.
- C** Changes in yields of competing investments such as stocks and bonds.
- D** The reduction or increase in the risk of collecting the future income stream.

{ HINT: The answer is contained in Annotations: 65 – The Relative Changes in the Prices of Investment Real Estate are Most Influenced By. (You can refer to this section but the reader should know the answer after reading the investor narratives.) }

