

THE INCOME PROPERTY NEWSLETTER

Serving Income Property Owners in Broward County

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IT'S ALL ABOUT THE "NUMBERS" *or is it?*



BY WAYNE BLACKBURN

Why does a person buy a residential income property? After all, you have to deal with lawn maintenance, roof leaks, plumbing issues, appliance problems, vacancies, collecting rent, evictions, repairs & other

management headaches.

Most everyone agrees that real estate is an excellent long-term investment and a good way to build wealth over time. Uncharacteristically, in the last few years it was an excellent way to make a lot of money quickly!

It's All About the Numbers . . .

Traditionally, when considering a real estate investment, there are several ways to evaluate the financials. Looking at the "cap rate" is an effective tool, especially with larger properties and commercial property. The rate of capitalization generally looks at a property as if it were purchased with cash, showing what the rate of return would be. Briefly, this consists of taking the projected income, making adjustments for standard rates of vacancy and repairs, then subtracting actual expenses (but not mortgage expenses), and resulting in a net income figure. For example, if the net income was \$20,000 and the property costs \$400,000, the cap rate is 5%, (20,000 divided by 400,000).

Often, investors use short cuts, or "rules of thumb", with smaller properties. Prior to the real estate boom of 2000 - 2005, a popular rule of thumb

was the "gross rent multiplier." For example, an investor might say that if he could buy a property for 7 ½ times gross annual rents, or less, then the property was a good investment. Using this tool, a fourplex with units that rent at \$900 per month each yields a gross annual rent of \$43,200. Using a gross rent multiplier of 7 ½, the investor would be willing to pay up to \$324,000.

This method worked pretty well for many investors when the market was stable and changing slowly, and when taxes, insurance and other property expenses were at lower levels and stable.

. . . . Or Is It?

During the rapid appreciation of the last several years, it didn't actually matter what was paid for a property. All the traditional tools of evaluating income property were of little value. The management headaches and monthly expenses did not matter because investors did not need to buy property for long-term investment. They bought it to sell. And with a very good reason. The value of the property was not in the numbers! The value was in the demand! Any property purchased went up in value in only a few months to a year. Investors could sell in a short time for a handsome profit. And many did.

But, just as there are benefits owning income property, there can be negatives if it is being held for longer periods. Firstly, as many have found out the hard way, real estate can be a very good way to give yourself a lot of grief. Sometimes tenant problems can make you crazy with anger or frustration. As one of my sellers once said, "I have a triplex, and I feel like I have three additional sets of dependants. (continued on page 2)



It's about the numbers...**...or is it?** (cont. from page 1)

Every time they have a problem, it ends up being a problem for me!"

The second negative, and this is one your real estate agent probably never told you about, owning income property can a good way to lose money, . . . a lot of money! There are many expense factors over which you can have little or no control. Factors like insurance, taxes, adjustable mortgages that adjust up, hurricanes, vacancies, evictions, etc. And getting out of a piece of real estate is not quick and simple like selling shares of a stock that you want to dispose of, or selling that vehicle that turned out to be a lemon.

Current Market Perspective

Currently, inventory levels of income property for sale are at an all time high. We are seeing many income properties languish on the market, with little or no sales activity.

Many income property owners would like to sell their property and bank their gains. Others have found that they don't have time to deal with the management chores, and they would prefer to sell those problems to someone else. Monthly expenses are up, and in many cases, way up! Management responsibilities never go away. Rapid appreciation has disappeared, and prices in most areas have been declining all year.

Since rapid appreciation appears to be gone, consider what your property would be worth based on income and expenses. What price would it sell for in order to give a new owner an 8 - 10% return? The analysts are telling us that values are moving in that direction. For anyone that is thinking that they might want to cash out of their income property anytime in the next year or so, sooner is probably better than later.

Many real estate analysts are saying that they expect prices to continue to pull back for at least another year before they stabilize. Most are not venturing any estimates on how long prices will have to be stabilized before they actually start up again. We are being told that values today are higher than what they are likely to be six months from now, and 12 months from now they are likely to be lower still.

* * * * *

"The Income Property Team" has been very successful in helping their clients achieve their goals of banking their gains and selling their problems to someone with fresh enthusiasm. They have an extensive network of out of area buyers as well as local buyers. Many of these buyers are not using the traditional methods of analyzing property. They have different goals. They are willing to pay a higher price than the income and expenses would dictate, and they are willing to pay more for a property than you would pay.

If you think it would be to your benefit to bank your gains and sell your management chores to someone else, call Wayne Blackburn or Michael Starkey at (754) 422-6147.



OUR CLIENTS ARE LOOKING FOR DUPLEXES, TRIPLEXES, FOURPLEXES & MULTI-UNIT APARTMENT BUILDINGS!

"The Income Property Team"



WAYNE BLACKBURN, MICHAEL STARKEY, BRIAN ALBURY, DAVID MATLUCK

954-630-8339

INVESTORS REALTY COMPANY

www.ircproperty.com

AGENT PROFILE:



SPOTLIGHT ON

JEFF ZAGORSKI

Jeff Zagorski joined Greater Broward Realty, as an expert in locating undervalued properties. Jeff brings a wealth of experience to the marketplace in which he has practiced as a Buyer's Agent and as an Investor. He utilizes his personal investment techniques to help clients achieve their purchase goals.

After relocating to Broward County in 1984, Jeff became a Realtor in 1991 and immediately realized that his strength was in representing Buyers. When he entered the real estate business, the term "Buyer's Agent" was a relative unknown to both the brokerage industry and the public. Jeff embraces each opportunity to find his clients the best valued properties for their needs and negotiating for a reduced price and desired terms in the transaction.

Many factors have led to the phrase "*Caveat Emptor*" meaning *Let the buyer beware*. All too often, the negotiable edge can be lost when Buyers expose their natural emotions in finding the right property. Jeff advises his clients to work on their best poker face when viewing properties. This alone can save many thousands of dollars on negotiating their offer. Another important aspect of the purchase is obtaining a quality inspection. It pays to hire individual experts who have years of knowledge in their chosen field. Anyone can take a week-long class and become an inspector; this is not the best way to go when your biggest investment is on the line.

Jeff has been featured on the CBS "*This Morning*" show with Paula Zahn regarding the merits of Buyer's Representation in Real Estate transactions. Jeff has personally purchased, rehabilitated, and sold over 50 investment properties showing one-year profits from 25% to well over 100%.

His objective from day one has always been to identify great real estate opportunities and to provide his clients with sensible guidance on their purchase decisions.

Jeff is originally from Chicago, Illinois and is a Graduate of Florida Institute of Technology.

* * * *

If you have a real estate question, or would like to talk to Jeff about buying or selling a property, he would enjoy talking with you! He can be reached at 954-240-6167.

WHEN THE HYPE IS OVER, INVEST BASED ON MARKET & FINANCIAL FUNDAMENTALS AND WIN BIG!



David Fleisher

Let that title line sink in for a moment. *When the hype is over, invest based on market and financial fundamentals and win big!*

That is why Investors Realty Company agent, David A. Fleisher and his business partner, David W. Sexton III, have been acquiring apartment properties and prospering, despite the hype of the last few years. Dave and Dave are partners and the owners of LOB, a real estate investment firm that specializes in acquiring, managing, improving and selling multi-family residential properties for a profit while producing above-market returns for their investors. Between 1999 and 2006, LOB successfully acquired 7 apartment properties and sold 5, yielding annualized returns on equity per project between 35% and 221%.

Here is an example of one of their deals: In December 2004 they acquired a 10 unit apartment building on the water with six docks for \$1,600,000. At the time, everyone thought they were crazy for paying \$160k per unit, but five months later they were in contract to sell and closed in August 2005 for \$2,600,000. Yes, it was the market that boosted the price, but for them it was a no-brainer because **they acquired based on "the numbers"**. With 25% down, the property had positive cash flow. They would **not** have acquired it otherwise, and if it didn't sell they would still own a waterfront property in East Fort Lauderdale with positive cash flow. Even the downside was great.

Another example is Admiral Apartments, a 30 unit rental apartment property located in Orange Park, Florida (Jacksonville) that LOB sold in October 2006 for \$1,705,000 earning a 40% annualized return on equity for its investors. The property was acquired in September 2005 for \$1,300,000 and was the Company's fifth acquisition. To achieve this price they raised rents over the course of the year by over 13%, reduced expenses significantly and completed a number of capital improvements costing approximately \$125,000. Again, the key was the numbers. The property appraised and was able to be financed conventionally, based on the financials. **When you buy and sell based on the financial fundamentals you win.** As for market fundamentals, they completed their own rental survey during due diligence and knew that rents were truly below the market.

LOB transitioned out of the South Florida market in 2005 and into the Jacksonville market where it found more positive investment fundamentals. LOB is currently expanding its business with the acquisition of 123 rental apartments and looking for another 150 units to close sometime next year.

Contact David Fleisher at 954-600-2124, or at Investors Realty Company at 954-630-8339, or via e-mail at fleisher.david@gmail.com with any questions, or visit www.lobinvestments.com for more company and investment information. LOB is currently working on its second private placement offering.

...And now for some recent Headlines:



by Michael Starkey

"The new word in home sales: CANCELLED"
- Wall Street Journal 11/3/06

"Widespread declines forecast for next year-Florida to be among hardest hit area"
-Sun Sentinel 10/4/06

"Existing home sales keep falling-Median price declines for first time since 1995; Risk to broader economy" - Wall Street Journal 9/26/06

"Families Flee South Florida; even as housing prices cool, the market is still so hot people with kids are leaving" -Wall Street Journal 9/27/06

"Condo Boom now a bust; Overbuilding was rampant"
-Sun Sentinel 8/20/06

"Home flippers investments flop" -Palm Beach Post 5/21/06

"Majority sees housing bubble on verge of collapse; more than 70% of U.S. consumers believe a national housing bubble will burst and home prices will collapse within the next year" - Wall Street Journal 4/20/06

"Millions are facing monthly squeeze on house payments; many adjustable rate loans will soon be reset higher"
-Wall Street Journal 3/11/06

"Homeowners face long "ARM" of mortgage payment hikes"
-Sun Sentinel 10/06/06

"Soft market teaches flippers an ever-so-humble lesson"
-Sun Sentinel 9/21/06

So what do these headlines tell us about the state of our local real estate market? Well unlike the popular media out there, I do not believe that our readers are "mindless sheep" that need to be told what to think and how to act. I do, however, recognize that the public at large does have the ability to sway the market in either direction. Nothing creates a crowd like a crowd. Past history has proven this over and over again.

The most recent example that everyone is aware of is the panic selling in the DOT COM era of the equity markets. Once the media convinced enough readers of the gloom and pending doom, the markets started on freefall slide that could not be halted until it hit rock bottom. From that bottom the equity markets took many years to recover.

Most of the savvy insiders sold early. Can you guess where they began to put their money until the equity markets began to show definitive signs of a sustainable recovery? That's right, in real

estate! Now can you guess what the most savvy of real estate investors are doing with their positions in real estate? Selling, that is if they have any left to sell. The investors with the greatest foresight have already sold and are patiently waiting with cash on the sidelines. They are waiting for an impending bust in the proverbial bubble and real estate to hit rock bottom.

There is a very popular theory circulating that predicts a perfect storm of events which would be the catalyst that would send the market into a freefalling, downward spiral. Being an optimist myself, I'm not convinced the "perfect storm of events" is imminent. However, some parts of the theory do have merit. Believers are quick to point out such factors as the insurance crises, the inability to even acquire insurance in some instances, escalating property taxes, rising interest rates, rising payments on adjustable rate mortgages, the oversupply of rental units from failed condo conversion projects, the oversupply of new condo construction, the lack of real economic growth in South Florida, the job outlook for the area, the constant threat of terrorism and war, and the prediction regarding a decade of increased hurricane activity ahead.

Let's take a quick look at these individually. Insurance is definitely a crises situation. The premiums we pay are ridiculously high and going higher. Do you see any end in sight? I don't either. Next up, taxes. Do you see any end to the ever-increasing property tax? Me either.

How about interest rates? Interest rates may affect new purchases if they climb significantly. However, it is the ARM loan rates that we need to be cognizant of, as they will greatly affect many of the people who have made purchases in the last couple of years. For example, many of the people who acquired property over the last 2-3 years were only able to afford the monthly payments because of the "creative mortgage" financing they choose to use. Many of these loans were ARM's and they had a 1% to 3% initial "teaser" interest rate for the first couple of years. Those loans are now adjusting to the 6%-9% range. Now think about this. Their monthly P&I will more than double, the new taxes will increase and the new property insurance will also increase. That is a triple whammy! What do you think these people will do? I believe many will have no choice other than to sell their property. But wait, they can't even sell it for enough to cover the mortgage with the pre-payment penalty! Will they sell the property and bring money to closing to pay off the note? I think not! I guess it will end up in foreclosure along with the hundreds of other properties around the state.

Now how about the condo conversions and oversupply of existing condos? I do not believe there is anyone out there who isn't already aware of the dire situation the condo market is currently experiencing. Without question it will only get worse as the developers finish the projects that are near completion in the tri-county area, adding to the already overabundant supply. That leaves us with a questionable real estate market, hurricanes, war and terrorism.

(continued on page 5)

I honestly don't know how to address these issues. They are not quantifiable, definite or certain, and besides, I'm an optimist remember! I only deal in facts. The facts and market data clearly show me that currently we are not in the real estate market we were in the last decade. From the mid 90's thru 2005 we were in an ever-increasing market, with the most rapid appreciation taking place between 2002 thru the fall of 2005. During this time there was a common sentiment among Buyers, "Positive cash flow does not matter, so I'll lose \$100-\$200 per month. That's OK because next year I'll sell this property for 20% more than I just paid for it!"

This became the philosophy of many new investors. They actually convinced themselves, and other around them (the afore-mentioned sheep) that this was a logical rationale. Many of these investors will soon be walking away from their "investments" as it quickly becomes illogical to have such negative cash flow in a declining market. They will "cut off the foot to save the leg." These properties will add to the ever-growing pool of foreclosures soon to come to market. Talk about throwing gas on the fire! These are all facts, not one man's opinion. It is up to you to formulate your own individual conclusions from the data available to you.

Having said all that, should you sell all your real estate holdings? Not necessarily. The choice is yours and that choice may be a difficult one to make. In some circumstances it may behoove you to sell now, while you still can get a great price for your property. You can then wait patiently, and without risk, on the sidelines while the market declines. When you feel the market has hit bottom, you can jump back in and ride it all the way to the top once again.

Let's look a real life example: I have a client that I will call John. John purchased an eight-unit building through me in early 2003, all 2/1's. He paid \$560,000 which after expenses gave him a 10% cap rate and 19% cash on cash return. Ahh the good ol' days! John, like many investors back then, made his decision to purchase based upon a tried and true formula for successful real estate investing; BUY FOR CASH FLOW AND EQUITY ACCUMULATION FIRST. Appreciation is just an added benefit of ownership.

However, unbeknownst to John at that time, he was buying into the greatest real estate appreciation boom in the last half of the century! The hype, the hysteria, the feverish pace at which investors were gobbling up property was absolutely intoxicating to John. He was mesmerized. By the mid summer of 2005 John saw investors buying buildings similar to his for \$900,000 to over a million dollars. John called me regularly throughout the summer asking me for comparable sales. Each time I reported the most recent sales to him, John would beam with excitement, "I can't believe what people are paying for these things. I'm going to double my money!" I consistently urged John to let me sell the building for him so that he could lock in his profit. "No Way!" John would say. "I know this thing is going to keep going up." I pleaded with John to let me guide him, for I was certain this "irrational exuberance" our local real estate market was exhibiting could not last. Can you say "DOT COM REAL ESTATE"?

I had hoped that math, an irrefutable and logical science, could help John see my point of view. I asked John to crunch the numbers. I said "John pretend you were going to buy a building like yours.

Would you pay one million dollars, knowing what your maximum rents would be and knowing what your taxes, insurance and other expenses might be?" "NO WAY!" John would say. "Those people buy based upon different numbers," John insisted.

Now as children we all played musical chairs at least once. How could we all have forgotten that at some point the music stops and somebody is left without a seat? Well the music didn't just stop. The record player got smashed to pieces, and then blown out to sea when Wilma came to town! Apparently nobody wants to play anymore. Well, that is not entirely accurate. There are still a few cautious players out there.

So let's get back to John. Immediately after Wilma John wanted to sell. In his words, "Mike I can sense that the market is changing and now I'm ready to sell. I want \$1.1 million for it." I replied, "John as good a Realtor as I think I am, I cannot get you that for your building now." "Why not?" he asked. Well after I explained to him what you already know, he said, "Fine I'll take \$1,000,000 for it." I told John I believed the best we could do would be \$890,000 to \$910,000. "Forget it! I'll hold it for that."

I urged John to carefully consider the facts. I pointed out to him that there is still an EXTREMELY healthy profit in the property. However, I cautioned him that he would likely see that profit erode over time. After much consideration and a lot of hesitation on my part, I finally gave John my final prediction. I told John, "With a full-blown marketing blitz we might get you \$900,000 NOW, or if you wait I could probably sell it for \$780,000 to \$800,000 next year." Can you guess what John decided to do? Well let's just say I don't think John ever won a game of musical chairs.

After refusing to acknowledge the "new market value" or should we say TRUE MARKET VALUE of his building, John tried unsuccessfully to sell his building by himself, as every Realtor he spoke to gave him a similar opinion of market value. When his building wouldn't sell for John's opinion of market value, he decided he would attempt a condo-conversion. John was certain that would yield him his \$1.1 million in sales. Unfortunately for John, that didn't work out either. I guess condo-converters don't want to play musical chairs either. Rumor has it that John has turned the building back to rentals. I sincerely hope he can recover financially. It kills me to think that if John had only been realistic in his expectations and not caught up in all the euphoria, he could have easily netted himself over a quarter of a million dollars had he followed the advice I, and other Realtors had offered him,

For John, clearly the right move was to sell. However, for other individuals with different circumstances selling may not be the answer. It all comes down to individual goals and needs. If you would like to discuss your particular scenario with someone who lives and breaths real estate in South Florida, 24 hours a day, then give us call. Perhaps we may be able to give you a different perspective on things, which ultimately may help you to decide what is best for you. Until then, take everything you read, including this article, with a grain of salt.

*Have questions regarding your income property?
Michael Starkey can be reached at 754-422-6147 direct
or at 954-630-8339.*

SAVING YOUR HOME FROM FORECLOSURE

We work closely with two different mortgage professionals. We asked each of them to write an article relative to current events in the real estate and financing industries. It is interesting to note that, independently they each wrote very similar articles, both of which are in this newsletter - Editor



BY BRYAN JONES

Consider the following scenario. You have been running behind in your mortgage payments to the bank, and now you have just received a letter from the bank saying they are instituting Foreclosure Proceedings. They tell you they only way you can stop foreclosure is to make up all of the back payments. You were having a difficult time just making the regular monthly payment, so you certainly don't have the money to make up all of the back payments to pull your property out of Foreclosure. You don't know which way to turn. What can you do?

Your future does not look bright, but you do have a couple of options. If you have enough equity in your home, you may be able to get 65-70% of the value from a hard equity lender or a private investor. You will be paying a higher interest rate, but you may be able to get enough cash to stop the foreclosure and give you some cash to make the combined payments until you can get back on your feet. This will save the equity in your home that you would otherwise lose to foreclosure.

If you don't have enough equity in your home to get a hard equity loan, or if 65-70% is not enough money to pay off your liens, or if you can't keep up the two combined mortgage payments, you still have options.

We work with several reputable investors that offer sale/leaseback programs that give you an option to purchase your home back. You must be careful because there are many others out there that would use your misfortune to take advantage of you.

An example of how a fair program might work is that the investor buys your home at a price up to 100% of the fair market value or appraised value. The investor then leases the home back to you on a "net lease." You pay all the expenses just like you do now. You put up an option fee from your sale proceeds, and in return you receive an option to buy the home back in a year or two at an agreed upon price. The future purchase price would normally include a certain amount of appreciation for each year of the option. If you elect not to exercise your option to purchase the home, the option money is non-refundable.

This program has a number of benefits. You get to stay in your home, you have an opportunity to get back on your feet, you have time to rebuild your credit and you have time to get a new mortgage

to buy your property back. In addition, the option money you put up can serve as your down payment, and may even be enough to cover your closing costs!

If you lose your home in foreclosure, the bank will sell your house for whatever they can get. If that does not cover the amount owed, plus legal fees, you will still be liable for the difference. In addition, a foreclosure is a huge negative on your credit report.

Broward County was recently noted to have the second highest foreclosure rate in the country. This statistic tells us that there are many homeowners that need some straight about their financial situation. As mortgage professionals, we build our business one relationship at a time. We have a variety of lending resources, some of which can offer you an option to save your home, save your credit and keep you from becoming a statistic. Don't wait until it's too late!

Bryan Jones of Old Florida Mortgage Company can be reached at (954) 547-4332. You can also e-mail him at: Bryancjones@bellsouth.net.

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BRIAN ALBURY, PRINCIPLE BROKER

MORTGAGE POINTERS



By SHARON PICKARD

There was an article in the South Florida Sun-Sentinel on November 13 that spoke about "Slamming The Door on Fraud!" They made some valid points about investors out there that are ready to take advantage of homeowners that may be in danger of losing their home to foreclosure. To these investors, it is a business.

They feel that the bank is going to take the home back anyway, so why not take advantage of someone's misfortune for themselves. When the newspaper writes that it is fraud, that is not necessarily always true. Let take a look at some of the steps one can use to save their home before it gets to that point!

First of all, if someone has owned their home for a period of time and has equity built up, they should have a line of credit set up for emergencies. With an equity line, you pay interest only on the amount you use, when you use it. Many people live on the edge with little or no savings. If they get sick and are out of work, or if they lose their job, they have nothing to fall back on. They end up getting behind in their mortgage payments. Once they are behind, lenders don't normally take partial payments, and if they had a hard time making one payment, it is twice as hard making a double payment to get caught up. Even getting a part time job won't catch a person up in time to avoid hurting their credit.

Once someone is three months behind, foreclosure procedures start. When that happens, lenders won't even accept a full month's payment. All of the back payments must be made at once. That is when people start to panic.

There are options. Not great ones, but what I call band-aids! A person could choose to sell their home and buy something less expensive. Unfortunately, they have damaged their credit and they will need a 12-month history of no 30 day late payments. They may decide to rent until they can re-establish their credit and purchase again.

Most people are attached to their home and don't want to leave, so this option is a last resort for many. But, if they wait too long, the "vultures" will be knocking at their door offering deals such as "quit claim" the property over and we will catch up the back payments and let you rent the property with an option to buy it back.

Another option a homeowner has is getting a "hard equity" loan. The Hard Equity Lenders don't care about credit, income or assets. This type of lender only cares about the equity in the home. They will normally lend 65% of the value of the home at rates from ten to twelve percent adjustable, with a cost of two to four points (2% to 4 % of the loan amount) and with a prepayment penalty within the first three to five years of the loan in the amount of 3-5% of the mortgage balance. Is it costly? Yes! But if the mortgage balance is low, one may be able to get enough cash to pay off some credit

card debt and make mortgage payments for a year or so until they can get back on their feet! And they will still have equity in their home if they decide to sell, plus whatever appreciation they may get for having the property another year.

First of all, DO NOT quit claim a property to strangers without an attorney check out the contract to make sure you benefit! There is nothing wrong with an investor wanting to make money for helping you out, but make sure it is a fair deal.

You would be wiser to have a Realtor handle a "quick" sale for you and know you are getting the most, the quickest, and the best deal for yourself! What you pay in a commission will be a lot less than what the "vultures" will be sure to get!

Again, there are many options available to you. But you must pick up a phone and call a professional that you can trust. Every situation is different. If you act in haste or panic, it's easy to make wrong decisions for yourself. Get some advice from a trusted professional.

* * * * *

Sharon Pickard now has an additional title as **Managing Partner for Old Florida Mortgage, Inc.** Sharon has been helping clients with mortgages for 20 years (She also owns and operates Oakland Mortgage Company) She can be reached at (954)564-5160 & (954) 630-0992, or by email at: oldfloridamtg@aol.com.



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The information presented herein is believed accurate, but not guaranteed or warranted. This information is educational in nature, and is not meant to be a substitute for qualified advice from a professional about your particular situation. Seek assistance from licensed professionals if needed.

Income Property Sales

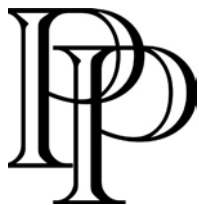
August 1, 2006 thru November 15, 2006.

(Data provided by Realtor Association of Greater Fort Lauderdale. Information believed accurate but not warranted.)

You might notice a change in the data presented for property sales. We have opted to delete the "Waterfront property" column (since only a handful of properties might qualify) and added a Price per Unit (\$ per unit) column where applicable*.							City	Address	Units	Pool	Closed	Sale Price	\$ per Unit
*Some commercial properites may not disclose number of units for comparision.							FtLaud	2641 NW 20 ST	2	N	10/31/2006	270,000	135,000
							FtLaud	1335 NE 3 AV	2	N	11/1/2006	360,000	180,000
							FtLaud	1100 SW 29 ST	2	N	11/16/2006	275,000	137,500
							FtLaud	1460 NW 20 CT	2	N	11/16/2006	290,000	145,000
							FtLaud	700 NW 13 ST	3	N	8/7/2006	290,000	96,666
							FtLaud	1481 NW 60 AV	3	N	8/28/2006	265,000	88,333
							FtLaud	1521 NE 50 CT	3	N	9/8/2006	370,000	123,333
							FtLaud	222 SE 8 ST	3	N	9/25/2006	1,179,000	393,000
							FtLaud	715 NW 15 TE	3	N	9/28/2006	298,000	99,333
							FtLaud	1451 NW 20 CT	3	N	10/24/2006	291,000	97,000
							FtLaud	2357 NW 52 CT	3	N	10/30/2006	375,000	125,000
							FtLaud	1032 NW 1 AV	3	N	11/15/2006	399,900	133,300
							FtLaud	5711 NE 18 AV	3	Y	11/15/2006	415,000	138,333
							FtLaud	500 NE 16 AV	3	N	11/22/2006	440,000	146,666
							FtLaud	1131 NW 5THT	4	N	8/18/2006	300,000	75,000
							FtLaud	1105 NE 5 TE	4	N	8/24/2006	380,000	95,000
							FtLaud	2864 NW 6 CT	4	N	9/1/2006	329,000	82,250
							FtLaud	1508 SW 5 PL	4	N	9/14/2006	575,000	143,750
							FtLaud	217 SE 9 ST	4	N	9/25/2006	2,898,000	724,500
							FtLaud	2099 NW 26 AVE	4	N	10/3/2006	475,000	118,750
							FtLaud	1813 Miami RD	4	N	10/31/2006	472,500	118,125
							FtLaud	1131 NW 5 ST	6	N	8/18/2006	300,000	50,000
							FtLaud	499 NW 42 ST	6	N	10/18/2006	560,000	93,333
							Hallndle	430 SW 9 TE	2	N	8/4/2006	279,000	139,500
							Hallndle	816 NE 10 ST	2	N	8/16/2006	325,000	162,500
							Hallndle	115 NW 2 ST	2	N	8/23/2006	275,000	137,500
							Hallndle	119 NW 2 ST	2	N	8/23/2006	275,000	137,500
							Hallndle	321 SE 2 ST	2	N	8/31/2006	285,000	142,500
							Hallndle	821 SW 7 AV	2	N	9/14/2006	265,000	132,500
							Hallndle	744 NW 5 CT	2	N	9/17/2006	275,000	137,500
							Hallndle	305 SE 3 AV	2	N	10/15/2006	295,000	147,500
							Hallndle	104 SW 10 ST	2	N	10/18/2006	308,777	154,388
							Hallndle	851 SW 8 ST	2	N	10/23/2006	299,999	149,999
							Hallndle	320 SW 10 TE	2	N	11/20/2006	285,000	142,500
							Hollywd	1293 SW 2 AV	2	N	8/3/2006	299,000	149,500
							Hollywd	2431 Arthur ST	2	N	8/3/2006	310,000	155,000
							Hollywd	5905 SW 26 ST	2	N	8/7/2006	288,000	144,000
							Hollywd	2242 Cleveland ST	2	N	8/9/2006	320,000	160,000
							Hollywd	2131 Madison ST	2	N	8/10/2006	275,000	137,500
							Hollywd	5730 McKinley ST	2	N	8/10/2006	337,500	168,750
							Hollywd	2021 Jefferson ST	2	N	8/12/2006	370,000	185,000
							Hollywd	5805 Tyler ST	2	N	8/14/2006	340,000	170,000
							Hollywd	5601 Polk ST	2	N	8/21/2006	317,500	158,750
							Hollywd	6098 Rodman ST	2	N	8/23/2006	295,000	147,500
							Hollywd	1824 Lee ST	2	N	9/8/2006	350,000	175,000
							Hollywd	330 Glenn PW	2	N	9/12/2006	313,900	156,950
							Hollywd	2207 Dewwy ST	2	N	10/9/2006	299,000	149,500
							Hollywd	927 N 17 AV	2	N	10/11/2006	306,000	153,000
							Hollywd	5750 Garfield ST	2	N	10/24/2006	335,000	167,500
							Hollywd	2707 Grant ST	2	N	10/30/2006	310,000	155,000
							Hollywd	332 Glenn PW	2	N	10/31/2006	318,000	159,000
							Hollywd	1922 McKinley ST	2	N	11/1/2006	316,200	158,100

Income Property Sales (cont.)

City	Address	Units	Pool	Closed	Sale Price	\$ per Unit	City	Address	Units	Pool	Closed	Sale Price	\$ per Unit
Hollywd	2322 Harding ST	2	N	11/2/2006	300,000	150,000	Miramar	3670 SW 60 TE	2	N	10/27/2006	261,000	130,500
Hollywd	5648 Hayes ST	2	N	11/10/2006	305,000	152,500	Miramar	3690 SW 60 TE	2	N	11/3/2006	265,000	132,500
Hollywd	5847 Harding ST	2	N	11/10/2006	658,000	329,000	NLaud	7801 SW 10 CT	3	N	8/21/2006	360,000	120,000
Hollywd	5835 McKinley ST	2	N	11/20/2006	295,000	147,500	Nlaud	6900 SW 15 ST	2	N	9/28/2006	190,000	95,000
Hollywd	1928 Arthur ST	3	N	8/18/2006	349,900	116,633	OakPark	1085 NE 33 ST	2	N	9/15/2006	200,000	100,000
Hollywd	325 Glenn PW	3	N	9/19/2006	375,000	125,000	OakPark	391 NE 43 ST	2	N	10/5/2006	288,500	144,250
Hollywd	923 N 17 AV	3	N	10/11/2006	425,000	141,666	OakPark	845 NE 37 ST	2	N	10/26/2006	350,000	175,000
Hollywd	1750 Madison ST	4	N	8/1/2006	560,000	140,000	OakPark	190 NE 40 ST	4	N	10/24/2006	400,000	100,000
Hollywd	5805 Tyler ST	4	N	8/14/2006	680,000	170,000	Plantatn	2407 SW 42 AV	2	N	8/3/2006	285,500	142,750
Hollywd	6047 Polk ST	4	N	10/31/2006	350,000	87,500	Plantatn	1701 SW 41 AV	2	N	8/4/2006	320,000	160,000
Hollywd	2133 Coolidge ST	4	N	11/10/2006	340,000	85,000	Pompano	1700 SE 2 ST	2	Y	8/7/2006	475,000	237,500
Hollywd	2525 Polk ST	9	N	11/14/2006	785,000	87,222	Pompano	3431 NE 5 AV	2	N	8/8/2006	249,000	124,500
Hollywd	922 S 17 AV	10	N	10/19/2006	725,000	170,000	Pompano	431 NE 29 ST	2	N	10/17/2006	250,000	125,000
Hollywd	1937 McKinley ST	10	N	10/27/2006	749,000	74,900	Pompano	302 SE 22 AV	2	N	10/20/2006	335,000	167,500
Hollywd	1823 Dewey ST	12	N	10/20/2006	975,000	81,250	Pompano	3413 Norfolk ST	2	Y	10/27/2006	690,000	345,000
Hollywd	5733 Harding ST	16	N	8/16/2006	965,000	60,312	Pompano	1511 SW 1 TE	3	N	8/18/2006	335,000	111,666
Laudhill	1801 NW 55 AV	2	N	9/2/2006	330,000	165,000	Pompano	2515 SE 1 CT	3	N	9/7/2006	525,000	175,000
Laudhill	1111 NW 58 AV	2	N	9/13/2006	265,000	132,500	Pompano	917 SW 10 DR	3	N	9/15/2006	350,000	116,666
Laudhill	5951 NW 19 ST	2	N	9/25/2006	290,000	145,000	Pompano	3441 NE 5 AV	4	N	8/8/2006	249,000	62,250
Laudhill	1621 NW 52 AV	3	N	8/10/2006	330,000	110,000	Pompano	225 SW Avondale	4	N	8/8/2006	360,000	90,000
Laudhill	1795 NW 55 AV	4	N	9/1/2006	390,000	97,500	Pompano	113 SE 11 AV	4	N	9/28/2006	820,000	205,000
Laudhill	2232 NW 58 TE	4	N	9/15/2006	385,000	96,250	Pompano	228 9 AV	4	N	10/18/2006	465,000	116,250
Laudhill	5411 NW 22 ST	4	N	9/22/2006	434,000	108,500	Sunrise	1460 NW 24 TE	4	N	9/27/2006	225,000	56,250
Laudhill	5841 NW 22 CT	4	N	11/3/2006	385,000	96,250	Tamarac	7829 NW 71 CT	2	N	9/28/2006	375,000	187,500
LaudLake	3908 NW 30 TE	4	N	8/14/2006	400,000	100,000	Tamarac	7103 NW 78	2	N	9/28/2006	375,000	187,500
LaudLake	3910 NW 30 TE	4	N	10/13/2006	400,000	100,000	Tamarac	7641 NW 76 DR	2	N	9/29/2006	335,000	167,500
LaudLake	3910 NW 31 TE	4	N	10/27/2006	385,000	96,250	Wilton Mn	2018 NE 15 AV	2	N	11/1/2006	575,000	287,500
LhPoint	5110 NE 22 AV	2	N	8/9/2006	650,000	325,000	Wilton Mn	2017 NE 26 ST	3	N	11/14/2006	413,500	137,833
LhPoint	2610 NE 18 TE	2	N	8/22/2006	415,000	207,500							
Miramar	6221 SW 27 ST	2	N	10/6/2006	290,000	145,000							
Miramar	2005 SW 100 AV	2	N	10/13/2006	310,000	155,000							



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Delray- Lavers Resort/Raquet Club- 1/1 corner unit wraparound porch, 26 tennis courts! Asking \$175K.

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Hollywood-2/1 house on big lot. Central A/C. Asking \$279K.

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Miramar-Nautica- 3/2 townhome, Gorgeous home in gated community. Nearly 1,600 sq ft. Asking \$399K

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Boca Lyons- 4/3.5 pool home. Lake views, updated. diamond brite pool. New roof & A/C's. Asking \$539K

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Davie-Country Creek- 2/2 house, garage & covered patio.

Asking \$269K. Call Marc Moscovitz

Oakland Park- Whispering Lakes- 2/2 home. Total remodel.

Asking \$299K Call Marc Moscovitz

Palm-Aire- 3 bed/ 2.5 bath condo, 3rd flr. Motivated owner.

Asking \$310K. Call Marc Moscovitz.

Plantation-Plantation Place Condo- 2 units! 2/2's updated, new tile, crown molding. \$175K each.

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Pompano-Norwood-Beautiful move-in 3/2. Custom updates. Family room, big fenced yard. Asking \$415K.

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Ft. Laud-Cobble East townhouse. 1400 sq ft. 2/2.5 corner unit. Asking \$339,000. Near US 1 & NE 38 St.

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FOURPLEX-POMPANO- East of US1. POOL.
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FREE COFFEE!

Are you finding it difficult and confusing to determine what action you should take during this period of market adjustment? Many of our long time clients drop by our office for a cup of coffee and a bit of conversation to share their perceptions and hear what we think about their particular situation.

Our newsletter has brought us many new clients and friends and opened many doors. We enjoy our reader's comments and questions and we especially like to hear if we have been helpful to our readers in addressing their particular concerns.

Although the recent changes in our market are extreme and often ambiguous, we have seen a great deal of this before in our careers. The underlying data and research that we have access to goes far in understanding the dynamics at work in this market. We try to share this insight through our newsletter, but if you would like a more personal conversation with us please feel free to give us a call and come in to see us and have a cup of coffee. We are happy to discuss whatever is on your mind and who knows what will come of it...Call me on my direct line.

David Matluck 954-568-5121

So what's the deal with Costa Rica?

Contributed by Keith Blackburn

[Normally the majority of Keith's work for Investors Realty is behind the scenes. As office manager, he's the guy that answers the telephone and puts together this newsletter, among other things].

Back in 2005, I had visited Costa Rica on a four-day weekend after catching a last minute airfare bargain and finding a cheap bed & breakfast online. Thank God for small coincidences, because that trip turned into a fantastic weekend. When the time came to return to Miami, I was thinking, "I want to move here." Why? Just imagine the cool, scenic mountains of North Carolina being only a 30-45 minute drive from Fort Lauderdale. That's Costa Rica. You want jungle landscapes with parrots and monkeys? Maybe cloud forests with waterfalls & hummingbirds? You like whitewater river rafting? You surf? Want to see an active volcano? Like hiking, bird watching or just peace & quiet? Want to do it all in the same weekend? That's Costa Rica. So when David Matluck asked if I would be interested in taking an Investors Realty client on a tour of Costa Rica, he didn't have to wait long for my answer.

In mid-October, client Lawrence Buchine and I made our way to Costa Rica. Our first stop was in the central valley surrounding the capital city of San Jose. Like South Florida, San Jose can seem big and intimidating to visitors, especially those with limited Spanish. But thankfully, we had two representatives of one of Costa Rica's largest home builders to drive us around as we toured several housing developments designed for Tico's (native Costa Ricans). All were gated communities with homes ranging from 1,500 to 2,000 sq. ft. with 2-3 bedrooms and 2 baths, with prices from \$80,000 to \$120,000. All in all a good value for those looking to take advantage of Costa Rica's reasonable cost of living for either a second home or retirement living.

The following day we picked up a rental car in downtown San Jose. Again I noticed more similarities between South Florida and San Jose, they seem to be missing a lot of street signs too. After about forty minutes of driving around in circles and thinking 'We're-lost-and-we're-gonna-die', I finally recognized a landmark from my previous visit and got my bearings to make it out of town. We drove west, out of the bowl shaped Central Valley, through the hills toward the Pacific Coast, taking winding roads up into the mountains and driving through the clouds. Overall it reminded me of the Carolinas, but with more palm trees.

We arrived in Jaco, on the shores of the Pacific in time for lunch. Up until a few years ago, Jaco was just a sleepy town known only to the locals, some surfers and sport fishing enthusiasts. Then in 2000, Los Sueños Marina & Marriot Resort opened about 8 miles to the north. What used to be considered worthless land is now a goldmine

for those forward thinking investors who backed the dream. Now you can find 6 & 10 story condos being built at prices that are a value compared to South Florida. Ramada Resorts has announced a 200+ unit luxury condominium & 72-room resort hotel. And only a few kilometers from there is the site for Starwood Hotels new St. Regis Resort & condominium residences. The big players in the resort industry have arrived in Costa Rica and they are intent on building an economic engine powered by marketing the area's natural beauty and thriving Eco-tourism industry.

Following our lunch in Jaco and a whirlwind tour of oceanfront luxury condo developments, we drove south to the city of Quepos for the night. Quepos is charming enough in a really, really, laid-back way, but the real draw of the area is about 7 miles south at Manuel Antonio National Park. The Manuel Antonio area is host to one of the most beautiful beach locations you will ever see in the Western hemisphere. Imagine enjoying dramatic Pacific Ocean vistas & sunsets from your hotel room balcony. Imagine dining in an open air restaurant overlooking the jungle canopy & ocean as a passing group of squirrel monkeys leap from tabletop to tabletop. **That's Costa Rica!**

After a couple of nights in Manuel Antonio, we drove back to Jaco for a night. Without a doubt, **THIS IS THE PLACE TO PARTY IN COSTA RICA**. Lots of 20-somethings looking for a good time, and lots of 30, 40 & 50-somethings looking for fun also. Given the surrounding area with the Los Sueños Marina & Resort and all the other new housing developments, Jaco is poised to become one of the most "in demand" tourist destinations in Costa Rica.

Sunday morning was a lazy drive north to the city of Puntarenas, which sits on a narrow peninsula jutting into the Gulf of Nicoya. Here we met with Edwin Acosta, Investors Realty's **partner in Costa Rica**, and toured 2 housing (continued on page 15)



Client Larry Buchine with Keith Blackburn, visiting the new Mt. San Miguel project near the city of Puntarenas overlooking the Gulf of Nicoya and Pacific Ocean.

PLAYA HERRADURA /Los Sueños, Jaco, Costa Rica
Pacific Coast Area Condominiums - \$214,900 & up
2-3 Bedrooms, 2-3 Baths, 1,500- 2,500 Sq. Ft.



Less than 24 units remaining in Phase III!
 Four-Star, Gated, luxury condo development. Set on 8 acres about 2 km from Los Sueños Marina & Golf Resort. Some of the best fishing, surfing & beaches in the world in just minutes from your front door. American-style shopping, cinemas, restaurants & nightlife are just down the road. Beautifully secluded within a valley surrounded by primary forest featuring a natural waterfall.

Amenities include: Gated 24 hour security, roof decks, 2 pools with cascading man-made waterfalls, additional pool surrounding a natural waterfall, Clubhouse, spa & fitness center, on-site property management & more.

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On-site property management ensures peace of mind while you are way, plus the bonus of income if your condo is offered under a vacation rental program

The project consists of 5 towers with heights of 8 and 10 floors. Phase I construction has already sold out Towers 1 & 2.

1 bed, 1.5 bath units-818 Sq. ft. under air w/ 119 sq. ft. terrace for a total of 936 sq. ft. 3 bed, 3 bath units-1,560 sq. ft. under air w/ 484 sq. ft. of terrace for a total of 2,044 sq. ft. 4 bed, 4 bath units- 2,486 sq. ft. under air with a loft that has an additional 580 sq. ft. and 603 sq. ft. of terrace for a total of 3,669 sq. ft.



Quepos/ Parritta- Lots priced from \$40,0000

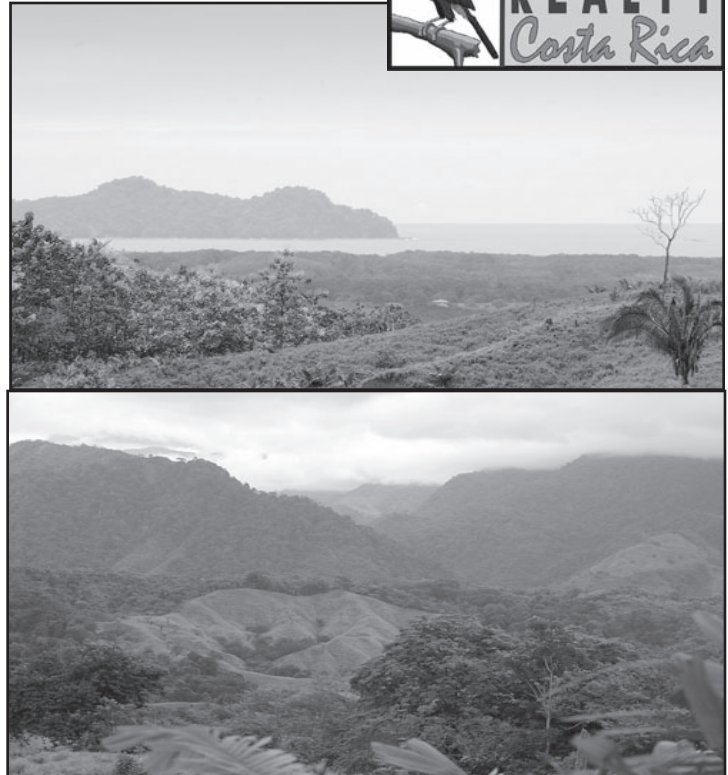
*Located only minutes from Quepos,
Manuel Antonio National Park,
& the new Marina Pez Vela.*

Pacific Ocean view lots and mountain view lots available in a 350-acre gated access community. Only 200 homesites will be sold with a minimum size of 1.25 acres.

Phase I is selling quickly with pricing starting at \$40,000 for mountain view lots and ocean views for \$85,000. Phase II pricing will start at \$49,000.

Amenities will include clubhouse, pool & tennis courts.

Located minutes from the new Pez Vela Marina site (*the next "Los Suenos"*) & Costa Rica's famous sport fishing.



MOUNT SAN MIGUEL

Ocean & mountain view homesites and condominiums.

Overlooking the city of Puntarenas and picturesque islands of the Gulf of Nicoya.

Enjoy spectacular ocean & mountain vistas from this hilltop setting.

Phase I is beginning with in this 220-acre development with only 135 homesites will be offered. Mountain view lots available from \$80,000.

Phase II will include a series of low density condominiums with a total of 250 units. 1 to 3 bedroom models with 800 to 3,000 sq. ft interiors available. Prices will start at under \$200,000.



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What's the deal with Costa Rica? (from page 12)

development sites. Site #1 was Miramar Heights, just a few minutes outside the town of Miramar at about 3,000 ft elevation. Here we enjoyed Pacific Ocean and mountain views in the cool air as clouds rolled past us. Site # 2 was a few miles away and well worth the drive. Perched on top of Mt. San Miguel with spectacular views of the Gulf of Nicoya, its scenic islands, and the plain below with the lights of Puntarenas in the background, Larry and I realized **this was the site to build on**. Larry was ready to write a check on the spot, but pre-sales wouldn't start for another 2 months. Mt. San Miguel will contain mountaintop home sites with ocean views as well as mountain views, plus a number of low-density condominiums also sharing mountain & ocean views. Lot prices are expected to start around \$85K, and condos should be under \$200K.

From Puntarenas it was on to the Guanacaste Province along the Northern Pacific Coast. We ended up in Tamarindo, another surf town with lots of new condos and housing developments being sold to Americans & Europeans. Plus there are plenty of hotels in the area to handle the steady stream of tourists. The next day Edwin took us to the two largest developments in Guanacaste. Just south of Tamarindo is Hacienda Pinilla, which at 4,500 acres is the largest development. This location contains nature reserves, golfing, equestrian trails and several miles of private beaches in addition to luxury estate homes and condos.

The second development was well north of Tamarindo near Playa del Coco. In order to reduce our driving time, Edwin took a shortcut known to the locals as "The Monkey Road." This short cut was not so much a road, actually it was more like being in a National Geographic episode or a Toyota commercial for four-wheel drive as we climbed over rocks and drove through flowing creeks while palm fronds and other vegetation slapped against the sides of the Land Cruiser. **That's Costa Rica.**

Our destination was Reserva Conchal. This 2,300 acre master-planned community sits on some of the most beautifully manicured real estate you will find. Here you can have forever views of the Pacific, mountains and golf courses with high-end luxury homes and condos, a five-star resort hotel, Spa, golf, tennis, convention center, private beaches & more. Pacific view villas with 3 floors and 6,300 sq. ft. interiors go for around \$1.8 million. Financing Available. **That's Costa Rica too.**

Our final stop was Playa del Coco, which looks to be the next hotspot with reasonably priced condos and homes sprouting out of the hillsides. Prior to leaving on our trip, I had spoken with friends in Fort Lauderdale who had just purchased a condo in Playa del Coco. They kept raving about the beauty of the area, the affordable prices and how they planned to spend part of the year living in Costa Rica. I hope they'll have a spare bedroom for me.

* * * *

**Ask about our
free seminar on Costa Rica
property investment! > > >**

Costa Rica-Love at First Sight (from back page)

meetings and negotiations, we are now ready to advise and help our friends, family and clients to invest along with us in what we expect will be a great ride!

Globalization! I have a vacation home in Maine on a lake in the foothills of the White Mountains that backs up to a 135 acre nature preserve. It takes me three times longer to get there than the 2-1/2 hour direct flight to San Jose, and when I get there it is bland by comparison. Over 100,000 Americans have invested in Costa Rica in the past several years and that is only the beginning. **"Love At First Sight,"** warm and friendly people, exotic "everything", and a quality of life that is truly amazing! **"Pura Vida"!**

We now represent a number of developers in Costa Rica which we have chosen for the quality of their projects and the opportunities they offer. We have chosen to work with the best developments we could find in each of the different developing areas of Costa Rica. How about a 2000 square foot home in a gated community with great amenities, located a hop, skip and a jump from the beaches and mountains, for under \$300,000? Or, you can start with a 1.25 acre lot for \$40,000. How about a villa or home in San Jose for \$100,000. Do you want new construction? A beachfront condo? Or an Equestrian Center for a back yard? How about an estate on the beach for a fraction of the cost it would be here in the States? How about a condo near everything, which is managed in a rental pool when you are not using it?

Do I sound excited? **"Love At First Sight"..... Pura Vida!**

If this sounds interesting to you, I invite you to call us. Come in and see the maps, photos, and videos that we have assembled in our office to help tell the story. See what we are investing in. Consider whether this makes sense for you.

Better yet, how would you like to receive \$500 - \$1000 travel credit to Costa Rica? We have negotiated with a number of developers to provide a travel credit to you when you put a deposit down and go there to confirm your purchase. You can go stand on the site of your investment or your future vacation home site in a gated community. We'll even have our Costa Rican partner, Edwin Acosta, meet you at the airport and help arrange your activities while you are on vacation. Horseback riding on the beach anyone?

Costa Ricans, called "Ticos", greet each other by saying "Pura Vida", the pure life. An acknowledgment among themselves of what they have and now are able to share.

"LOVE AT FIRST SIGHT"**PURA VIDA!**

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INVESTORS REALTY COSTA RICA**954-630-8339****www.ircostarica.com**

COSTA RICA – LOVE AT FIRST SIGHT

or WHY AM I SPENDING ALL OF MY TIME

ARRANGING INVESTMENTS IN COSTA RICA?



by David Matluck

It is out of character for me to be as outspoken about a real estate investment as I am going to be here. During the seventeen years that Wayne Blackburn and I have been friends and business partners, we have followed trends in the real estate market in Broward County. In the 1990's, prior to the boom that began in 2000, it seemed obvious to us that we lived in a growth area and that certain segments of our market were undervalued and were excellent candidates

for profitable investment. During these years, we advised many of our clients to invest in the same type of property that we were investing in, and it has been very profitable for all of us.

It was equally obvious that this long run-up would come to an end. When it was clear to us that the cycle was changing, we advised our clients to sell off their portfolios to investors who were caught up in the unbridled enthusiasm of the market, otherwise known as greed. There was no convincing those buyers of the increasing risk, and so we had a saying around our office that "we only sell property to people who are smarter than us." It was frustrating to try to influence "those who would not see."

Since we saw this coming a year or two in advance, we began looking for a new market where we could invest and advise our clients to invest. After all, we had established a great track record, and many friends, family and clients were looking to us for advice. A few different possibilities arose, including the creation of a "vulture fund" to buy the mistakes of others and hold until the cycle turned upward again.

But a funny thing happened on the way to the next opportunity. The words "Costa Rica" began appearing in conversations with remarkable regularity. Family members and friends returned from vacationing there with enthusiastic and convincing remarks like "I'm going to retire there", and "I was completely blown

away by the magic, the beauty, and the people." This came as no surprise to me as I had lived in Guatemala about 27 years ago and felt the same way about Central America then. I visited Costa Rica in those days and was impressed that it was a successful democracy that was the only country in the world that voted to do away with its army.

In those days Costa Rica was quite underdeveloped, and roads to its precious sights and destinations were scarce and formidable. Over the years conditions improved as Americans discovered Costa Rica as a retirement destination because of its superb quality of life and very moderate cost of living. Increasing numbers of Americans discovered some of the best fishing in the world in Costa Rica, and surfers found their "endless wave" in its magnificent beaches. Eco-tourism grew faster than both of these as people from around the world discovered "paradise" in its rain forests with its endless waterfalls and astonishing array of wildlife. With .03% of the land-mass on earth, Costa Rica contains 6% of the world's bio-diversity. 25% of the country has been preserved as protected land and national parks. I could go on and on, but suffice it to say it is all about "Love at First Sight."

So why are we investing there along with our friends, family and clients? The answer is that **Globalization is happening** and with it comes a huge increase in infrastructure that is opening up previously remote areas! A new Pan-American highway is making its way through Central America, and with it comes new hospitals, airports, resorts and developments. Imagine "Paradise" existing without a way to get there, and all of a sudden here comes a superhighway! Here comes Marriott and St. Regis resorts, and here comes Microsoft and Intel (with a mega-million dollar chip production facility), and here comes all the airlines along with all of the goods and services to make you comfy! Disney is sniffing around for a sight for an eco-travel resort and the list goes on. Well, if you knew what was planned was going to lead to explosive growth, wouldn't you want to invest in real estate that could go nowhere but up? **We are!** After two years of research and trips to Costa Rica and countless (continued on page 15)

THE INCOME PROPERTY NEWSLETTER

for Income Property Owners in Broward County

by "The Income Property Team."

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COMPLIMENTARY ISSUE