

## Location is NOT Everything

Since 1995, I have been involved in the real estate industry, mostly acquiring multi-family residential properties. Since 1995, the phrase that I've heard more than any other in this industry is "Location, Location, Location". Since 1995, that phrase has irritated me... completely.

We have always been told that the location of a property is more important than any other factor when purchasing real estate. I am here to tell you today... that's a bold-faced lie. While "Location" is an important factor, "Timing" is substantially more important. A simple example – imagine if you bought your dream home in Stockton, California in January 2008 for \$400,000. The market is hot, everything is going well. You've bought a beautiful property, a couple years old, with a pool and lots of room to grow for your family, in a great location, near schools, the mall and the entertainment district. It truly is your dream home. Your neighbors are fantastic, with similarly-aged kids to your own. New friendships are created, life seems pretty darn good! Your realtor tells you that the long-term outlook is amazing, and regardless of previous real estate cycles, "it's not going to happen this time".

Then the market meltdown hits, fueled by ridiculous greed and a severe lack of legislation to protect consumers from predatory mortgage lending. All your neighbors are in trouble because they are subprime or even prime borrowers. People start panicking and leaving the neighborhood. Bank representatives walk in with foreclosure signs. You end up as the only owner-occupier on your street. Tumbleweeds blow through and you wonder "Gee, what happened?" You call your realtor in mid-2009 and ask what your dream home is worth now. She laughs. "Might as well give it back to the bank, because your mortgage is substantially more than the current value. It's maybe worth \$225,000 to \$250,000, IF you can find someone who will buy it!"

Wow. In 18 months, your value has dropped 40 percent. "But! But! But! She said "location, location, location"! We had an amazing location!" Yes, you did. But your timing sucked. Big time.

Now... imagine if you were looking for a home in mid-2009. You've saved up your shekels and are looking for a dream house for you and your family. A beautiful home in a great location goes up for sale in Stockton, California, with a pool, near schools, the mall and the entertainment district. The price is \$225,000 with a motivated seller. You offer \$200,000 and the seller agrees. They're the last owner's lender, and just want to get back some sort of return on their losses. So now you own a \$200,000 house in a great location. Fast forward to 2025... that house is now worth \$750,000. The location, while fantastic and exactly what your family needs, was secondary to the timing of purchasing that home.

Timing is EVERYTHING!

In this book we are going to uncover the best ways to analyze a property for both home ownership and investment. We will look at the main facets of a real estate purchase, from market analysis to exit strategy... location decisions, timing decisions... and give you some tools and pointers to make smart and informed real estate decisions.

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