



The First Steps - My First Deal

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| <ul style="list-style-type: none"> • Crash Landing <ul style="list-style-type: none"> • Choosing a New Path • Residential vs. Commercial (Lifestyle) • The step most will never take.... • 24 Unit Apartment Building • 100% occupied • 15 person waiting list • Rents not raised in 5 years • Commercial Real Estate is valued on cash flow not on comps | <ul style="list-style-type: none"> • Because of this there is really never a down market <ul style="list-style-type: none"> • Good Condition • Structurally solid • Seller Financing <ul style="list-style-type: none"> - Seller Financing is extremely common in commercial real estate if you know where to look. • “The Unicorn” |
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How To Find Seller Financed Deals - The Map To Unicorn Island

Who to Contact

- Owners that have held their property for 20 years or more.

How to find them:

- Go to the public record and any property that transferred before 1987 is a prime candidate.

Why will they be motivated to do this?

- They will save big on taxes
- They will get a strong passive income on collateral that they are completely comfortable with owning. (Their own building)
- No broker involved.
- What is full price? Whatever the property is worth once we see the numbers.

What To Send Them

Dear Property Owner,

We are in the process of acquiring a building, and we must do so within the next 60 days. We have identified your property as an ideal candidate,

We can save you hundreds of thousands in taxes, tens of thousands in broker's commissions, and frequently we can pay full price.

If you have any interest in exploring this chance to maximize your investment please do not delay. Once this portion of portfolio expansion is achieved our window to do business will be closed

*Sincerely,
Joe Investor*

Why Commercial Real Estate?

Wealth

- No Money Or Credit Needed
- HUGE Profits
- Build a Large Net Worth QUICKLY
- Immediate and STRONG Positive Passive Cash flow
- Cash At Closing
- Scales Of Economy
- Much Less Competition
- Be Your Own Boss

Much Less Risk

- Buy WAY Under Market Value
- 30-day "Sunset" Clause
- Bullet-Proof Contingencies
- MANY Tenants Paying The Mortgage Instead Of ONE MONEY NOW!!!
- Cash at Closing
- Immediate Positive Cash Flow
- Absolutely No Negative Cash Flows.

Freedom

- Work From Home. Part-Time
- Works ANYWHERE (even where YOU live!)
- If You Move, You Don't Have To Sell
- It's Easy To Invest Outside Your Area
- No Experience Needed
- You Can Start Today
- You Can Start At Your Own Pace

Student Success Story - \$592,000 in 5 Months!

Dear Scott,

My partner and I bought your system on commercial real estate in early October. When we bought the program we were very excited and did exactly what you said.

We found a property and **sent the owner one of your letters to find deals**. He called back and within two weeks and we struck a deal.

It was two retail locations on the bottom and office space on top. It was vacant and needed about \$80,000 worth of work. So we made an offer and ultimately settled on \$407,500.

We closed on March 17th. So **your system worked within 5 months**. We renovated the property and rented it out.

Based on the new rent roll, the property brings in over **\$9,000 per month** and is now worth \$1,080,000. **That is a profit of \$592,500**. Not a bad profit for 5 months worth of work!

We will keep it for the passive cash flow it generates. We plan on doing many more in the future! Thank you Scott!

Tommy Sirianni and Mark Arenella
Massapequa, NY



Before



After

The Basic Concept Of The CAP Rate

The Concept Of The Cap Rate

\$1.00 (Increased Rent) x 10,000 Sq Ft= \$10,000

\$ 10,000 annual income
is a 10% return on a
\$100,000 investment

Case Stud y: Value Added Opportunities

20,000 Square-Foot Retail Building (25% vacant)

\$400,000 Income (fully occupied)
\$100,000 Vacancy (25%)
 = \$300,000 (GOI) Gross Operating :-
\$150,000 Expenses
 = \$150,000 NOI (Net Operating Income)
 ÷ 10% FARM
\$1,500,000 = VALUE OF PROPERTY

Step 1

\$100,000
In Additional Cash Flow
= \$1,000,000
In Profits

20,000 Square-Foot Retail Building (cure vacancy)

\$400,000 Income (fully occupied) -
\$ 50,000 Vacancy (12.5%)
 = \$350,000 (GOI)
 - \$150,000 Expenses
 = \$200,000 NOI (Net Operating Income)
 ÷ 10% FARM
\$2,000,000 = VALUE OF PROPERTY

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Total Profits

\$1,000,000 Appreciation at Year 3 \$
 359,303 Profit from Cash Flow \$
 34,615 Tax Savings
\$ 117,096 Equity Build Up

20,000 Square-Foot Retail Building (decrease exp.)

\$400,000 Income (fully occupied) -
\$ 50,000 Vacancy (12.5%)
 = \$350,000 (GOI)
 - **\$100,000** Expenses
 = \$250,000 NOI (Net Operating Income)
 ÷ 10% FARM
\$2,500,000 = VALUE OF PROPERTY

Step 3

Total Profits
\$1,511,014

The 7 Moves To Checkmate™ In Commercial Real Estate

Move 1: Locate Opportunities

Move 2: Check And Verify The Numbers

Example: Income & Expense Statement

	2004	2005	2006
Rents	267,838	269,839	270,517
Operating expense reimbursements Real estate tax escalation reimbursement	4,300	6,947	5,395
Property insurance reimbursement	10,956	11,537	11,537
Sewer/water expense reimbursement	3,832	4,243	4,580
Other income	20,188	23,201	26,064
	714	3,140	2,209
Total Income	307,828	318,907	320,302
Repairs & maintenance	10,723	7,581	7,595
Permits	1,000	950	1,571
Supplies	5,546	19,925	7,957
Contract labor	3,631	4,643	3,358
Utilities – Electric	2,558	3,039	2,848
Utilities – Water/sewer	28,967	28,677	24,031
Utilities – Gas	23,370	25,798	21,689
Insurance	8,572	10,061	11,613
Real estate taxes	25,809	25,759	25,877
Operating Expenses	110,176	126,433	106,539
Net Income	197,652	192,474	213,763

**\$213,763 NOI @ 10 CAP
= \$2.13 Million Property
Purchased At Auction
For Just \$795K!**

The 7 Moves To Checkmate™ In Commercial Real Estate

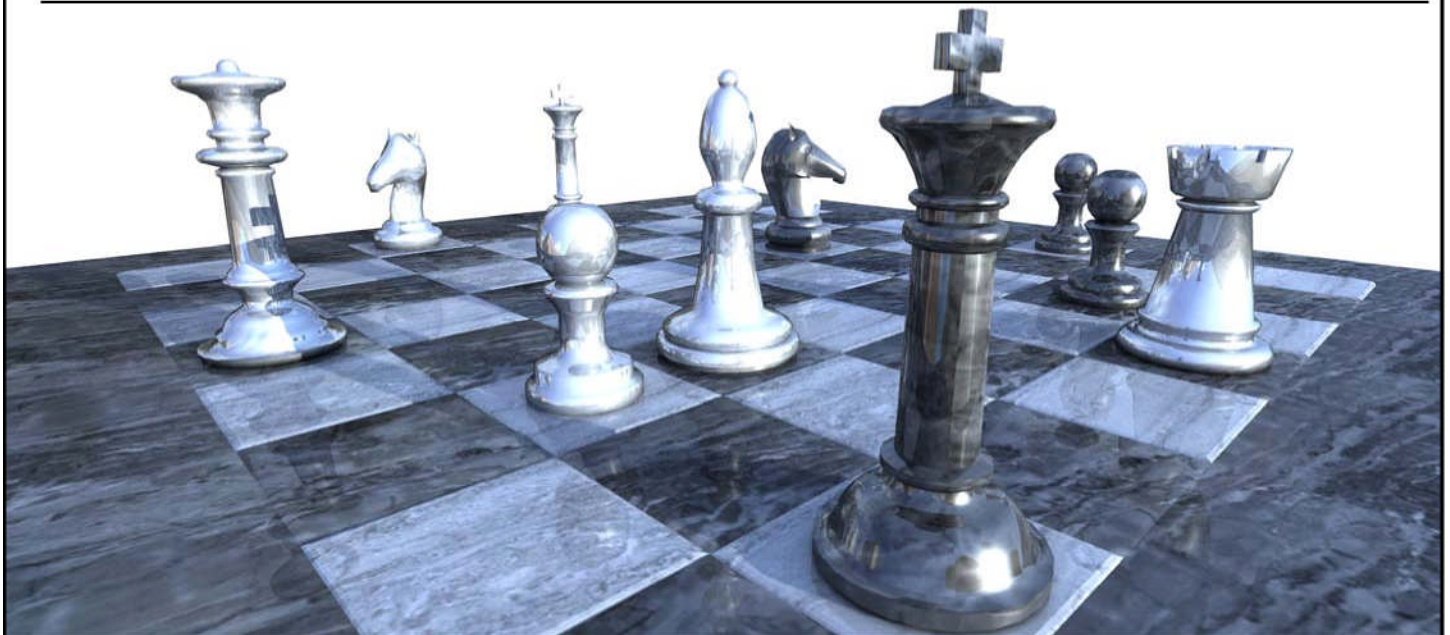
Move 3: Locate Funding

Move 4: Know Your Exit Strategy

Move 5: Construct And Present Offers

Move 6: How To Close

Move 7: Increase The Value



About J. Scott Scheel

Scott Scheel is the nation's leading authority on creative commercial real estate investment.

His unique strategies for investing in apartments, office buildings and retail shopping centers of any size have forever changed the world of successful real estate investing.

Scott is a self educated Multi-Millionaire entrepreneur and 2 time Congressional Businessman of the year (2004 & 2005) as recognized in the Wall Street Journal.

Scott Scheel has created an amazing commercial real estate empire with no formal education or previous experience. In the last decade he has bought or partnered on Commercial Properties worth in excess of **\$150,000,000**. In last 48 months of investing alone, he has generated over \$100,000,000 in cash and profits....– **using other people's money!**



Scott will teach you how to take your investment career to the next level expanding into the ultra profitable world of Commercial Real Estate. Scott's system covers in depth all major types of Commercial Properties including **Apartments, Retail, Office, & Land**.

How To Take The Next Step

Take Action Now!

On The Web:

www.GetRichLazy.com/big

By Phone:

(512) 346-3467 (Ext. 2)