

DIGITAL WORKSHOP

How to Build and Leverage
a Rental Portfolio

with Scott Lurie and Sarah Floyd
from Milwaukee Hard Money



AGENDA

- How Scott Got Started in Real Estate
- Current Portfolio and Continued Growth
- Duplex in Shorewood
- The Glen
- Q&A

SPEAKERS



SCOTT LURIE
President



SARAH FLOYD
Vice President

AND YOUR HOST...

MIKE DONEY

Director of Marketing



2003 - 2008

Began investing in real estate...

How much work would you put in to earn an extra \$30k a year? \$40k? \$50k?

That's the question I always asked myself.

It was about working toward financial independence and how much effort I was willing to put in to make that a reality.

AUGUST 2003 = 0 Properties



TODAY...

- 1,500 Apartment Units
- Over 700,000 sq. ft. of Industrial Properties

...BEYOND

- Building 134 Units in Brown Deer, WI
- Building 1M sq. ft. in Appleton, WI
- Converting Hotel to Apartments in Albany, NY

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HOW DO YOU ACQUIRE A PORTFOLIO?

1. It starts with a Business Plan
2. Research and Vetting to find the right property
3. Private or Hard Money lending to help you move quickly on property opportunities
4. An understanding of how to use Leverage and the Cash-Out Refinance process
5. A reinvestment of your funds in the next property to capitalize on leverage

SHOREWOOD DUPLEX

\$140,000

Purchase Price

\$50,000

Repairs

\$20,000

Finance Charge

\$210,000

Total Cost

Income

\$33,710

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\$1,400/Mo.

Tenant 1

\$1,400/Mo.

Tenant 2

Contract Labor

(\$1,355)

Insurance

(\$403)

Repairs

(\$642)

Taxes

(\$6,804)

Utilities

\$0

NOI

\$24,516

CAP RATE

7%

VALUE

\$350,228



INCREASING LEVERAGE

INCREASE REVENUE / ADD VALUE



DECREASE EXPENSES

GREATER NOI = Greater Leverage

THE GLEN

\$3.15M

Purchase in Nov 2015
with Private Funding

\$539K

Development Costs
for Conversion

\$1M

Stabalized Rent and did
Cash-Out Refi in Dec 2016

\$3M

Next Cash-Out Refi after
spending \$440k on improvements



LEVERAGE FINANCING TIPS:

1. Place property into a business entity / LLC (www.wdfi.org)
 - Does not affect personal credit or DTI = Buying Power
 - Separation from personal assets
2. Meet your local lenders and share your business plan
 - Do they do cash-out refinances? Any seasoning requirements?
 - Discuss their program: term, rate, amortization, LTV, etc.
3. Go to the appraisal and bring comparables and a list of improvements

Q&A