



View From The Crow's Nest



WINTER 2011

Maximize the Value of your Investment Property

Investment Property Owners should review, in detail, all aspects of their Real Estate Investment in order to maximize the value of the property both in terms of Net Operating Income (NOI) and the asset sale price and marketability.

Benefits of Maximizing Your Asset Value

- Save money by Increasing the efficiency of Expense Items.
- Increase Revenue with Lease review of Rent, Escalation, Expense Reimbursement.
- Reduce Risk and Liability.
- Improve Tenant retention.
- Gain confidence that you are doing all you can to create value with your investment.
- Determine Strengths and weaknesses of your Investment Property.
- By increasing your NOI, you will be increasing your Investment Property sale price many fold (for example a \$8000 increase in NOI can equal \$100,000 in increased sale price).
- By addressing the issues discovered in Due Diligence prior to a purchase agreement, it will save the owner \$\$ in the negotiation, by not having to make last minute concessions. Some issues take considerable time to rectify and are better off being dealt with before the time pressure of a purchase agreement.

- When an astute owner addresses the issues, they are also reducing risk and liability of the Due Diligence issue having a significant financial impact.

Once issues are determined, they should be prioritized by items that will have the largest impact on increasing NOI and lowest cost of implementation.

To learn more about maximizing your property value, please contact Ben Edgar, ben@seawatchrealty.com

Fed survey: US economy ends 2010 on stronger note, with all parts of country improving

AP Associated Press

Jeannine Aversa, AP Economics Writer,
Wednesday January 12, 2011

WASHINGTON (AP) -- The U.S. economy ended last year on an encouraging note, with all parts of the country showing improvements. Factories produced more, shoppers spent more and companies hired more. All those signs point to a stronger economy in 2011.

That's the picture that emerges from the Federal Reserve's survey of nationwide economic conditions released Wednesday.

Fed Chairman Ben Bernanke is optimistic that the economy will strengthen this year, but warned last week that it will take up to five years for unemployment, now at 9.4 percent, to drop to a historically normal level of around 6 percent. Still, risks loom. Declining home prices and millions of foreclosures are depressing housing markets around the country, the survey says. Rising gasoline prices also could drag on the economy, Bernanke says.



Multifamily Opportunity For the Small Investor

For those investors in the \$250,000 to \$2,000,000 category, opportunities abound in the small multifamily sector. Current multifamily activity has improved more rapidly than any other type of real estate investment. The Reis Report (Jan. 6, 2011 in Banker & Tradesman) provides interesting information:

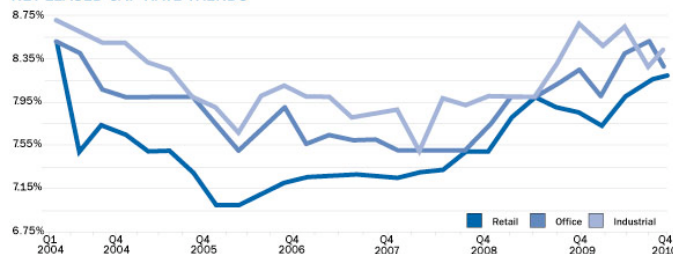
- The apartment sector bottomed in the fourth quarter of 2009 and has improved ever since.
- The multifamily national vacancy rate fell to 6.6 percent in the fourth quarter of 2010, down 0.5 percentage points from the third quarter and was the lowest national vacancy rate since the third quarter of 2008.
- During the quarter, 58,000 more apartments were occupied than were vacant. That's the largest amount in 10 years for a typical sleepy fourth quarter.
- The tighter supply helped push up monthly asking rents up 0.5 percent to \$1,042. Including months of free rent and other perks, effective rent also rose 0.5 percent to a monthly \$986.

All indicating that a multifamily investor's biggest concerns, vacancy and turnover, should be at their lowest levels in many years. Couple this with some noteworthy government backed loan programs and it makes for a variety of opportunities for those small investors who are interested in multifamily. To learn more about multifamily opportunities listed by Sea Watch Realty, please contact:

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NNN Investment Sale Cap Rates Improve

NET LEASED CAP RATE TRENDS



During the 4th Quarter of 2010 there was a surge of transaction volume for single tenant NNN lease investment properties according to the Boulder Group. The high number of sales was driven by decreased interest rates, greater access to financing, and a large inventory of properties. Based on these favorable conditions the increased demand caused substantial cap rate compression for Class A properties in high quality locations. While the majority of properties do not fit this description, prime properties usually lead market trends.

For the full report go to the Boulder Group web site.
<http://www.bouldergroup.com/research.html>

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