



# I.D.E.A.L. INVESTMENT

“Real estate investing has created more millionaires than any other form of investing because of its many advantages.”

- Robert Kiyosaki

# WHY REAL ESTATE?

You may have heard that real estate has created more millionaires than any other asset class, but have you ever heard that it has also caused more bankruptcies? **It's true.**

Of course, a lot of this has to do with the fact that real estate is an extremely common and readily available investment, but the fact remains: you can lose your shirt when investing in real estate.



# SO, IS REAL ESTATE INVESTING RISKY?

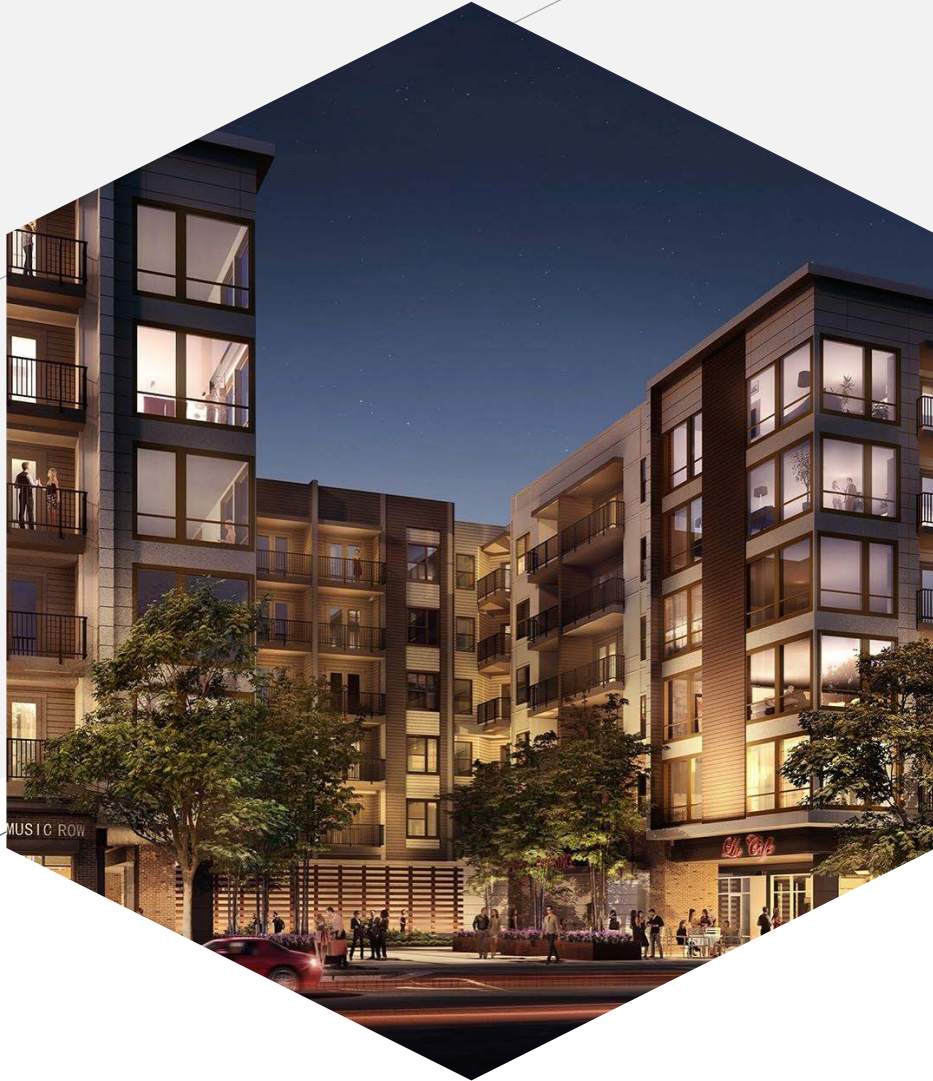
IT SURE CAN BE. BUT COMPARED TO WHAT?

- The stock market is notoriously volatile, and you have no control over your investments.
- You can keep your money in a bank, but it is **GUARANTEED** to lose value.

**First and foremost, LiveFree Investments seeks to protect investors' capital. This is made possible through our structure for several reasons...**

- Our track record with being leading commercial real estate operators allows us access to off-market transactions that can be purchased at considerable discounts to market values, providing significant downside protection for our investors
- The majority of the returns are created from in-place cash flow from rental income, which is significantly less volatile and more predictable than appreciation-based investments
- The combination of our stabilized and value-add focus allows us to provide reliable cash flow distributions to investors while simultaneously increasing properties' resale value
- Due to the stability of real estate as well as our track record, lending institutions provide favorable financing terms that supercharge returns without exposing investors to credit or liability risk
- Because real estate is a tangible asset, it has historically held its value well during both inflationary and deflationary periods

**THESE ARE SOME OF THE STRATEGIES  
THAT HAVE HELPED US ALLOCATE  
HUNDREDS OF THOUSANDS OF  
DOLLARS OF CASH FLOW TO OUR  
INVESTORS SINCE INCEPTION.**



## What's in it for them - IDEAL

It has often been said that real estate is the I.D.E.A.L. investment. Each of the five letters in IDEAL stands for an advantage to real estate as an investment.

# “I” STANDS FOR INCOME

Income can be created from real estate in a number of ways, the most prominent being rent that your tenants pay you. You will also hear a lot of people mention the word “cashflow.” The best way to determine your cashflow is to understand how to calculate it.  $\text{Gross Rent} - \text{Expenses} = \text{NOI}$  (Net Operating Income) this is your net cashflow if there is no loan in place. If there is a mortgage in place you would deduct your loan payment also known as Debt Service (DS) from the NOI and this will give you your cashflow earnings.

# “D” STANDS FOR DEPRECIATION

I AM NOT A CPA. The building on your land depreciates in book value each year and you can deduct this depreciation from your gross income. This is only true for investment property and not residential. This provides a tax shield. Look into becoming what the IRS designates as a real estate professional - this will allow you to deduct much more depreciation from your income. Additionally, there are cost segregation studies and bonus depreciation that allow you to take even MORE losses against your income. There really is no better way to shelter yourself from taxes, just ask our president - Mr. Trump.



# “E” STANDS FOR EQUITY BUILDUP

You build equity through repayments of the principal or remaining balance of the loan(s) taken to purchase the property. This equity buildup is like money in the bank. As you amortize a mortgage, the value of your equity investment will steadily rise. In the case of income producing property, this amortization could mean that your tenants help you build your estate. It's the essence of using OPM (other people's money) and OPT (other people's time) to build wealth. This is a tried and true methodology, and I love the idea of other people working hard to build my net worth!

# “A” IS FOR APPRECIATION

Your property value goes up every year, hopefully. Appreciation can result from inflation or increases in demand for property or improvement to the property . As the income potential is increased, the price that the property can command in the marketplace rises. Over the long run, real estate prices and rent tend to appreciate (i.e. increase in price) at the same rate as inflation (~3-4% per year). This is known as passive appreciation. And while it might not sound like much, when combined with the other benefits and when compounded over long periods, passive appreciation can build enormous wealth. For example, if your unleveraged property produces 7% income returns and 3% appreciation, your long-term return could average around 10% (ignoring tax costs or benefits for the moment). And 10% compounded returns build enormous wealth over time!

# “L” IS FOR LEVERAGE

When you buy a house you make a down payment, say, 10 percent and you borrow the balance, say, 90 percent. You get the benefit of all 100 percent even though you put up only 10 percent of your own money. You can maximize return with other people`s money (OPM). The use of mortgage and OPM means that you can use small amounts of cash to gain control of large investments and earn large returns on the cash invested. For example, without leverage you could only buy one \$100,000 property if you saved \$100,000. But by using leverage that allows you to make a 20% down payment (i.e. \$20,000), you could buy 5 properties ( $5 \times \$20,000 = \$100,000$ ). Instead of income, depreciation, equity growth, and appreciation benefits on one property, you`d get those same benefits multiplied times five. Leverage also pertains to your time, and if you purchase enough IDEAL investments, your time will be yours to choose to do with it what you please.

# BESIDES I.D.E.A.L. YOU COULD ADD THE FOLLOWING ADVANTAGES OF INVESTING IN REAL ESTATE:

- Tax free refinancing. In the United States, mortgage proceeds even from refinancing are not taxable income to you. Therefore, refinancing is a way to recover your cash investment and, in some cases, you profit tax free.
- Pride of ownership. You may find greater personal satisfaction in owning property than stock certificates.
- Investment and consumption. Certain types of real estate, such as land and vacation homes, can serve both as investments and as sources of pleasure through use.

# WHY LIVEFREE INVESTMENTS?

Since inception, LiveFree investments has been involved in over 115 transactions worth over 85 Million dollars. That level of volume and experience has allowed us to create long-lasting relationships with operators, managers, lenders, owners, attorneys, and investors that create a level of trust that gives us a competitive edge in our marketplace.

Utilizing these relationships coupled with creativity, hard work, authenticity, integrity and grit has allowed us to scale our business into the premier out of state investing company for our clients.





**Visit [livefreeinvestments.com/ideal](https://www.livefreeinvestments.com/ideal) to access the companion videos as well as to talk to us directly.**



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