



Mid year update

2018 REAL ESTATE TRENDS

INVESTMENT FORECAST FOR 2018 – WHAT YOU NEED TO KNOW

WEBINAR WILL START AT 5.33 PM PST



MultifamilyU

2018 Real Estate Trends Agenda

What we are going to cover today

Mid year update

2018 Outlook – World and U.S. Economy + Jobs, Inflation, Unemployment

The economy has a huge impact on Real Estate prices and cap rates



Impact of Interest rates on housing sales

The Super low interest rate era is OVER

The Trade War – impact on real estate, interest rates, and on the global economy

How significant could it be?



As of June 2018, which cities are the most (and least) above 2006-2007 peaks?

Let's figure out how much juice is left in the tank



Impact of Tax reform on the housing market

Tax Reform has a significant short and long term impact on Housing Market



Amazing Amazon – The HQ2 Prediction

Our pick on the cities that are likely to win

Time for the shootout

Best cities and states in the U.S. for Real Estate in 2018



Neal's picks for 2019

One California city and one out of state city that will overperform in 2018-2019

IMPORTANT DISCLAIMER

Please read

- We are not investment advisors, and this seminar is provided for educational purposes only.
- All investments involve different degrees of risk. You should be aware of your risk tolerance level and financial situations at all times.
- You are free to accept or reject all investment recommendations made by us. All services that we offer are subject to market risk and may result in loss to your investment.
- As you know, a recommendation is not a guarantee for the successful performance of an investment and we cannot guarantee against losses arising from market conditions.
- Do not invest your money on our recommendation alone. Consult a professional advisor.

ABOUT MULTIFAMILYU AND GROCAPITUS

And what we do



Neal
Bawa

- CEO / Founder at Grocapitus, a commercial real estate investment company.
- My team sources, negotiates and acquires Commercial properties across the U.S., for 200+ investors.
- My current portfolio is over 1000 units, projected to be at 2000 in 12 months.
- The portfolio includes Multifamily and student housing properties in 6 U.S. states.
- I also serve as CEO at MultifamilyU, an apartment investing education company.
- I speaks at events & meetups across the country. Nearly 4,000 students attend my multifamily seminar series each year and hundreds attend my Magic of Multifamily boot camps.
- Thousands attend podcasts and I have been featured in over a dozen podcasts and radio shows.



A hand in a dark suit sleeve holds a blue marker, drawing a line graph on a dark background. The background features a faint city skyline. The graph consists of a dark blue line with several peaks and valleys. Four horizontal bars are placed around the text: a blue bar above the top line, a green bar to the left of the top line, a red bar below the bottom line, and an orange bar to the right of the top line.

2018 OUTLOOK – WORLD AND U.S. ECONOMY

INVESTMENT FORECAST FOR 2018 – WHAT YOU NEED TO KNOW

2018 Economic outlook

What are the economists saying?

“ *The International Monetary Fund (IMF) has reiterated it's global growth projections for 2018 and 2019. The IMF has kept global growth of 2018 and 2019 unchanged at 3.9%*

”

– Zack's research, July 17, 2018

2018 Economic outlook

What are the economists saying?

“The U.S. economy may have hit 4 percent growth in the 2nd quarter, the fastest since 2014. While there’s much to like about the economy right now, analysts reckon the confluence of positive forces will give way to solid, albeit less spectacular, numbers in the second half and beyond as the tax stimulus begins to fade, the Federal Reserve raises borrowing costs further and the expansion ages.”

Bloomberg Survey Median, July 23, 2018

A hand holding a blue marker is drawing a line graph on a dark background. The graph shows a line that rises, falls, and then rises again. The background features a city skyline with various skyscrapers. The text is centered and overlaid on the graph.

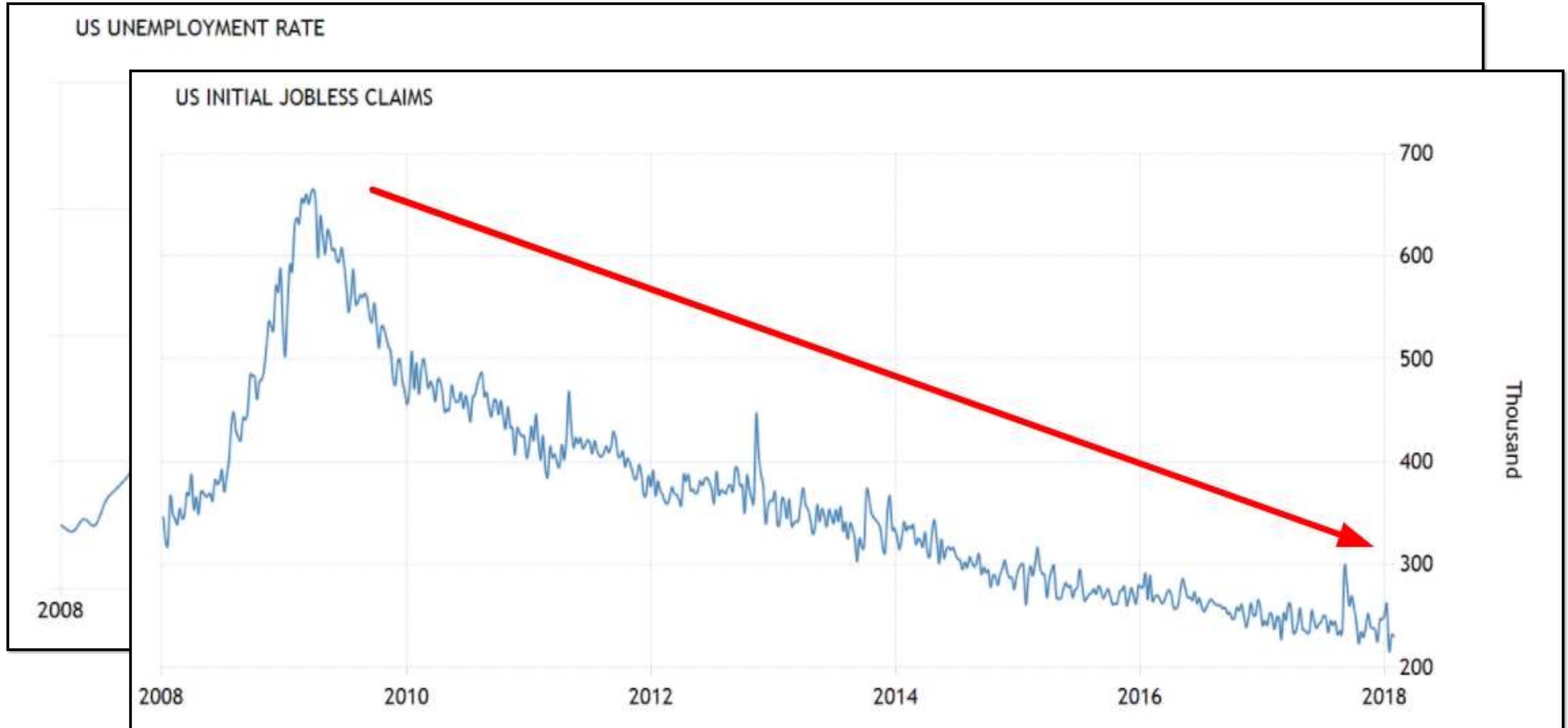
WHAT ABOUT JOBS, INFLATION AND THE UNEMPLOYMENT RATE?



THESE KEY MEGA-FACTORS AFFECT REAL ESTATE A GREAT DEAL

2018 Economic outlook

What are the economists saying?



2018 Economic outlook

What are the economists saying?



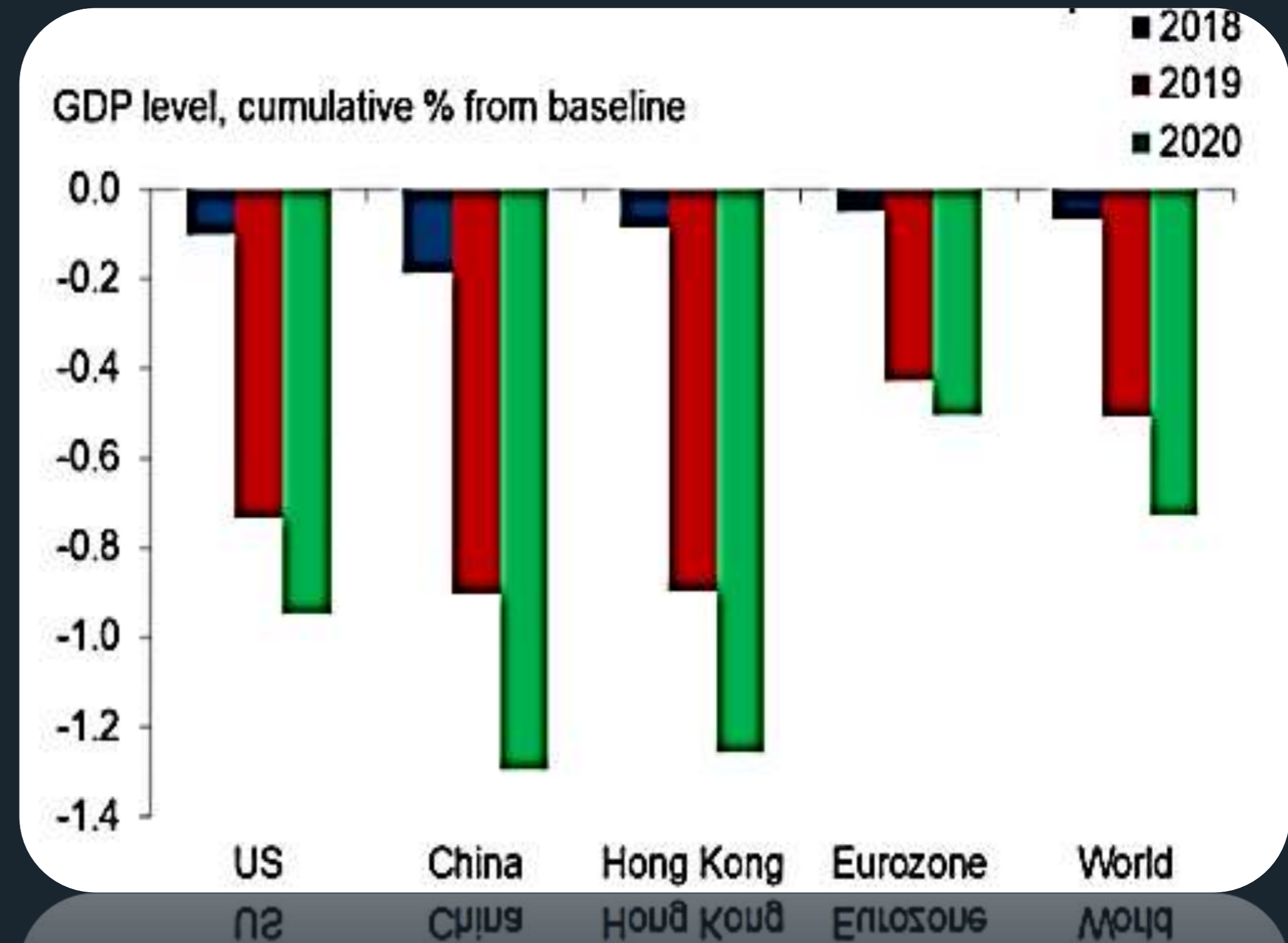
A hand holding a blue marker is shown on the right side of the image, drawing a line graph. The background is a dark, blue-tinted city skyline with various skyscrapers. The text is centered in white, bold, uppercase letters. There are three horizontal bars: a blue one above the text, a red one below it, and an orange one to the right of the text.

IMPACT OF A TRADE WAR ON INTEREST RATES, REAL ESTATE AND WORLD ECONOMY

Trade war impact on global economy

What are the economists saying?

- On the U.S. side, the Trump administration appears to be abiding by the president's assertion that trade wars are "easy" to win,
- Using their economic model, the economists see depressed confidence and falling stock prices (manifested by a 4% drop in 2019) to reduce GDP growth 0.7 percentage point in 2019 and 1% by 2020.
- With spending slowing, businesses would decide to cut back on hiring, and total employment would fall 700,000 below the baseline."



Trade war impact on interest rates

What are the economists saying?

- We've hiked interest rates twice this year
- Q2 growth is so strong that we would probably have hiked twice more
- The trade war can make the hikes go either faster or slower
- If the Trade war causes a supply shock, there will be rapid inflation, and the Fed will hike rates to cool down inflation.
- If the Trade war causes a rapid economic slowdown, then the Fed will slow the hikes to give the economy time to recover a bit
- Q3 will tell us more. The Fed is expected to hike in September.



Trade war impact on real estate

What are the economists saying?

- Trade wars usually create inflation.
- New construction is likely to get more expensive
- We import a large amount of building Steel from China
- We also import raw materials for concrete, and wide variety of building materials
- This could be good news in 2018 for existing single family and multifamily prices, as new supply for both SF and MF could fall
- However, by 2019, a slowing economy could mean less jobs and lower disposable income



A hand holding a blue marker is drawing a line graph on a dark background. The graph shows a fluctuating line with several peaks and troughs. The background features a faint city skyline. The text is centered and reads:

THE HOUSING MARKET – IMPACT OF INTEREST RATES

mid year update

WHAT IS THE MEDIA SAYING ABOUT INTEREST RATE
IMPACT ON CALIFORNIA AND U.S. HOME PRICES?

2018 Economic outlook

What are the economists saying?

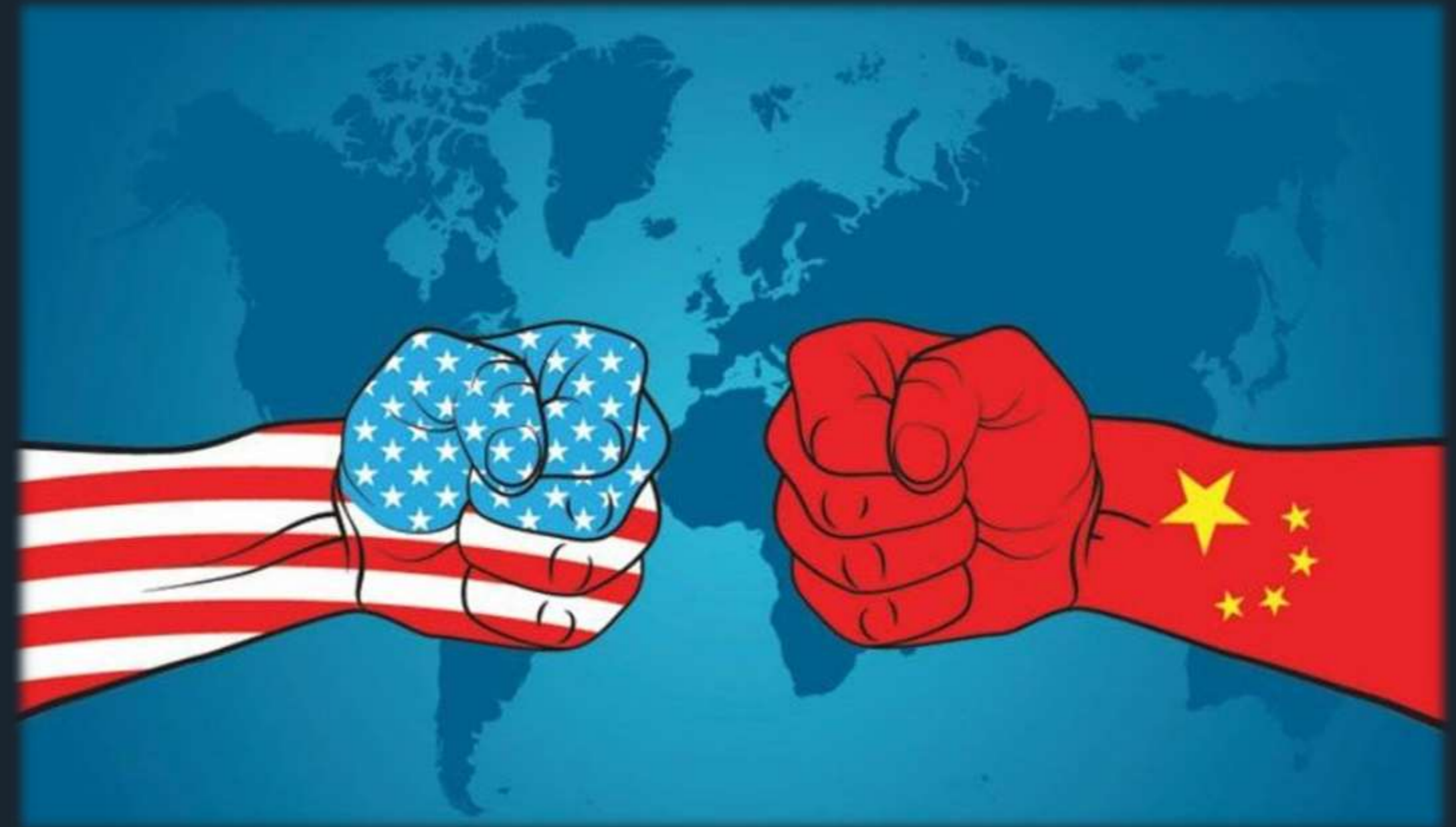
“ We don't expect rates to play much of a role in total home sales, especially with anticipated stronger disposable household income growth. The ongoing inventory shortages should continue to constrain sales despite otherwise ripe home buying conditions. ”

- Doug Duncan, Fannie Mae's chief economist

So what actually happened to prices?

How have the first 6 months been for home prices?

- Home prices increased very fast in the first 6 months of the year, throughout the U.S.
- Interest rate hikes appear to have had little or no impact yet
- AFFORDABILITY is being trumped by SUPPLY, so far. We are not building enough single family homes, and that means that very few homes are on the market, compared to historical norms.
- The impact of Tax reform in high-tax cities is not felt yet, but those cities are predicted to slow down later in the year.
- Almost every analyst expects the party to keep going in the U.S. for at-least another year. We could see 5-6% increase in the next 12 months



A hand holding a blue marker is drawing a line graph on a dark background. The graph shows a fluctuating line with several peaks and valleys. The background features a city skyline with various skyscrapers. The overall scene is dimly lit, with the hand and marker being the primary light source.

THE HOUSING MARKET – IMPACT OF TAX REFORM

Big mid year update

WHAT IS THE MEDIA SAYING ABOUT TAX REFORM
IMPACT ON CALIFORNIA AND THE U.S.?

Hedge Fund Billionaire Ken Griffin about Impact of Trump's tax reforms

“Under Trump's tax's proposal, the elimination of state and local deductions is going to put pressure on northern cities to either reduce taxes or they are going to face a reduction in population.”

Similar view points were expressed by Redfin's CEO earlier this year. You can watch that video at <https://goo.gl/NZ5gZg>



REDFIN

So Long, California. Sayonara, New York

“In the years to come, millions of people, thousands of businesses, and tens of billions of dollars of net income will flee high-tax blue states for low-tax red states. This migration has been happening for years. But the Trump tax bill’s cap on the deduction for state and local taxes will accelerate the pace. The losers will be most of the Northeast, along with California. The winners are likely to be states like Arizona, Nevada, Tennessee, Texas and Utah.”

- Arthur Laffer, Wall Street Journal, April 2018

THE WALL STREET JOURNAL.

TAX REFORM: IS CALIFORNIA A WINNER OR A LOSER?

NOW THAT THE TAX REFORM BILL HAS PASSED, MANY REALTORS® ARE ASKING ABOUT THE EFFECTS IT COULD HAVE ON THE MARKET.



HOME PRICES



4.1%

In the short term, with some price ranges dropping more than others. 1.9% due to the loss in tax incentives. 2.2% due to the inability to deduct state and local property taxes.

PROPERTIES BELOW \$500K



8.9%

Many buyers at this price level are more likely to take advantage of the increased standard deduction, nullifying tax benefits of the mortgage interest and property tax deductions.

EXISTING HOME SALES



2.9%

As the tax saving incentives of being a homeowner vanish, fewer buyers will be inclined to purchase a home.

INVENTORY



1%

With a decline in home prices, homeowners will be reluctant to list their properties for sale. The reduction in the cap of the mortgage interest deduction, in fact, could disincentivize some current homeowners to ever move again.

So Long, California. Sayonara, New York

“Since 2007 Texas and Florida (with no income tax) have gained 1.4 million and 850,000 residents, respectively, from other states. California and New York have jointly lost more than 2.2 million residents. Our analysis of IRS data on tax returns shows that in the past three years alone, Texas and Florida have gained a net \$50 billion in income and purchasing power from other states, while California and New York have surrendered a net \$23 billion.”

- Arthur Laffer, Wall Street Journal, April 2018

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So Long, California. Sayonara, New York

“Now that the SALT subsidy is gone, how bad will it get for high-tax blue states? Very bad. We estimate, based on the historical relationship between tax rates and migration patterns, that both California and New York will lose on net about 800,000 residents over the next three years—roughly twice the number that left from 2014-16. Our calculations suggest that Connecticut, New Jersey and Minnesota combined will hemorrhage another roughly 500,000 people in the same period.”

- Arthur Laffer, Wall Street Journal, April 2018

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IMPACT OF FOREIGN BUYERS ON U.S. HOME SALES

WITH A STRONGER DOLLAR AND CAPITAL CONTROLS,
ARE FOREIGN BUYERS BUYING LESS?

U.S. HOME SALES TO FOREIGNERS **SKYROCKET**

Rising home prices and a stronger U.S. dollar were no match for the increased demand that fueled a recent surge in foreign purchases of U.S. real estate. The **TOP FIVE COUNTRIES OF FOREIGN BUYERS** all saw a rise in sales dollar volume from a year ago.

TOTAL SALES

**\$153
BILLION**

↑ 49%

CHINA		\$31.7 BILLION
CANADA		\$19 BILLION
UNITED KINGDOM		\$9.5 BILLION
MEXICO		\$9.3 BILLION
INDIA		\$7.8 BILLION

TOP 5 STATES FOR PURCHASES

				
FLORIDA	TEXAS	CALIFORNIA	NEW JERSEY	ARIZONA

* 2017 Profile of International Activity
of U.S. Residential Real Estate

 NATIONAL
ASSOCIATION of
REALTORS*

They can't get enough...

- China up over 10% from 2016 **DESPITE** capital controls
- Canada more than doubled their investment compared to 2016
- 10% of foreign buyers paid over \$1 Million
- 44 percent of transactions were all cash (down from 50 percent in 2016)
- Typical foreign buyer paid \$302K, much more than average U.S. sale of \$235K.
- The Canadians like Florida, Chinese buyers like California, and Mexican buyers like Texas

A hand holding a blue marker is drawing a line graph on a dark background. The graph shows a line that starts high on the left, dips down, and then rises again on the right. The background features a city skyline with various skyscrapers. The text is centered over the graph.

WHICH CITIES HAVE FULLY RECOVERED FROM DECLINES SUFFERED DURING THE GREAT RECESSION

AND WHERE DOES CALIFORNIA STAND IN THE LIST?

Metro Name	Peak Value	Bottom Value	Current Value	Amount Above Peak
Denver-Aurora-Lakewood, CO	275.92	254.48	509.85	84.78%
Austin-Round Rock, TX	269.65	259.70	451.66	67.50%
Dallas-Plano-Irving, TX (MSAD)	172.21	165.26	285.49	65.78%
Fort Worth-Arlington, TX (MSAD)	168.92	160.97	268.35	58.86%
San Francisco-Redwood City-South San Francisco, CA (MSAD)	277.02	214.35	432.79	56.23%
Houston-The Woodlands-Sugar Land, TX	200.40	193.72	306.69	53.04%
Nashville-Davidson--Murfreesboro--Franklin, TN	224.09	196.55	336.22	50.04%
Seattle-Bellevue-Everett, WA (MSAD)	298.32	205.12	421.72	41.36%
Buffalo-Cheektowaga-Niagara Falls, NY	146.82	146.00	207.18	41.11%
Honolulu ('Urban Honolulu'), HI	195.86	174.28	274.77	40.29%

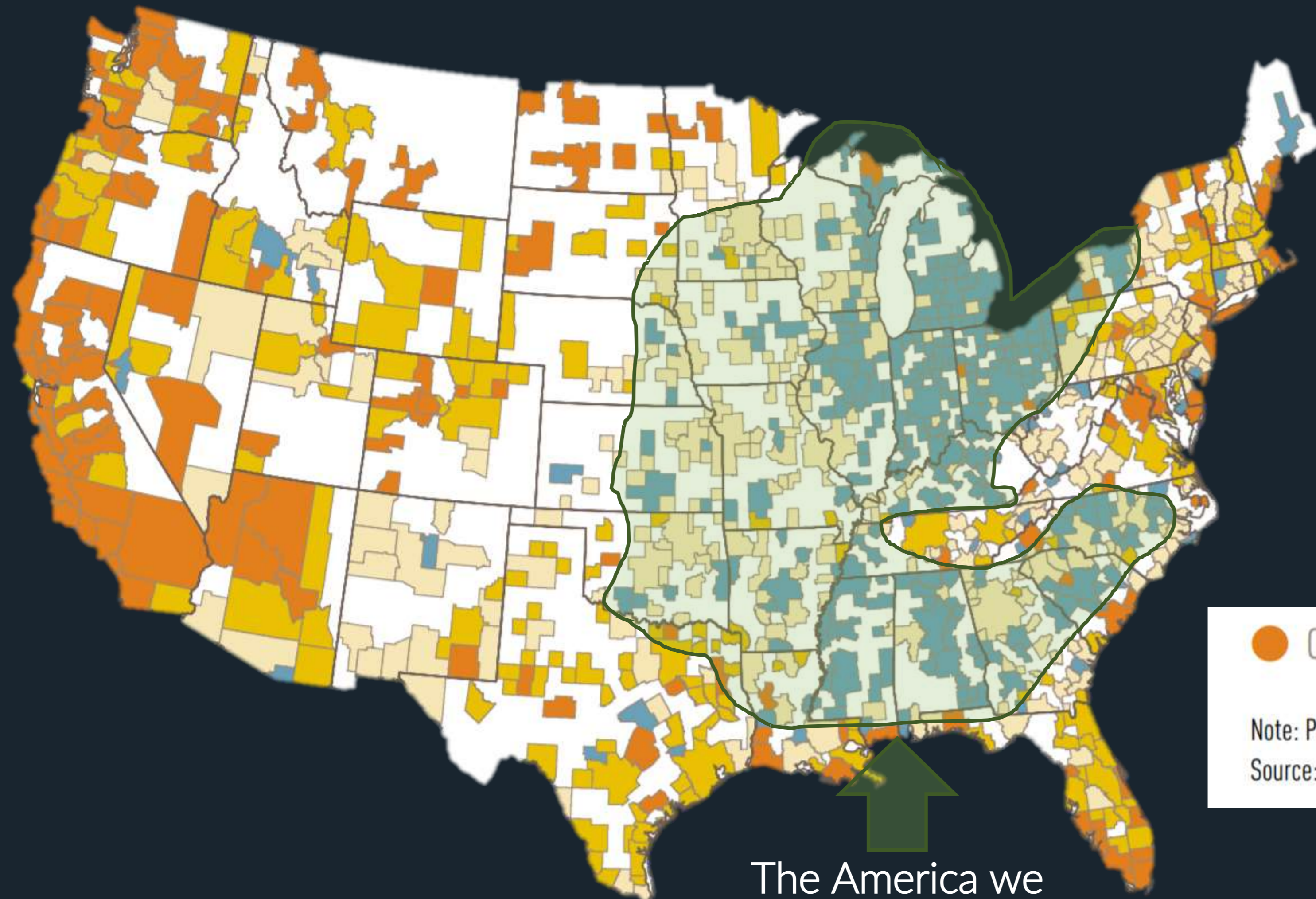
HSH.COM
Home price recovery Index
June 2018

Metro Name	Peak Value	Bottom Value	Current Value	% Needed to Regain Peak
Bakersfield, CA	253.38	118.18	193.83	30.72%
Stockton-Lodi, CA	273.90	107.75	220.61	24.16%
Fresno, CA	272.47	137.07	227.27	19.89%
Cape Coral-Fort Myers, FL	317.40	131.83	265.07	19.74%
Camden, NJ (MSAD)	224.39	164.10	189.28	18.55%
Las Vegas-Henderson-Paradise, NV	269.19	100.84	227.96	18.09%
Bridgeport-Stamford-Norwalk, CT	241.36	182.82	204.59	17.97%
New Haven-Milford, CT	202.17	153.97	172.15	17.44%
Lake County-Kenosha County, IL-WI (MSAD)	208.84	139.24	183.29	13.94%
Tucson, AZ	308.60	174.76	270.95	13.90%

HSH.COM
Home price recovery Index
June 2018

There are two Americas, not one

Only half of America is seeing real (inflation adjusted) price gains in housing



%age Change in Real (inflation adjusted) Metro Area Home Prices 2000 to 2016

● Over 40 (Up to 177.0) ● 20.0-39.9 ● 0-19.9 ● Negative

Note: Prices are adjusted for inflation using the CPI-U for All Items less shelter.

Source: JCHS tabulations of CoreLogic Home Price Indices.

The America we
left behind

We're almost there

AMAZING AMAZON THE HQ2 PREDICTION

This analysis looked at 7 different rankings from Moody's Analytics, Sperling's BestPlaces, Everest Group, The New York Times, CityLab, The Wall Street Journal, and CNBC to come up with the Top 3 picks

Amazon HQ 2

Our pick on the cities that are likely to win



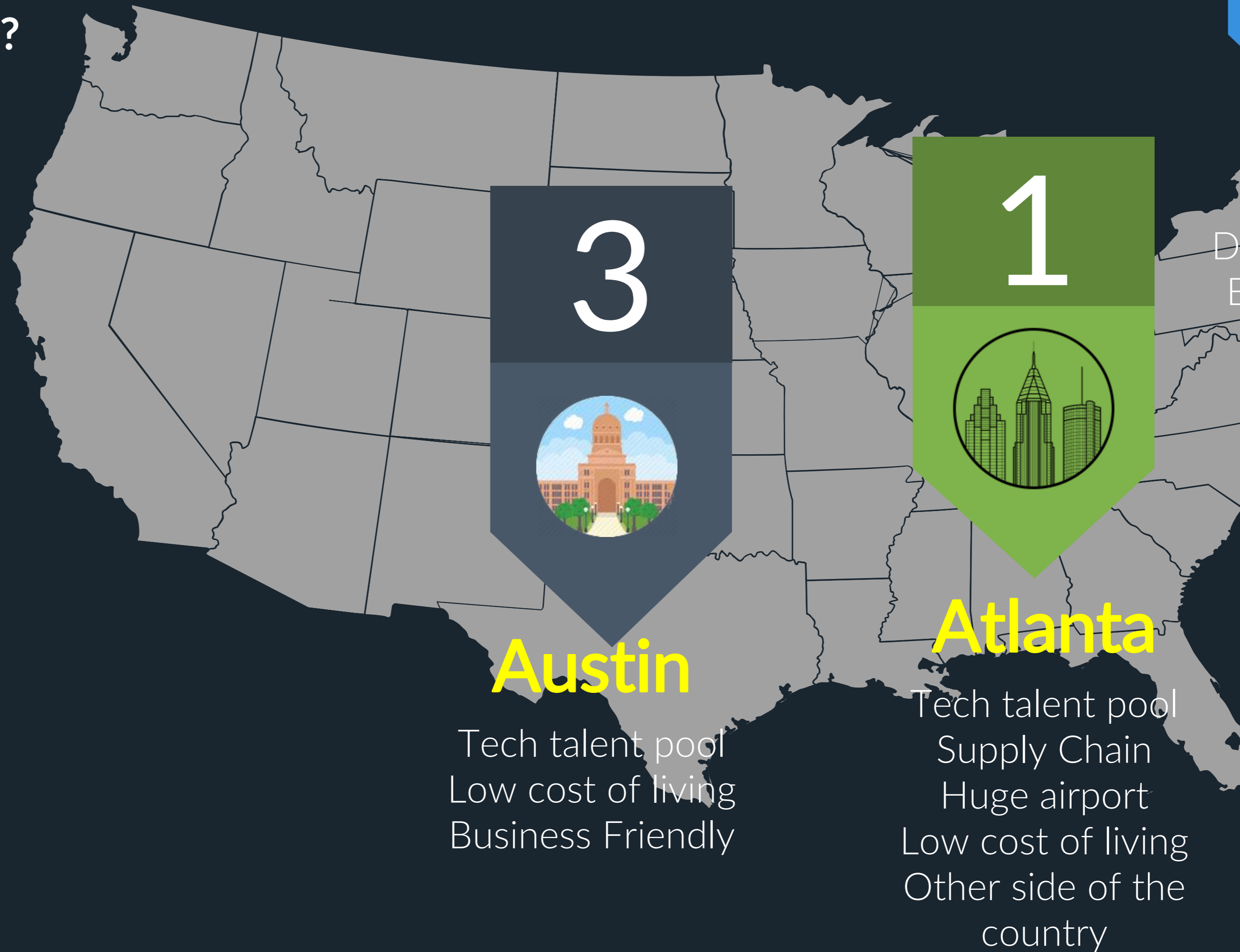
How much is being invested?

\$5 Billion total



How many jobs?

50,000 jobs



3



Austin

Tech talent pool
Low cost of living
Business Friendly

1



Atlanta

Tech talent pool
Supply Chain
Huge airport
Low cost of living
Other side of the country

2



Boston

Deep talent pool
Educated work force
Other side of the country

Amazon HQ 2

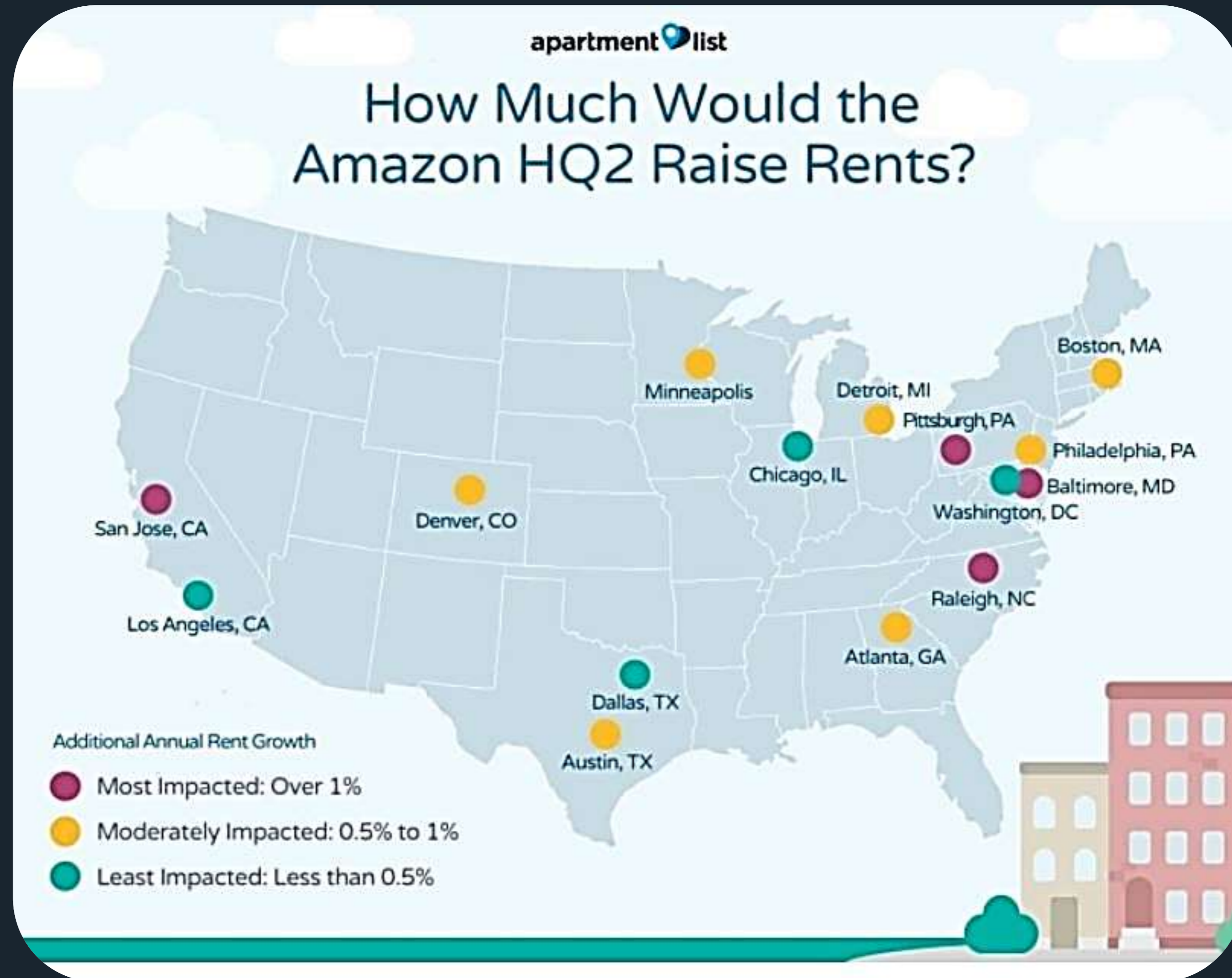
Our pick on the cities that are likely to win

- Forbes – Atlanta will win, Raleigh will come close
- Zillow says the city that wins could see DOUBLE the rent growth (for smaller cities), 0.4% boost for Atlanta
- A panel of experts ranked Atlanta #1, but also ranked Northern Virginia (DC Metro) a very close 2nd due to its tech sector and proximity to law makers. Amazon wants influence.
- Wells Fargo's Aiera AI program predicts Boston is the winner.



Amazon HQ 2

Our pick on the cities that are likely to win





TIME FOR THE SHOOTOUT

BEST CITIES AND STATES IN THE COUNTRY FOR REAL ESTATE IN 2018

New Investment opportunity with overall 23+% average annual returns projected

Phase I (\$6.2 Million equity) sold out.
Taking reservations for Phase II

Accredited investors:
Join us in developing a
stunning new 322-Unit
Graduate Student
Housing Project in
Buffalo, NY, near the
University at Buffalo.

Over 23% average
annual returns are
projected, due to
large environmental
clean up credits and
13 years of Tax
incentives.



New Investment opportunity with overall
23+% average annual returns projected

Here is what the finished project looks like

A tremendous time to invest in Student Housing

"As dorms morph into luxury apartments, our student housing clients are able to offer more in amenities such as pools, hot tubs, weekly social events, top-of-the-line workout facilities and high-speed internet. These services are free, but with the increase in amenities, rents are significantly greater than other types of apartments, sometimes even twice the amount,"
- RSM Partner Nick Antonopoulos

"There's just been a massive amount of money flowing into the space and the top investors are all doing what they can to make a splash,... There are more groups looking to invest than there are developers and operators with available real estate, so the next 12 months should be very interesting, as the hardest thing for these institutional investors to do is find the right product with the right operator."
- Marc Lifshin, Co-founder and Managing Partner of Core Spaces.



Interested in Apartment Investing?

Come enjoy an incredible learning experience



I help people become financially free with real estate by teaching them how to invest in apartment buildings



MultifamilyU

www.multifamilyU.com

Interested in Apartment Investing?

An incredible learning experience



Multifamily Real Estate Investing Has Proven To Be
One Of The Best Asset Classes For Long-Term Wealth
Accumulation



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An incredible learning experience

I teach the last honest Apartment Boot Camp in America.

And it makes you 3 unique promises.



www.multifamilyU.com

A unique learning experience

Seize the Opportunity

Promise

The only Apartment boot camp in the U.S. that makes & keeps these promises to you:

Promise 1: The training is eye opening, specific and tangible, meant to be used right away.

Thank you again for an amazing learning experience in the MF Boot Camp. My husband and I really appreciated how many specific tools you shared that we haven't seen elsewhere. Tools we can begin putting into practice right way, such as what to look for in determining which markets have the greatest potential for growth and cash flow, how to then drill down to specific neighborhoods within those markets, and how to build a team that can help support and run our out-of-state holdings. This is invaluable information for new investors like ourselves, but I imagine even a seasoned veteran would have picked up some great tips.

- Anya Sagee



MultifamilyU

www.multifamilyU.com

A unique learning experience

Seize the Opportunity

Promise

Promise 2: Pitch free – no upsell, coaching, mentoring, tapes etc. Just 100% sales free, content rich training.

The Multifamily Boot Camp was 100% sales free training on how to buy apartments. Lots of content, resource and tips you can use right away. No sales pitch. All training. I've attended several weekend bootcamps before and although all offer great information, half the time you're there, they're trying to sell you something – their next event or coaching or whatever else. The Multifamily Boot Camp was 100% sales free training on how to buy apartments.

- Joy Viray



MultifamilyU

www.multifamilyU.com

A unique learning experience

Seize the Opportunity

Promise

Promise 3: filled with shortcuts, secrets and strategies that you have never seen before, with a clear roadmap to success

Neal's ingenious ideas on how to use VA's and mega-marketing strategies to attract tenants was truly an eye opening experience for me.

The boot-camp provided me with a clear and precise road map to identify specific locations to invest in. Neal's presentation coupled with labs (small group sessions) provided hands-on experience for all the attendees.

I can state unequivocally that this boot camp was by far one of the best that I've attended. I was able to immediately implement the strategies that I learnt.

- Esosa Egonmwan



MultifamilyU

www.multifamilyU.com

What you will learn

Hundreds of students have been blown away by the quality and depth of the boot camp

Multifamily and Syndication Fundamentals

The fundamentals of apartment investing, and the 4 critical phases of a multifamily project you must master.



The Best and Worst Metros

Metro selection like you have never seen it before. This knowledge is essential for buying the right product at the right time.



The secret sauce to MultiFamily investing

Investing in the right neighborhood is even more important than picking the best city. Students rave about the process we teach for this crucial step.



How to evaluate Properties

The art and science of underwriting, and how to avoid common but deadly pitfalls that can cost hundreds of thousands of dollars.



How to find brokers and Properties

Learn multiple ways to find brokers and properties, including what to say and how to answer difficult questions.



Get the right Prop Mgr.

Finding, evaluating, and managing property managers... one of the most important skills for successful multifamily investing.

How to raise private money

How to present a project and
create a Sample Project
Package to investors



Amazing Bonuses

1. HD recordings of all sessions for a year
2. A powerful Facebook student-only group gives you access to partners, investors, deals and sponsors
3. A Digital student resource kit with dozens of resources – demand projections, due diligence lists, checklists, templates, worksheets, lists of brokers and so much more
4. Data reports for your Metro
5. A no-pitch private coaching session with Neal
6. Mystery bonuses – short videos posted by Neal frequently to the Facebook group
7. Mega-marketing Webinar recording
8. Virtual Assistants Webinar recording

Are you ready to become a successful Apartment Investor?

Get ready for an incredible learning experience

SO TAKE ACTION:

Go to www.multifamilyU.com and use the coupon code **magic** to get \$300 off (expires tomorrow at midnight).

If watching a replay, you can email us to get a \$200 off code

Week 1	Week 2
Mon, Wed, Thur	Mon, Wed, Thur
5.30 PM to 7.30 PM PST	5.30 PM to 7.30 PM PST

All live sessions are recorded and available for playback the next morning



www.multifamilyU.com



TIME FOR THE SHOOTOUT

BEST CITIES AND STATES IN THE COUNTRY FOR REAL ESTATE IN 2018

RENT GROWTH = CASH FLOW

Yardi® Matrix

apartment list

trulia®

Sacramento

Sacramento

Tacoma

Orlando

Reno

Sacramento

Las Vegas

Orlando

Milwaukee

Denver

Riverside

Los Angeles

Phoenix

Salt Lake City

Colorado Springs

Tampa

Vancouver

Deltona

Dallas

Arlington

Salt Lake City

Los Angeles

Tampa

Gary

Twin Cities

Santa Ana

Fresno

Inland Empire

Fresno

Las Vegas

HOTTEST = FIX & FLIP

Zillow®

realtor.com®

San Jose

San Francisco

Raleigh

San Jose

Seattle

Vallejo

Charlotte

Colorado Springs

San Francisco

Midland, TX

Austin

San Diego

Denver

Santa Rosa

Nashville

Sacramento

Portland

Denver

Dallas

Stockton

PRICE GROWTH = APPRECIATION

FORBES

trulia®

realtor.com®

Orlando

Las Vegas

Grand Rapids

Provo

Dallas

Nashville

Jacksonville

Deltona

Raleigh

Raleigh Durham

Stockton

El Paso

Ogden

Lakeland

San Antonio

Nashville

Salt Lake City

Fort Worth

Atlanta

Charlotte

Austin

Springfield

Colorado Springs

Columbus

Fort Worth

Nashville

Madison, WI

Sacramento

Tulsa

Cincinnati

1
2
3
4
5
6
7
8
9
10

A hand in a dark suit sleeve holds a blue marker, drawing a dark blue line graph over a faded city skyline. The graph has several peaks and valleys. Four horizontal bars in green, blue, orange, and red are positioned around the main text.

CALIFORNIA MARKETS – WHERE DO THEY STAND?

BEST CITIES AND STATES IN CALIFORNIA FOR REAL ESTATE IN 2018

California Markets

2018	Population	3-Year Pop. Growth	Job Growth Rate	Home Price Change	Avg. Home Price (\$000)	vs Income Price	Price/Rent Ratio
Anaheim	3,114,363	2%	1.0%	6%	623	32%	28
Riverside-San B.	4,380,878	3%	3.3%	9%	300	31%	18
Los Angeles	10,017,068	1%	1.0%	9%	524	23%	28
Oxnard-Ventura	839,620	1%	2.1%	7%	525	16%	24
San Francisco	1,584,815	4%	1.6%	6%	1,097	27%	46
Oakland	2,673,096	4%	1.4%	8%	606	21%	30
Santa Rosa	495,025	2%	0.9%	8%	490	19%	24
San Jose	1,919,641	3%	1.9%	7%	828	18%	32
Vallejo-Fairfield	424,788	4%	1.2%	10%	334	18%	18
San Diego	3,211,252	3%	1.3%	8%	480	18%	24
Sacramento	2,215,770	4%	2.2%	10%	327	15%	21
Santa Cruz	269,419	2%	0.8%	6%	580	23%	29
Santa Maria	435,697	2%	1.9%	6%	487	18%	24
Napa	140,326	1%	2.3%	7%	523	15%	26
San Luis Obispo	276,443	2%	1.2%	6%	471	15%	27
Salinas	428,826	2%	1.1%	8%	441	14%	24
Stockton	704,379	4%	1.1%	10%	282	9%	18
Modesto	525,491	3%	1.9%	9%	244	6%	16
Chico	222,090	2%	1.1%	9%	257	4%	19
Redding	178,980	0%	3.2%	7%	229	2%	16
Fresno	955,272	3%	2.3%	10%	230	-2%	18
Yuba City	168,690	2%	0.5%	13%	304	-2%	26
Hanford	150,960	0%	2.0%	10%	241	-5%	19
Merced	263,228	2%	0.7%	10%	228	-8%	18
Bakersfield	864,124	2%	1.6%	4%	189	-10%	15
El Centro	176,584	2%	1.4%	6%	237	-10%	21
Visalia	454,143	2%	1.3%	8%	208	-15%	18
Madera	152,389	2%	3.6%	9%	258	-19%	18

- Anaheim most overvalued vs income price, with Riverside coming in 2nd
- In the Bay Area, San Jose is less inflated than Oakland or SF
- There are still many markets in CA that could be considered inexpensive, such as Yuba City or Madera, CA (where I own 10 homes)
- Vallejo-Fairfield had the highest home price change in the last 12 months at 10%

Most forecasters expect CA home prices to grow at a good (but slowing) rate for another year before slowing. Doesn't look like the party is quite over yet !!



NEAL'S BOLD 2019
PREDICTION - IN CALIFORNIA

I HOPE I DON'T CRASH AND BURN

The California City that will outperform is...

A really tiny place

It's has some cash flow

The number of rentals listed on Trulia quadrupled in two years



It's fairly affordable

Median rents are \$1,500, median starter homes are around \$200K



Ranked #7 for Best Performing small cities

The Milken institute ranked it highly for High tech and for overall job growth



Defense , Healthcare & Gambling growth

Beale AFB growing, Healthcare adding 7,000 jobs, Colusa Casino adding \$170 Million to economy



HONORABLE MENTION
Visalia, CA and Riverside, CA

A hand in a dark suit sleeve holds a blue marker, drawing a line graph on a dark, semi-transparent background. The background features a faint city skyline. The text is centered and surrounded by four horizontal bars: a blue bar above the first line, a green bar to the left of the second line, a red bar below the second line, and an orange bar to the right of the second line.

NEAL'S BOLD 2019 PREDICTION - OUT OF STATE

I HOPE I DON'T CRASH AND BURN

The City/State that will outperform is...

Full of potatoes

Boise, ID



#1 Lowest cost Metro in Pacific U.S.

Competitive Alternatives voted it #1 in 2016



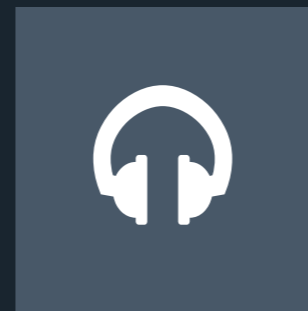
Voted "Best Cities to Live" often

From several publications, including #1 in 2016 from
247wallst.com



#2 in "Up and coming cities for college grads"

Forbes ranked it in 2015



#2 best state for Property tax rate

The Tax Foundation study ranked it highly



HONORABLE MENTION

Salem, OR and Tacoma, WA

QUESTIONS ?

GET IN TOUCH WITH US

Call us to chat about investment, education or joint venture opportunities

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510-367-1510

www.grocapitus.com

www.multifamilyu.com

Reviews for the Boot Camp

What are the students saying?

“ Thank you again for an amazing learning experience in the MF Boot Camp. My husband and I really appreciated how many specific tools you shared that we haven't seen elsewhere. Tools we can begin putting into practice right way, such as what to look for in determining which markets have the greatest potential for growth and cash flow, how to then drill down to specific neighborhoods within those markets, and how to build a team that can help support and run our out-of-state holdings. This is invaluable information for new investors like ourselves, but I imagine even a seasoned veteran would have picked up some great tips. Definitely worth every penny and more! ”

- Anya Sagee



Go to www.multifamilyu.com and use the code **magic** to get a discounted price on the boot camp (the boot camp price goes up next week to a much higher amount).

Reviews for the Boot Camp

What are the students saying?

“ It’s easy to endorse the Boot Camp on Multifamily Real Estate that you provided. I have attended many seminars on real estate and yours was, by far, the best. In one day you provided so much great content and insight that I have nothing to compare it with. The access to the trove of material you provided afterwards just doubled down on the value you provided. I would go again.

”

Mark Kamstra



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Reviews for the Boot Camp

What are the students saying?

“The Multifamily Boot Camp was 100% sales free training on how to buy apartments. Lots of content, resource and tips you can use right away. No sales pitch. All training. I’ve attended several weekend boot camps before and although all offer great information, half the time you’re there, they’re trying to sell you something – their next event or coaching or whatever else. The Multifamily Boot Camp was 100% sales free training on how to buy apartments.

”

Joy Viray



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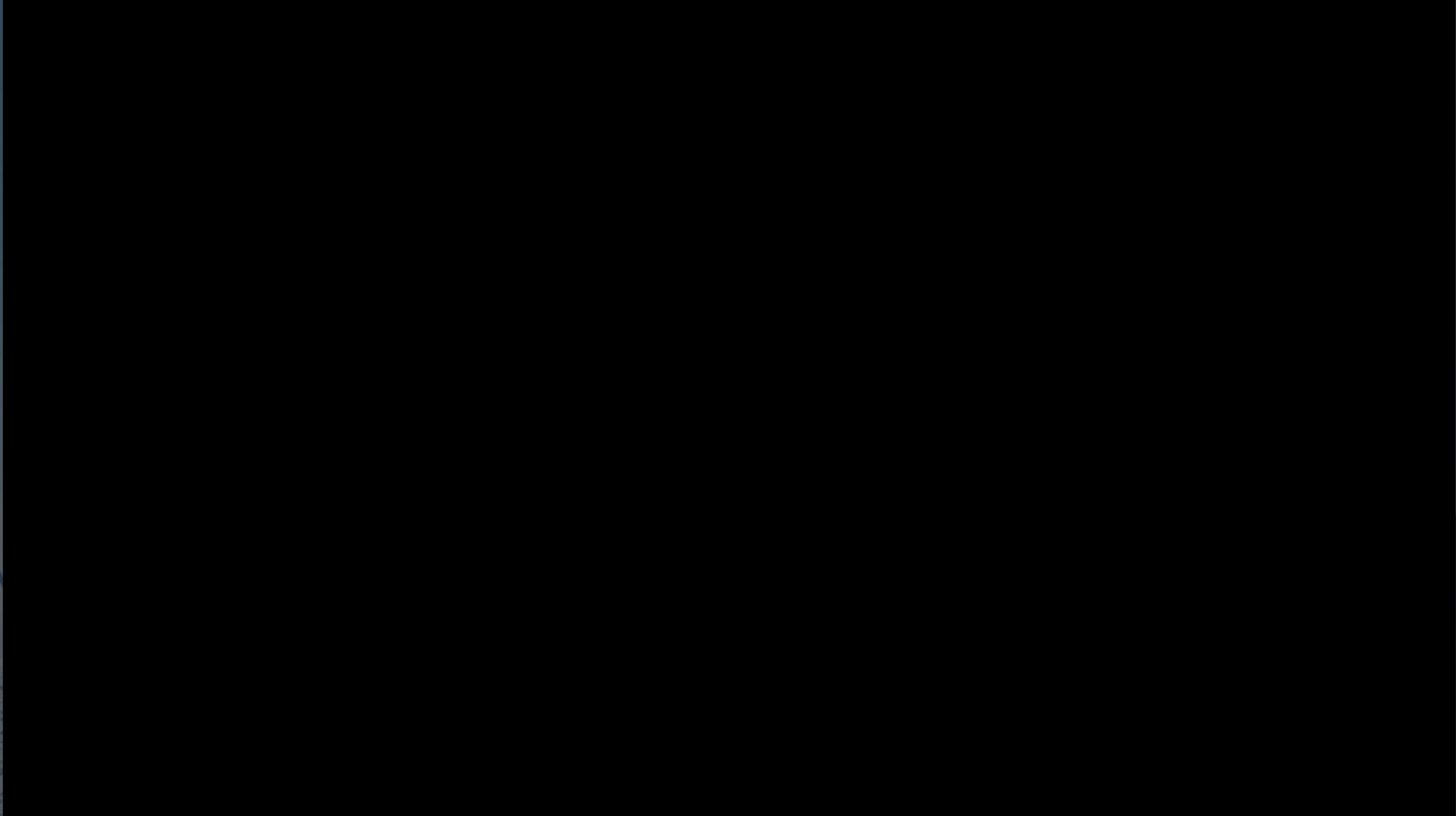
“ Neal’s ingenious ideas on how to use VA’s and mega-marketing strategies to attract tenants was truly an eye opening experience for me. I can state unequivocally that this boot camp was by far one of the best that I’ve attended. I was able to immediately implement the strategies that I learnt. Neal, I can’t thank both of you enough for taking the time to provide us with this valuable information.

Esosa Egonmwan



”

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WILL HIGHER MORTGAGE RATES AFFECT SALES

If you are watching this webinar recorded (not live), you will not see the video. You can watch it at <https://goo.gl/NZ5gZg>



