Presented By:

NEAL BAWA
Grocapitus & MultifamilyU

grocapitus

Multifamily University

LOCATION MAGIC

BEST CITIES & NEIGHBORHOODS IN THE U.S. FOR REAL ESTATE INVESTING

Meet Neal

President and CEO, Grocapitus

Neal Bawa

CEO & Founder

ABOUT NEAL

- ✓ Neal's companies have owned / managed a portfolio of over $250 Million

- ✓ Over 2,000 units of Multifamily and Student housing, in 7 states

- ✓ Nationally known Multifamily mentor and speaker

- ✓ About 5,000 investors attend his Multifamily webinar series and hundreds attend Multifamily Boot camps

- ✓ Co-founder of the largest Multifamily Investing Meetup in the U.S. with 10,000+ members.

KEY FOCUS

Investor Management

Leasing and Tenant Marketing

Submarket and Property Selection

Operations and Metrics

Sample of Grocapitus Portfolio & Track Record

Equinox at Knight

This well maintained value-add 194 unit project in suburban Atlanta is in a submarket with incredible schools, and offers projected cash flow of 8% from 2020 onwards. The property projects a 1.9X equity multiple with an 18% avg. annual return.

Equinox on Prince

Purchased March 2019, our first property in Tucson, AZ is an older 114 unit property in a growth area with new medical centers and malls nearby. Under market rents and tired units offer a true value-add opportunity. We've boosted occupancy by 10% in our 1st month as we re-brand and renovate to create a modern apt community.

The Falls at Crismon Commons

New 240-unit A class property in high-growth metro Mesa, AZ. Development includes allocation of 40 vacation rentals and 200 long-term rentals architected to maximize income and profits.

Ground-up construction commences Q2 2020 with completion expected by Q3 2022.

The GRID

217 units ground up construction next to transit and BNMC medical university campus in Buffalo, NY.

Started construction July 2019, for Q1 2021 completion.

Chelsea Place

174-unit Class C property in East Atlanta, 95% occupied. Value Add project with under market rents, will undergo light rehab and rents pushed to market . Two miles from our other Atlanta property, so lots of efficiencies here. Purchased December 2018.

Storage Depot

718 unit value-add storage facility with adjacent land for expansion. We will rebrand and reposition it as a green facility by adding two solar arrays to power the entire complex, more climatized storage units, RV parking, as well as an EV charging station. Fully subscribed

Lakewood Oaks

Our first project in Jacksonville FL is a 138-unit Class C (vintage 1974) in an emerging Class B area, acquired in Feb 2019. With under market rents, and no renovated units, this is a true value add. We will re-brand it, re-position it, then explore the possibilities to build 32 additional units.

Park Canyon

151-unit Class B Property in Dalton GA, Chattanooga Metro. Under market rents and 20 down units from a fire gives us opportunity to add significant value in this project.

Property purchased November 2018.

Coyote Creek Apartments

116-unit new construction multifamily in St George UT, a city with 2% vacancy rate, and the property is zoned for vacation rentals as well.

Construction starts Sept 2019, for completion Q1 2021.

AND MANY MORE...

Two Cents From Our Lawyer

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.

- HOUSEKEEPING – Recording? Questions?

CITIES REALFOCUS #1: Population Growth

21.25%
POP. GROWTH

If the city is between a 250K and 1 million in population, you want 21.25% population growth between 2000 and 2017.

15%
GROWTH

30%
GROWTH

21.25%
APPLIES TO 2020

LARGE METRO CITIES
(1-2M POPULATION)

Phoenix, AZ
Philadelphia, PA
San Antonio, TX
San Diego, CA
… and more

MICRO CITIES
(<250K POPULATION)

St. George, UT
Durham, NC
Fort Wayne, IN
… and more
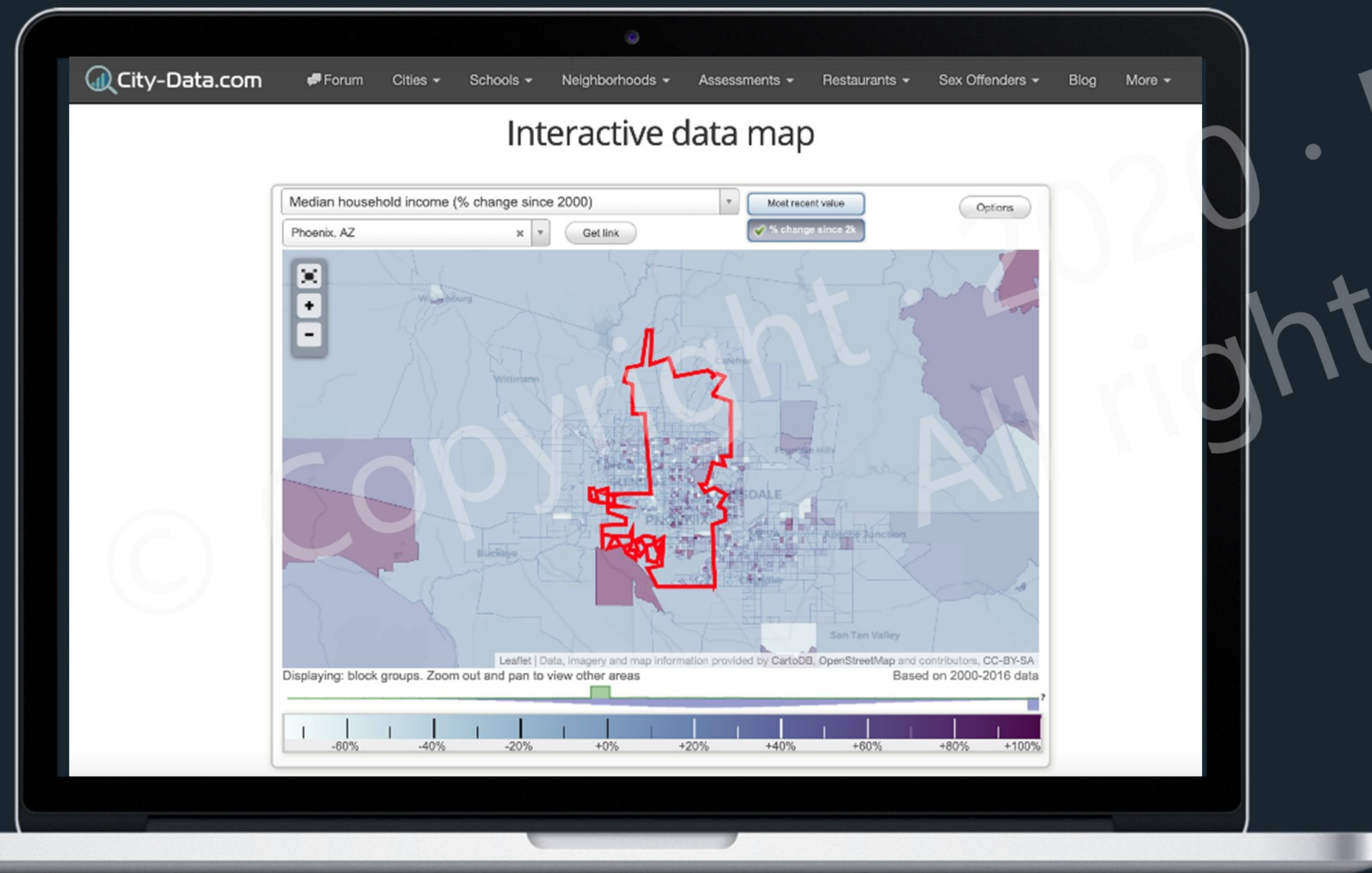
IN 2021, ADD 1.25%

Large Cities +1%
Micro Cities +1.5%

CITIES REALFOCUS #2: Median Household Income

31.5%
INCOME GROWTH

Look for 31.5% median household income growth between 2000 and 2017, using www.city-data.com. Applies to cities of all sizes.

City-Data.com

Interactive data map

Median household income (% change since 2000)

Phoenix, AZ

Most recent value

Get link

Options

% change since 2k

Displaying: block groups. Zoom out and pan to view other areas.
Based on 2000-2016 data

-60% -40% -20% +0% +20% +40% +60% +80% +100%

City-Data.com

- Search for a city on City-Data.com home page

- Scroll to Median Household Income.

- Compare the 2000 and 2017 numbers

- Look for cities with 31.5% or more in median household income growth.
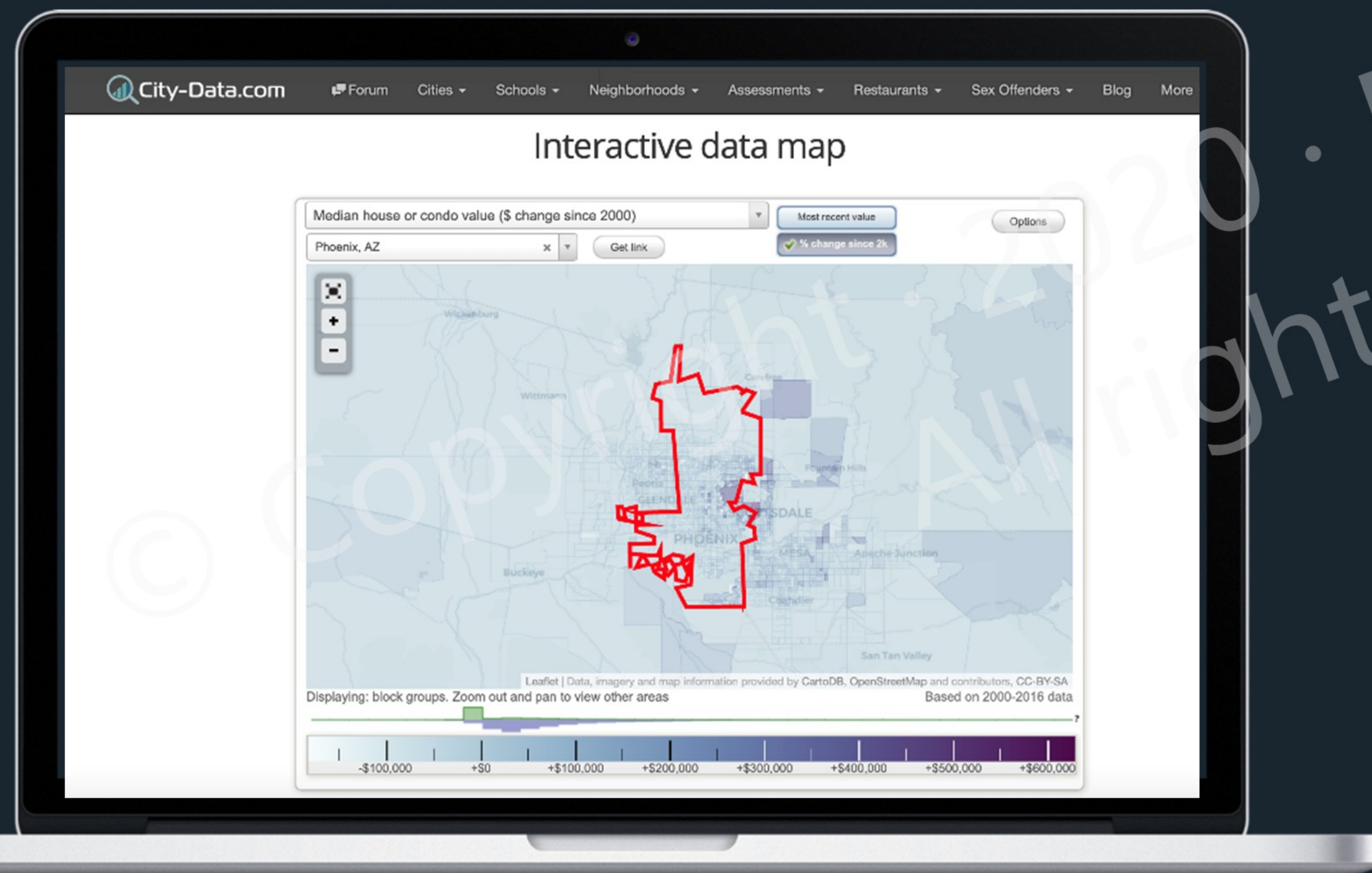
31.5%
APPLIES TO 2020

IN 2021, ADD 1.25% GROWTH TO THE 31.5% NUMBER

CITIES REALFOCUS #3: Median House / Condo Value

42.5%
GROWTH

Look for 42.5% growth in median house / condo value between 2000 and 2017, using www.city-data.com. Applies to cities of all sizes.

City-Data.com

42.5%
APPLIES TO 2020

IN 2021, ADD 2.5% GROWTH TO THE 42.5% ABOVE

- Search for a city on City-Data.com home page

- Scroll to 'Median House / Condo Value' by city, compare the 2000 and 2017 values.

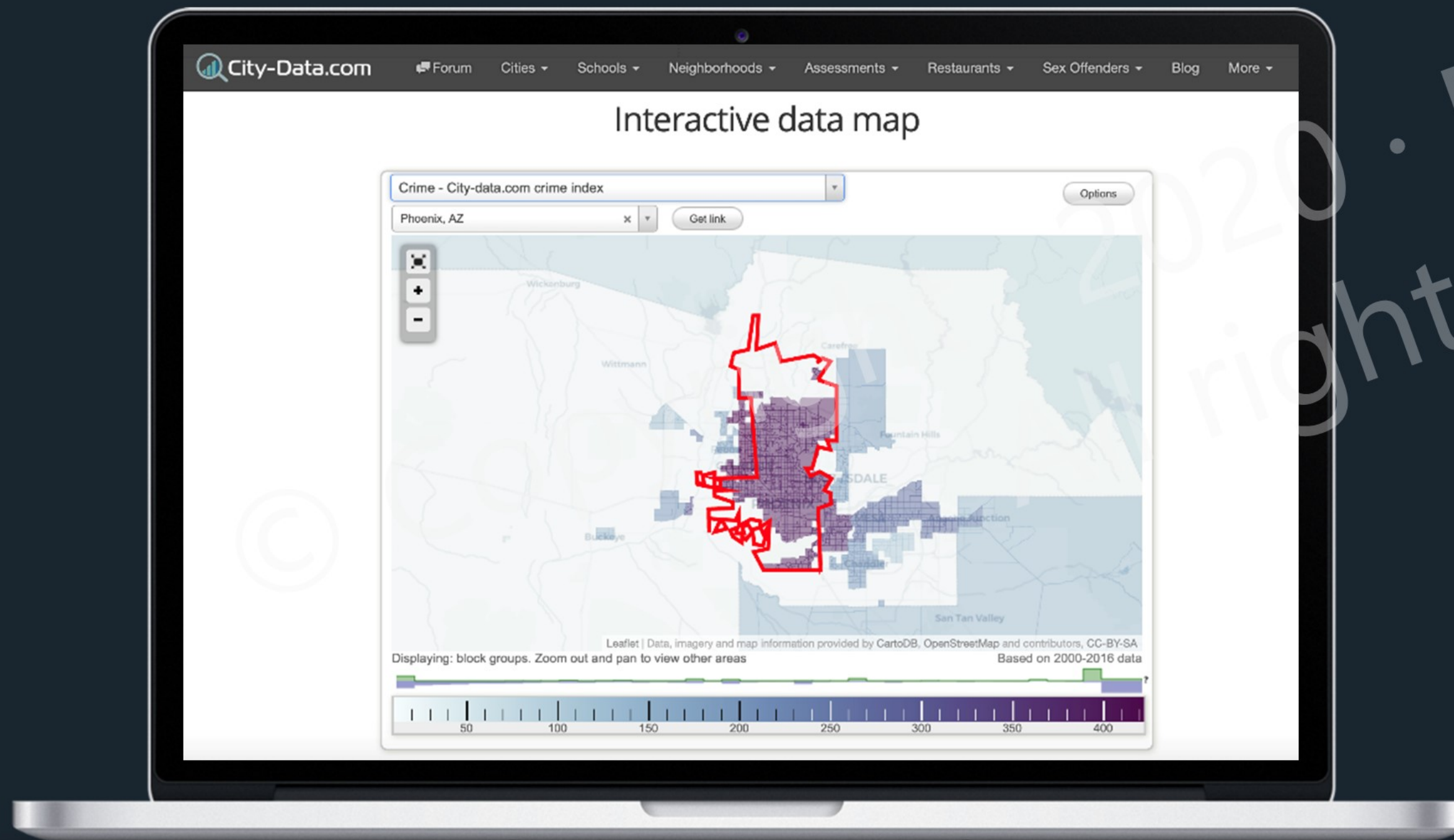- Look for cities with 42.5% or more in median house / condo value.

CITIES REALFOCUS #4: Change in Crime Levels

BELOW 500

Look for crime to go down and for the most recent crime number below 500 in the crime table at www.city-data.com. Applies to cities of all sizes.

Interactive data map

Crime - City-data.com crime index

Phoenix, AZ

Options

Get link

Displaying: block groups. Zoom out and pan to view other areas.
Leaflet | Data, imagery and map information provided by CartoDB, OpenStreetMap and contributors, CC-BY-SA
Based on 2000-2016 data

| 50 | 100 | 150 | 200 | 250 | 300 | 350 | 400 |

City-Data.com

- Search for a city on City-Data.com home page

- Scroll down to the crime table and look at the last line.

- Look for cities with a crime index of 500 or less in current years. and declining crime (from left to right).

<500

APPLIES TO ALL YEARS

NO NEED TO +/- FROM THIS 500 NUMBER AS THE YEARS GO BY

CITIES REALFOCUS #5: 12 Month Job Growth %

2%
ANNUALIZED GROWTH

IDEAL: Look for numbers above 2% annualized job growth (1.5% for cities over a million) at:
www.deptofnumbers.com/employment/metros/

DEPARTMENT OF NUMBERS

Job Growth by Metropolitan Area

The December 2019 employment data for 318 metropolitan areas tracked by the BLS are shown below. The month-to-month jobs data in the table comes from the Current Employment Statistics survey. Current Population Survey jobs data is shown within. Employment data by state is also available. Visit the employment overview page to see all employment data. **Click on a header to sort.**

City, State	December 2019 CES Jobs Added	December 2019 CES Jobs Percent Change	1 Year CES Jobs Added	1 Year CES Jobs Percent Change
Lafayette, IN	1,200	1.16%	-700	-0.67%
Lewiston, ID	200	0.69%	600	2.09%
St George, UT	500	0.69%	2,800	4.02%
Kankakee, IL	300	0.65%	300	0.65%
Austin, TX	7,100	0.64%	36,600	3.40%

- Look for cities with 2% annualized job growth and more in the '*1 year CES Jobs Percentage Change*' column.

- In the screenshot, the following cities match the criteria: Lewiston, St George, Austin.

2%
APPLIES TO ALL YEARS

NO NEED TO +/- FROM 2% FOR YEARS BEYOND 2018

Top Cities to Invest In For 2020

Get the List + Bonuses:

- **5 City Rules**
- **5 Neighborhood Rules**
- **Excel spreadsheet with rule**

Upper case or lowercase ok, make sure that your phone does not add a space between RE and TOOLKIT

Multifamily University

Phone screen (iMessage to 44222):

20:32

44222

iMessage
Thursday 15:58

RETOOLKIT

Sent

Text the word RETOOLKIT to the number 44222

NEIGHBORHOOD REALFOCUS #1: Median Household Income

$40-70K
HOUSEHOLD INCOME

IDEAL: The neighborhood's median household income should be between $40K and $70K.

$$$

$40-70K
APPLIES TO CASH FLOWING RENTALS

IF INVESTING FOR APPRECIATION, AIM FOR

$55-90K

NEIGHBORHOOD REALFOCUS #2: Median Contract Rent

$700-1K
CONTRACT RENT

IDEAL: The neighborhood's median contract rent should be between $700 and $1000.

BUMP UP NUMBER
FOR EXPENSIVE METROS (DEPENDENT ON CITY)

IN THE RUST BELT, BUMP DOWN BY $50,
BUT DO NOT GO BELOW

$650

NEIGHBORHOOD REALFOCUS #4: Poverty Rate

<20%
POVERTY RATE

IDEAL: The neighborhood's poverty rate should be under 20%, but under 15% is strongly preferred if you are risk-averse.

15.8%

16.4%

17.4%

MESA, AZ

JACKSONVILLE, FL

DURHAM, NC

MEETS POVERTY RATE REQUIREMENTS
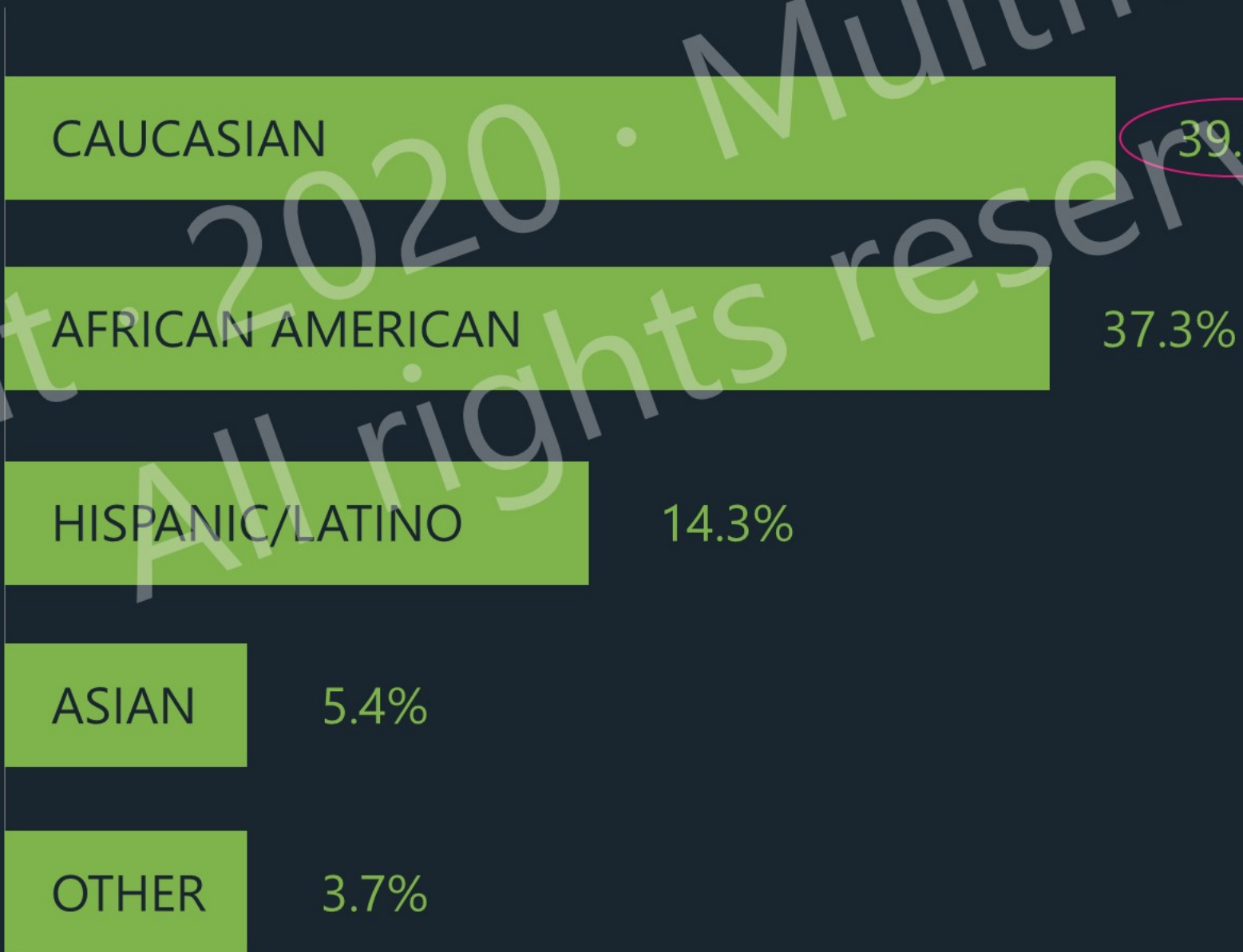
Top Cities to Invest In For 2020

Get the List + Bonuses:

- **5 City Rules**
- **5 Neighborhood Rules**
- **Excel spreadsheet with rule**

Upper case or lowercase ok, make sure that your phone does not add a space between RE and TOOLKIT

44222

RETOOLKIT

Sent

Text the word RETOOLKIT to the number 44222

Multifamily University

JOIN US FOR
50+ Free Knowledge-Driven, Power-Packed Webinars on:

www.multifamilyu.com

Multifamily University

Thank You for Joining Me

QUESTIONS?

grocapitus

NEAL BAWA
Grocapitus & MultifamilyU

510-367-1510
neal@grocapitus.com

Free Online Training
REAL ESTATE TRENDS
Critical updates 2019...
PLUS Top 10 cities For Investors
With Neal Bawa

Free Online Training
SECURITIES LAWS
What you need to know about securities laws
With Kim Lisa Taylor

Free Online Training
WHAT YOU NEED TO KNOW
OPPORTUNITY ZONES
Unprecedented New Real Estate Tax Strategy
With Neal Bawa

Free Online Training
USING LLCs FOR STRUCTURING REAL ESTATE TRANSACTIONS
With Clint Coons

Free Online Training
EVALUATING MULTIFAMILY PROPERTIES
Step-by-step through our proven system
With Anna Myers

Free Online Training
EVERYTHING INVESTORS NEED TO KNOW ABOUT THE NEW TAX LAWS IN 2020
With Toby Mathis

Free Online Training
TAX STRATEGIES FOR PASSIVE INVESTORS
With Brandon Hall

Free Online Training
AIRBNB & VACATION RENTALS
Your Secret Profit Weapon
With Ken Barton

Free Online Training
NEW INVESTORS GUIDE TO MULTIFAMILY FINANCING
How To Successfully Finance Your Deals
With John Brickson