JUNE
2024

Peak Possibilities

Your Monthly Guide to Informed Real Estate Decisions

ICOR™
Investment Community of the Rockies
COLORADO'S REAL ESTATE INVESTORS ASSOCIATION

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How Inclusion Impacts Your Rentals

By David Pickron, RentPerfect

If you've ever purchased a gift for someone, you're familiar with those three dreaded words you have to be on the lookout for; "batteries not included." For most of us, there has been that moment on a holiday morning or birthday when the excitement of receiving something new is dashed as the recipient realizes that without power, they just have an empty box and a lifeless gift. Knowing what is and is not included in any transaction is critical to achieving the end goal of both parties, this is especially true for housing providers.

I recently had a potential tenant who was going through some life challenges ask me if there was any way that I could include a washer and dryer as part of the rental. Questions like these set off all sorts of alarms in my head. I've been at this for over 20 years and situations like this have rarely ended well for me... but I reluctantly gave in and provided the washer and dryer at move-in. Here's why I entered into this agreement reluctantly; if they own the equipment and it breaks, they never call, but if I own the equipment and it breaks, I am the first call and end up playing repairman. Ideally, I avoid these situations, but under certain circumstances I do go that way and when I do, I always do these two key things that will help to protect your investment.

In June at ICOR, Active Investors take the "Hot Seat" to talk about what they see and are experiencing in TODAY'S MARKET!

6/18 in Denver
6/20 in Fort Collins
6/25 in Co. Springs

Establish Your Ground Rules

When it comes to rental property, the number of items a tenant may ask for is unlimited. In your business, determine in advance what and what will not even be a possibility to include with the property. When it comes to appliances, those that are attached to the property are usually included. I'm talking about items like a dishwasher or oven. You might include a refrigerator depending on if it is the built-in variety. Usually not included is anything related to laundry, microwaves, BBQ grills, etc. And speaking of grills, if you decide to provide one, make sure you establish that you are not responsible for providing fuel. I've taken the brunt of an angry phone call from a tenant whose dinner party plans were destroyed when the propane ran out halfway through cooking their meal. Same goes for things like yard equipment if you decide to leave a lawn mower for the tenant who wants to maintain the yard. Each of these items present different challenges that require different rules, and it is best to lay out those rules in your lease.

Put it in the Lease

The lease is your first (and best) line of defense when it comes to items you have included in your property. I would recommend always using language that references the following categories:

- **Ownership:** clearly state who owns the equipment that is included in the lease. This ensures that if something "walks" off at the end of the lease period, all parties know who it legally belongs to.
- **Responsibility:** If something breaks, it is critical to know who bears the financial and physical responsibility for its repair. For example, if I were to include laundry units in the property, I include language like, "If the laundry units become non-functional, you are responsible for all repair costs. If you do not want to cover those costs, the units will be removed from the property and you will be responsible for procuring your own units. If, when the lease is terminated, the units are in place and non-functioning, all repair costs will be covered by your security deposit." Clear and concise, the tenant knows exactly what to expect and you can look back on this when these situations arise
- **Terms of Use:** The final piece of protection is having them understand the terms by which you

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June @ ICOR

Denver | June 18th: Using Negotiations in Out of State Multi Family to Build Generational Wealth

Fort Collins | June 20th: An Investor celebrates HIS "Independence Day" and talks about 30+ years as an investor

Colorado Springs | June 25th: Lisa Hernandez takes the Reins to Discuss the Springs Market

In Q2 2024, Colorado's real estate market continues to exhibit strength across various regions, including urban centers like Metro Denver, Northern Colorado, and Colorado Springs, as well as mountain communities. The market dynamics are characterized by steady demand, limited inventory, and rising prices, reflecting a resilient housing sector amidst broader economic shifts.

Metro Denver:

- Metro Denver remains a hotspot with strong buyer demand and limited housing supply.
- Prices continue to rise, driven by factors such as population growth, job opportunities, and lifestyle appeal.
- Affordability remains a concern, particularly for entry-level buyers, as prices outpace income growth.
- Suburban areas experience heightened interest, offering relatively more affordable options compared to the city center.

Northern Colorado:

- Fort Collins and Loveland in Northern Colorado witness robust demand fueled by job growth and lifestyle appeal.
- Limited inventory persists, contributing to upward pressure on prices.
- The region attracts buyers seeking a balance between urban amenities and natural beauty.
- Affordability challenges emerge, especially for first-time homebuyers, as prices climb.

Colorado Springs:

- Colorado Springs maintains strong activity, driven by factors like military presence and comparatively affordable housing options.
- Demand remains high, particularly in the mid-range segment, as buyers seek affordability without sacrificing quality of life.
- Inventory constraints persist, putting upward pressure on prices and limiting options for buyers.

In Q2 2024, Colorado's real estate market maintains its resilience, with strong demand driving prices upward across urban, suburban, and mountainous regions. Though affordability concerns and inventory constraints persist, Metro Denver, Northern Colorado, and Colorado Springs experience heightened activity. The allure of Colorado's lifestyle, job opportunities, and natural beauty continues to fuel buyer interest, shaping a market characterized by steady growth and competitive dynamics.

For full details or to register visit www.icorockies.com/events

Save the Date for ICOR's June Meetings

ICOR – Colorado Springs	ICOR – Denver	ICOR – Northern Colorado / Fort Collins
Tuesday, June 25th 6 PM-9 PM (MDT) *2nd Thursday of Every Month*	Tuesday, June 18th 6 PM-9 PM (MDT) *3rd Tuesday of Every Month*	Thursday, June 20th 6 PM-9 PM (MDT) *3rd Thursday of Every Month*

Upcoming Webinars & Workshops

The Quest EXPO "Discover the World of Alternative Investing through SDIRA"

In Person
Thursday- Saturday
Dallas,TX
June 27th – 29th

Are you ready to explore the exciting realm of alternative investing? Join us at the Quest Expo where industry experts and seasoned investors will unravel the secrets to diversifying your portfolio and maximizing returns.

"Introduction To Infinite Banking" Presented By Unbridled Wealth

In Person
Thursday, July 18th

What if you could be the bank? The Infinite Banking Concept is a time tested investment strategy. Join Jason Powers for an hour to get a great overview of Infinite Banking and learn how you can apply it in your financial life.

Colorado RECON 2024: Emerging Trends in Real Estate

In Person
Special Event
Saturday, September 21st

The dust has settled, and we have all gotten comfortable with what is now the "new normal." The question for many of us is, how do we make this market work for us?

Join ICOR with 300+ of your fellow investors for a day of panel discussions, networking, and building solutions to thrive TODAY!

Find out more and register online at www.ICOROCKIES.com/events

How Inclusion Impacts Your Rentals

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are providing any item in the property. This might include a term similar to this, "As the housing provider I am not responsible for any damages to your personal items created by using the laundry units provided." Or this fun one, "Use of the provided BBQ grill is at your own risk and expense. Housing provider is not responsible for providing fuel for grill and or for any damage or loss of food associated with use of the grill." It sounds like overkill, but I've seen and heard it all.

Being in this industry is a gift. I can't think of another place that would allow me to the opportunity for challenge and growth as much as being a housing provider. Knowing if and what to include in a lease is paramount to finding success; but without fail, the satisfaction that comes from helping others is definitely "included" in every transaction.

David Pickron is President of Rent Perfect, a private investigator, and fellow landlord who manages several short- and long-term rentals. Subscribe to his weekly Rent Perfect Podcast (available on YouTube, Spotify, and Apple Podcasts) to stay up to date on the latest industry news and for expert tips on how to manage your properties.

Members of National REIA can take advantage of special pricing from RentPerfect; the solution for rental property owners and managers for screening & managing tenants. Learn more by visiting www.rentperfect.com or calling 1-877-922-2547.

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Strategies to Reduce Property Insurance Premium

In the last few years, property insurance premiums have been on people's minds with the large increases from different carriers. Most of the factors causing these increases are out of the insured's control, but there are a few things they could do to pay less for their investment property insurance. We will discuss some of these strategies you can use to reduce the premium for your rental property's insurance.

1. Working with an insurance agent who understands the priorities of a real estate investor is essential. The ideal agent or broker is an important part of any business transaction. It begins with the quoting process, necessary coverage, adding discounts, and choosing flexible payment plans.

2. Reviewing your rental property's construction materials could help you lower your insurance premium. In Colorado, replacing and updating your roof with one that is more impact resistant to wind and hail could open the door to a significant discount. If you recently made improvements to your rental properties, be sure to contact your insurance agent to see if you qualify for any rate reductions.

3. Investing in a risk prevention system for floods or fires. A risk monitoring system could help with preventing and minimizing future losses for your single-family or multifamily rental. Water or gas leak detection systems and freezing pipe sensors are all a great strategy to make your rental property safer and more profitable. Your insurance underwriters would like to know about these proactive property management practices.

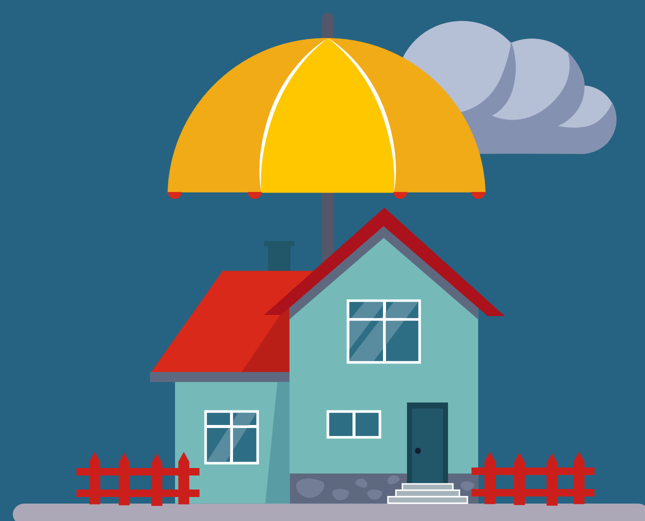
4. Raise your deductible to reduce your insurance premium. Most property insurance deductibles are above $1,000 for general losses but higher than $2,500 for wind and hail claims. When choosing your rental property's insurance deductible, you will need to look at your budget and consider two options: A) **Lower** insurance **premium** but **higher out of pocket repairs** if home is damaged. Or B) A **higher** insurance **rate** but a **lower deductible** when there is a hail claim.

5. Consolidating your rental insurance policies into one master policy. Multiple locations will benefit to multiple discounts, which will lower your insurance cost overall. Each scheduled location will have the same renewal dates and general coverage to simplify the property insurance process.

6. Skip small claims. It may be tempting to file a claim with your insurer even when something minor happens. However, you may be better off overall if you pay out of pocket for these smaller expenses. There are some carriers that offer discounts if you remain claim-free for a certain period, usually a few years.

7. Remove Attractive Nuisance. It is not worth the risk and the cost to have it included with your property.

Insurance is more complicated with all the several weather disasters within the last 5 years. Insurance agents must be more creative in how to bring new business and retain their current policy holders. Insureds must accept the new insurance rules, prepare their budget and work with an agent who understands their priorities. If there are any questions about the above five strategies, please do not hesitate to contact me.



Sure, you have a roof over your head, but do your investments have the right coverage?

How can I help? Let's set up a time to review your policies!
Your Investment Insurance Specialist,
Eve Hoelzel, Licensed Agent Producer

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The Devil is in the Details:
The Importance of Being Detailed in Real Estate Transactions

In the fast-paced world of real estate, precise contract language is critical. A recent case vividly underscores this point. In this instance, a property changed hands three times in quick succession, highlighting how even small oversights can lead to significant complications.

Here's what happened:

The original seller sold their property to a wholesaler. This initial closing included a contract clause for a post-closing occupancy holdback. The holdback stipulated that $10,000 would be withheld and released only if the seller vacated the property within 21 days. Although the clause was well-intentioned, the buyer's intent was for the seller and all personal property to be removed within that time frame, but the contract language did not explicitly state this.

In rapid succession, the wholesaler sold the property to a second wholesaler, who then resold it to a third buyer. The common practice in such scenarios is to include the original holdback language in all subsequent contracts. However, in this case, the second buyer's contract omitted this crucial language, while the third buyer's contract included a different version of it. The first two closings were handled by one title company, and the third by another. This is important because the error might have been caught if the closer saw the escrow language in the third contract.

The closer of the initial transaction missed the specific holdback verbiage and did not add it to the settlement statement. When she sent out the settlement statements for review, none of the parties involved reviewed them for accuracy, so the error was not caught, and the escrow was not collected. Ultimately, the seller vacated within the stipulated 21 days but left personal property behind, assuming they were compliant with the contract terms. Although the seller was correct according to the language of the contract, that was not the intent according to the buyer of the first and the buyers of all successive contracts. The second wholesaler, now the ultimate seller in this chain, owed $10,000 to the end buyer, whose contract explicitly stated that all personal property would be removed when the seller vacated within 21 days, or the buyer would be entitled to $10,000.

What ended up happening?

Since the escrow in the original contract was not collected at closing, the title company, at the request of the Leg B wholesaler who mistakenly believed the post-closing occupancy clause was in their contract, reached out to the seller to collect the funds. The seller refused, correctly pointing out that the agreement required her to vacate and did not involve any personal property left behind. Meanwhile, the ultimate purchaser was demanding their $10,000, creating a dispute among all parties involved in each of the contracts.

Ultimately, the seller refused to provide the funds, and the Leg B buyer threatened to sue the original wholesaler, leading to threats against the title company from all sides. Once the irregularities came to light, it was determined that the title company, the original wholesaler, and the Leg B wholesaler were all at fault. They collectively agreed to pay $10,000 to the end buyer.

This situation became a perfect storm of errors:

- The holdback language was not included in all three contracts and the two contracts with the language had differing versions.
- The contract language in the first contract did not clearly tie the personal property removal to the escrowed funds.
- Different title companies handled the transactions, making it harder to catch the original error.
- None of the involved parties on the initial two legs of the transactions reviewed their settlement statements for accuracy.

The devil is in the details, as they say, and this case illustrates how important it is to be meticulous. When drafting contracts, especially in multi-step transactions, it's crucial to ensure that all terms and conditions are consistently and accurately included in every contract iteration. Additionally, all parties must meticulously review settlement statements to confirm that all numbers and terms align with their expectations and agreements.

Real estate investors can learn valuable lessons from this case: always double-check your contracts and settlement statements, communicate your intentions clearly, and ensure all necessary provisions are carried through each stage of the transaction. This diligence can prevent costly misunderstandings and protect all parties involved in a real estate deal.

SELF-DIRECTED IRA EXPERT
SARAH SHELLAM / SARAH.SHELLAM@QUESTTRUST.COM / QUESTTRUSTCOMPANY.COM

Getting the Most Out of Your IRA Options

You've taken the first step! You have opened a Self-Directed IRA, a type of individual retirement account that allows you to invest in a wider range of assets beyond the traditional investment options, and you are now ready to do your first investment. Where do you start and what are your options? While Self-Directed IRA custodians like Quest do not sell investments (they simply allow you the possibility to find the investment yourself), we provide education to help you make the best decision for your situation.

If you have recently opened your account or are considering what diversification possibilities are out there, Quest wants to provide you with ideas of your investment options. While you are not limited to any of these, below are the most common categories of alternative investments we see in self-directed accounts.

Single Family Real Estate Investments

Single-family investment options refer to investments in residential real estate properties consisting of a single dwelling unit, usually designed to house one family. They can be great investment options for active investors, such as the following:

Property Rentals: You can purchase a single-family home as a rental property and generate income by renting to tenants. You can either manage the property yourself or hire a property manager to handle the day-to-day operations.

Fix-and-Flips: You can purchase a distressed single-family home, renovate it, and then sell it for a profit. This strategy requires a higher level of expertise and experience in home renovations and real estate market trends.

Subject-to and Lease-to-Own Property: You can purchase a single-family home and offer it to tenants under a lease-to-own agreement. This option allows tenants to rent the property for a specific period with an option to purchase the property at the end of the lease term.

Commercial Real Estate Investments

You can use your Self-Directed IRA to purchase real estate, such as commercial properties and even land. When considering commercial investment options, it's important to evaluate the location, condition, and potential investment, like any associated costs such as maintenance, repairs, and property management fees.

Multifamily/Apartments: You can invest in an apartment building that contains multiple units, ranging from a few to hundreds of units. With direct ownership of a multifamily property, you can receive steady rental income, and a property management company can be hired to manage it.

Duplexes, Triplexes, and Condos: You can purchase an investment property that contains multiple units, such as a duplex or a triplex. Smaller than apartment buildings, duplexes still offer the potential for rental income. It's also possible to invest in a building that contains multiple condominium units, which can be rented out to generate income and typically require less maintenance and management than other multifamily properties.

Vacation Rentals: You can purchase an Airbnb, VRBO, or other vacation rental home in a popular vacation destination to rent to vacationers. This investment option can generate higher rental income during peak vacation seasons. Remember, you must abide by all rules involving prohibited transactions and disqualified persons. If your IRA owns the vacation rental, you cannot stay in the vacation rental personally, nor can anyone who is disqualified. You must also check local laws to ensure there are no restrictions to prevent the property from being used as a short-term rental.

Private Entities

You can invest in private companies or startups with your Self-Directed IRA. These types of investments can have a higher degree of risk, but they also have the potential for high returns.

Multifamily/Self-Storage Syndications: A syndication is a strategy commonly used by real estate investors that allows multiple people to pool their resources and invest in large real estate projects, like an apartment building or self-storage facility. This type of passive investing gives the investor the benefits of direct property ownership without the hassle of managing or maintaining the property themselves.

LLCs (Limited Liability Company): An LLC is a type of business entity that combines the liability protection of a corporation with the tax benefits of a partnership or sole proprietorship. One of the key advantages of an LLC is the protection it provides to its members. With LLC investments, members are not personally liable for the debts and obligations of the business, which can help protect their assets.

Limited Partnerships: A limited partnership is a type of partnership in which two or more individuals or entities come together to invest in a real estate project. There are two types of partners: general partners who are responsible for managing the partnership and making the day-to-day decisions related to the real estate project and limited partners who do not participate in the day-to-day management of the partnership but instead, they receive a share of the profits and losses of the partnership based on their percentage of ownership.

Private Loans

You can lend money using your Self-Directed IRA. This type of investment can generate regular income through interest payments without requiring the investor to be very active. These are passive loans in which an investor lends money to a borrower who uses the funds to purchase a property. There are secured loans and unsecured loans that can be done at Quest.

Secured Loan: A secured loan is backed by collateral, typically the property that is being purchased by the borrower. Generally, it will mean if the borrower defaults on the loan, the lender has the right to foreclose on the property and recover their investment. Secured loans are generally considered less risky for lenders than unsecured loans because the collateral provides a way to recover their investment in the event of default. This makes secured loans more attractive to lenders and can result in lower interest rates for borrowers.

Unsecured Loan: An unsecured loan, on the other hand, is not backed by collateral and is based solely on the borrower's creditworthiness, income, and other financial factors. Because there is no collateral involved, they are considered riskier for lenders than secured loans.

Real Estate Notes

Notes can be created from scratch, or they can be bought after the agreement was created. As mentioned above, real estate notes, also known as promissory notes or simply "notes," are a type of passive investment option that allows an investor to loan funds to someone with set terms.

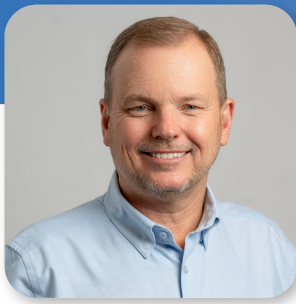
Performing Notes: A performing note is a loan in which the borrower is current on their payments and is paying back the loan according to the terms of the agreement.

Non-Performing Notes: A non-performing note is a loan in which the borrower is delinquent on their payments, and the loan is in default. These notes can offer the potential for higher returns but also carry a higher level of risk.

Owner-Financed Notes: An owner-financed note is a loan in which the seller of a property provides financing to the buyer. The buyer makes payments directly to the seller, who acts as the lender.

Wrap Notes: A wrap note is a loan in which the buyer takes out a new loan that wraps around an existing loan. The new loan combines the existing loan with additional funds and is paid to the seller, who acts as the lender.

Now that you know some of the most common Self-Directed IRA investment options, we hope this gave you some ideas on what to pursue for your first investment. Of course, investing requires due diligence, research, and knowledge of the investment you are considering. While Quest cannot offer investment advice, we do offer educational webinars on different types of alternative assets and investment strategies, so check out our event calendar to see our upcoming webinars. Our IRA Specialists are always here to help, so give us a call if you have any questions or schedule a free 1-on-1 consultation today!



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Are Mineral Rights Considered Real Property?

Knowing the ins-and-outs of mineral rights investing can be complex and requires a certain amount of expertise to truly understand. Many investors often ask the question "are mineral rights real property or personal property?" It's a valid question and there's some justification for either way the question is answered. However, mineral rights are legally classified as real property. Here's an explanation and what you need to know about your real property.

Why Mineral Rights Are Real Property

By definition, real property includes the land and anything that is permanently attached to the land. This means buildings, roads, fences, bridges, trees, water and minerals are all classified as real property. But even though mineral rights are considered to be real property and a tangible investment, they can still be sold separately from the surface rights. This complexity is one of the many reasons why it's important to seek expert advice with any mineral rights investing. Contractual agreements regarding the sale, transfer or lease of oil and gas minerals are extremely detailed, so it's important to know what the agreement states as being real property versus personal property.

Surface Rights vs. Mineral Rights

If you're interested in purchasing land, you can't assume the mineral rights come along with it. It's entirely possible for one person to own the surface rights and a different person own the mineral rights. The surface rights simply mean the owner can do whatever they want on the surface of the land in accordance with the law. Before rushing into an agreement thinking you're purchasing both surface rights and mineral rights to a property, your lawyer or other professional should evaluate the language in the contract to ensure you are the owner of both.

What Mineral Rights as Real Property Means for Investors

Since minerals are recognized as real property, what does that mean for potential investors? The classification of mineral rights as tangible assets brings with it a sense of stability—it is an asset that is owned in perpetuity that can be passed down to future generations. With an investment in mineral rights, investors benefit from a consistent stream of passive income, helping to shield their overall portfolio from the volatility of traditional markets, while benefitting from the security and diversification that come with ownership of real property. This makes mineral rights a unique investment avenue that not only has lucrative long-term benefits but also aligns with a tangible and time-tested form of wealth preservation, making it an ideal choice for those seeking to build and protect their portfolio.

Always Seek Expert Advice with Mineral Rights Investing

Since oil and gas minerals are considered to be tangible investments in real property, you have to treat them as such for tax purposes. Every situation is unique, so you can do as much research online as you think is necessary and still may not find out everything you need to know about your mineral rights. Experts in alternative investments and mineral rights investing are experts for many reasons. They know how to make sure you're not only classifying your mineral rights per the law, but they also ensure you get the most out of them when you sell or lease them.

Eckard Enterprises is here to help you understand your mineral rights thoroughly. We work with investors to ensure they are receiving the maximum benefits from their oil and gas minerals and alternative investments. Whether you're an individual interested in mineral rights investing or a major investment company that wants to diversify their portfolio, contact us today to see how we can help you.

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Parents, Step-Parents and Children Oh My!
Blended Families + Death = A Potential Nightmare

Long gone are the days when a "family" was defined as a mother, father and two children In this article, we'll focus on one of the types of families that's common in our modern culture: the blended family.

The Unique Dynamics At Play in Blended Families

A "blended family" comes into being when parents divorce, and at least one remarries. While everyone may get along effortlessly while the parent is alive, that too-often doesn't happen once the parent dies. Why? Because the law still hasn't caught up to our modern definition of "family." The law often favors the spouse, which works well when the spouse and the deceased have children together. But when the deceased parent has children from another marriage, the children can —indeed, often are—cut out of their inheritance. Other than the law being slow to catch up, there are a few more reasons why this happens:

- The parent trusts the new spouse completely and can't comprehend the spouse ever doing anything to harm the children;
- The new spouse may place his or her own interest ahead of the children—or have children from a first marriage and want them to benefit instead; or
- The parent has not been educated about what could happen when he or she dies, and hasn't consulted with a competent attorney to get educated.

A True (and Common) Story That Became a Nightmare

In a recent marketwatch.com article, a woman wrote about her own nightmare scenario. Her father (we'll call him "Dad") owned several properties, including the house she lived in as a child. He remarried, and when his health started to decline, her stepmother (we'll call her "Stepmom") made financial moves so he could qualify for government health care benefits under the Medicaid program. Whereas Medicaid is a needs-based program (meaning, you only qualify if you can't afford to pay), many people with means are able to take advantage of legal maneuvers and set their assets aside so they qualify. Doing this keeps assets protected for the next generation(s). So far, so good. It seems as if Stepmom has the children's interests at heart, right? Not so fast.

In order to qualify for Medicaid, Dad had to transfer his assets to someone else while he was alive. That "someone else" was Stepmom. Apparently, she convinced Dad it was the right move and that she could be trusted with his properties. Dad eventually died, and so at the time of his death, Stepmom owned all his properties, including the childhood home. Stepmom went on a selling spree, cashing in on them all. And guess where the money went? If you guessed Stepmom and HER daughter, you'd be right. Dad's children from his first marriage got nothing.

Wait — Surely That's Not Legal!

You may be thinking that's a horribly unfair outcome—so bad that it has to be illegal. But it's not. It's completely legal. Once Stepmom owned the properties, she was free to do anything she wanted with them. She chose—deliberately—to give her stepchildren none of the proceeds and under the law, she had the absolute right to do this. The children had no recourse. They'd lose in court every day of the week — and twice on Sundays. And so we're left to wonder: is this the outcome Dad wanted? Could he have foreseen Stepmom was capable of cutting out his children? And did he know there was another way he could have protected them and still qualified for government benefits? With education from a trusted lawyer, would he have done anything differently?

How to Ensure Your Children Are Spared From the Potential Consequences

If you want to avoid the same tragic consequences, there are some steps you can take right away:

1. Don't Be Afraid of the Inevitable: Benjamin Franklin is quoted as saying, "Nothing is certain but death and taxes," and he was half right (you can avoid taxes with careful estate planning but that's a topic for another article). Death is certain. Yet we're all uncomfortable talking about death, much less planning for it. Accept death as a reality then make plans while you can.

2. Hold a Family Meeting: Having a heart-to-heart about your wishes, values and goals can go a long way in preventing misunderstandings after you pass away.

3. Educate Yourself: Hands down the single most important thing you can do is educate yourself, and educate yourself now. Don't rely on the internet. Laws are different from State to State, families are different, assets are handled in different ways, and the internet won't take all this into account.

4. Work With a Lawyer Who Understands Your Family Dynamics: One size doesn't fit all when it comes to planning for life & death matters like these! What works for one family might not work for yours. You need a tailored plan to fit your unique needs. You deserve, and your family deserves, to have a plan that works when your family needs it. That's why you need a trusted, heart-centered attorney who will appreciate your unique situation and educate you so you're empowered to put the right plan in place. Your family's future literally depends on it.

Your loved ones don't have to face tragic circumstances when you pass. With honest conversations, proper education, and guidance from a trusted attorney, you can put together a plan that keeps the peace and makes sure your loved ones are taken care of just the way you want.

To learn more about how we approach estate planning from the heart and yet with all the strategies you need to keep your assets in the family, schedule a complimentary 15 minute call with our office by clicking here.

INFINITE BANKING EXPERTS
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Self-Directed IRA and the Infinite Banking Concept

Many real estate investors are familiar with the concept of using a self-directed IRA to finance their portions of their portfolios. It can be an appealing strategy due to its potential for high returns and diversification. Implementing the Infinite Banking Strategy would never take away from the value of a Self-Directed IRA, but instead, could create greater opportunities and additional tax advantaged assets.

The Infinite Banking Concept (we call it IBC) revolves around utilizing properly designed Whole Life insurance policies to build a cash reserve that policyholders can access through policy loans. Implementing IBC provides liquidity, tax advantages, and financial flexibility. The cash value within the policy grows tax-deferred, and policy loans are typically tax-free, allowing policyholders to leverage their cash value for various financial needs without interrupting the growth of the underlying funds. Unlike an IRA, when a loan is repaid, the gains do not need to go back into the policy. The gross growth of the policy happens independent of any other way the loan was used. The taxes may also be deferred indefinitely, as long as the policy stays in-force. If designed and used properly, and policy loans are deducted from the inevitable death benefit, with the reminder going tax-free to the beneficiaries.

IBC excels in providing liquidity, financial flexibility, and tax advantages within the framework of a life insurance policy. Policy loans may be used for anything one wishes—and the loan is unstructured. You simply receive an annual statement for the loan interest which can be tax deductible if used for business expenses or real estate investments. This interest is deductible because technically it goes back to the life insurance carrier. If one is already familiar with using a self-directed IRA, accessing and using policy loans may feel like a breeze in comparison.

Many call IBC the "AND Asset". (There is even a book with this title discussing the very topic.) IBC functions with any existing financial strategies, including a self-directed IRA. Often real estate investors believe they need a significant sum set aside in order to start IBC. However, time is more important than actual amounts. A young client starting in her twenties with $500 a month has the added value of a decade or two of compounding interest growing inside her policy, compared to someone older with three times that amount of premium. With the premiums remaining liquid, she can easily begin her REI journey AND IBC simultaneously… depending on which area of REI she chooses to start.

One hundred percent of all people will eventually pass away… but not all will pass on the death benefit of a life insurance policy. A benefit which is tax free, bypasses probate, and goes directly into the hands of the ones you want to receive the gift. If you would like to know specific examples, we would love to meet with you!

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Buying a Home in Denver: Your Path to Real Estate Success

Denver is expensive! How do young professionals afford to live here? It seems impossible but I recently found a way to make it happen for a client. He just closed on a home in Golden, that will have $200k in instant equity when it is fixed up. He is going to rent out the rooms, and then his home will be less than the cost of renting an apartment. After a few years, he can refinance or take the equity out and get another home. There are ways to get started.

House hacking is an innovative strategy that allows you to live in a property while renting out part of it to cover your mortgage and other expenses. Denver, with its booming real estate market and stunning natural beauty, is expensive. This article will guide you through getting started in Denver, building equity in your first deal, and the significance of family support in your real estate endeavors.

Getting Started in Denver

Denver's thriving job market, vibrant culture, and proximity to the Rockies make it an attractive destination for new homeowners and real estate investors. If you don't have a hundred thousand to put down, you may want to consider a home that allows you to build a separate entrance to a basement, or getting some roommates as an investment strategy. Without a lot of money down, monthly payments can be around $5,000 for a house, so you have to be creative. That is why more first time home buyers are renting out part of their homes to break into this market.

Equity in Your First Deal

Building equity is a crucial aspect of successful house hacking. When purchasing your first property, aim for a home that is under value. I can help find one, as I have access to off market deals and also have the crews to fix the homes once we get under contract. First time investors can also buy multi-family deals, this approach allows you to live in one unit while renting out the others. By doing so, you can use the rental income to pay down your mortgage faster, building equity over time. Additionally, consider properties that need minor renovations, as these can be purchased at a lower cost and offer opportunities to add value.

What Can You Do Yourself?

Sweat equity is a powerful tool in house hacking. By taking on manageable DIY projects, you can save money and increase your property's value. Tasks such as painting, landscaping, and minor repairs are great starting points. However, for more complex projects like electrical work or major renovations, it's wise to hire professionals to ensure the job is done correctly and safely.

Importance of Real Estate Mentors

Embarking on a house hacking journey requires a significant commitment, and having the support of other real estate mentors can make a world of difference. Discuss your plans and goals with your tribe, ensuring they understand your goals and potential challenges. Their encouragement and understanding can provide the emotional and practical support needed to navigate the ups and downs of real estate investing. When I bought my first investment deal, I did not have family support. My family thought of it as risky. They also thought it was too expensive. Now, they see it as a source of stability in my life.

Creating Equity

Creating equity in real estate goes beyond just paying down your mortgage. Strategic improvements, smart refinancing, and keeping an eye on market trends all contribute to building equity. In Denver's robust market, properties tend to appreciate steadily, allowing you to leverage increased property values for future investments. Keep an eye on local market conditions and be ready to adapt your strategy as needed.

The Beauty of Colorado and Why to Stay Here

Colorado's natural beauty is unparalleled, from the majestic Rocky Mountains to the serene plains. Living in Denver means you're just a short drive away from world-class skiing, hiking, and outdoor adventures. The state's thriving economy, diverse culture, and excellent quality of life make it an ideal place to settle down. House hacking in Denver not only provides a pathway to financial independence but also allows you to enjoy the countless benefits of living in this beautiful state. I am currently visiting Texas, and the tornados and wild storms remind me of why I live in Colorado. The mild climate is amazing.

In conclusion, house hacking in Denver offers a unique opportunity to build wealth, gain valuable real estate experience, and enjoy the unmatched beauty of Colorado. By starting smart, adding value, and leveraging family support, you can turn your real estate dreams into reality. Embrace the adventure and watch as your investments grow, all while living in one of the most desirable locations in the country.

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