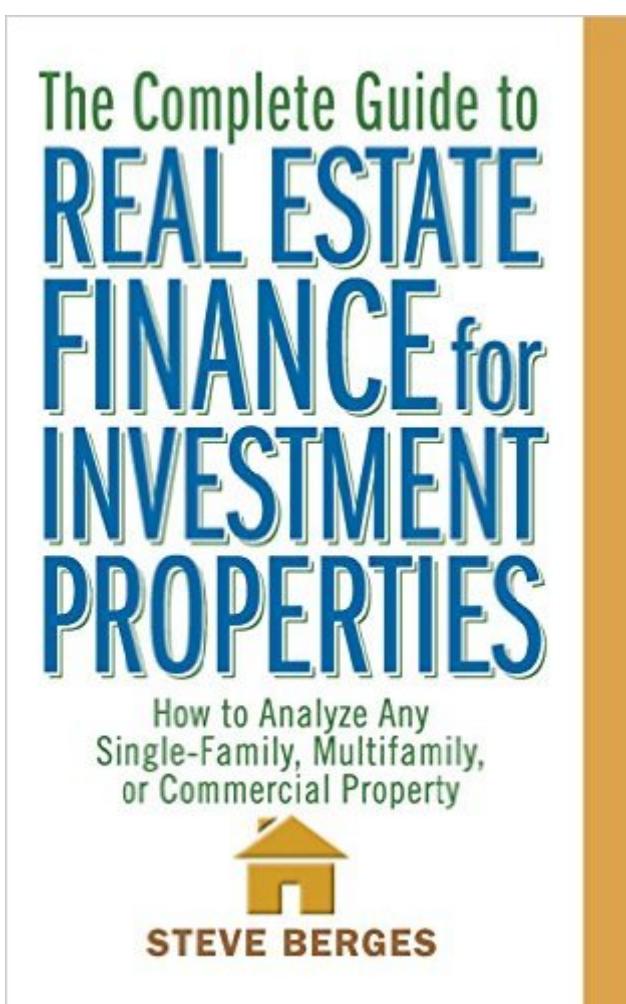


The book was found

# The Complete Guide To Real Estate Finance For Investment Properties: How To Analyze Any Single-Family, Multifamily, Or Commercial Property



## Synopsis

This practical, real-world guide gives investors all the tools they need to make wise decisions when weighing the value and potential of investment properties. Written for old pros as well as novice investors, this friendly, straightforward guide walks readers step by step through every stage of property analysis. Whether you're buying or selling, investing in big commercial properties or single-family rentals, you'll find expert guidance and handy resources on every aspect of real estate finance, including:

- \* Proven, effective valuation techniques
- \* Finance tips for all different kinds of property
- \* How various financing strategies affect investments
- \* Structuring financial instruments, including leverage, debt, equity, and partnerships
- \* Measurements and ratios for investment performance, including capitalization rates and gross rent multiplier ratios
- \* Future and present value analysis
- \* How the appraisal process works
- \* Primary appraisal methods-replacement cost, sales comparison, and income capitalization-and how to know which one to use
- \* How to understand financial statements, including income, balance, and cash flow
- \* Case studies for single-family rentals, multifamily conversions, apartment complexes, and commercial office space
- \* A detailed glossary of important real estate terminology

## Book Information

Hardcover: 288 pages

Publisher: Wiley; 1 edition (September 6, 2004)

Language: English

ISBN-10: 0471647128

ISBN-13: 978-0471647126

Product Dimensions: 6.3 x 1 x 9.3 inches

Shipping Weight: 1 pounds (View shipping rates and policies)

Average Customer Review: 4.0 out of 5 starsÂ  See all reviewsÂ  (23 customer reviews)

Best Sellers Rank: #228,642 in Books (See Top 100 in Books) #30 inÂ  Books > Business & Money > Finance > Corporate Finance > Valuation #52 inÂ  Books > Textbooks > Business & Finance > Real Estate #280 inÂ  Books > Business & Money > Investing > Real Estate

## Customer Reviews

This is a great book, and well worth purchasing if you want to learn about finances for investment properties. It is not all that it could be, but don't let that stop you from using it to get started. All that having been said, here are the things that I had to be careful about: 1) Ten performance measurements and ratios are presented in chapter 6, and they represent the heart of the book.

There is little overview of which ones are most importance or how to use or weigh conflicting or offsetting results. 2) The book is heavily centered on spreadsheets, which the author offers to sell to you. Others have criticized the spreadsheets for being locked. I used the book to recreate my own version of the spreadsheets, and the extensive explanations in the book helped, mostly, to make sure that I got the underlying formulas correct. What I noticed, however, is that the book sorely needed a financially sophisticated editor. For example, the spreadsheet on page 193 has an entry for "Expense/Foot." In fact, this entry is none other than the OER - Operating Expense Ratio - that was developed in Chapter 6. Why go to all the trouble to create and define ratios, if you aren't then going to use them. Other parts of the spreadsheets were equally problematic. For example, the Net CF's - presumably "cash flow" - for a 3 year exit only had the receipts for years 1 and 2, and not for year 3. Lastly, the book has nothing to say about (a) maintaining and growing a real estate portfolio of multiple properties as opposed to a single property, or (b) evaluating the relatively new 1031 multiple tenants in common investments that some long time owners are trading into in order to stop being a full time property manager as well as an investor.

In my opinion, as a non-author, this book is poorly written. The book gives examples on financial calculations that can be done to determine if a piece of property is a good investment. However, the examples given are either too complex to be meaningful outside of the specific situation or too simple to gain any understanding. The second section of the book on "case studies", is not made for new investors. The examples involve huge sums of money and very complex situations. Two examples come to mind: One case study discussed buying an apartment complex in an overpriced area, another rambled on about legal trouble he had with a local zoning board. A simpler more straight forward example of properties would be much more valuable. I also did not appreciate the fact that his company is plugged throughout the book. I guess it offers some value in that he has actually experienced the situations in the book but I cannot help but think this book was written only for the benefit of his company and not to educate the readers. I have read many real estate books written by many successful investors who never mention their company's name. He mentions his constantly. This book may make sense for investors with large cash reserves (\$500,000+) in that it explains some creative ways to identify ways to improve a property and it is written from real experience, but in general I do not recommend it.

I have read many books dealing with real estate finance and while they all have some merits, this seems to cover most areas sufficiently. The only caveat is do not buy this book if you are going into

commercial property because it does not cover triple net leases or any other analysis that might come up with commercial property. However if you want to learn about returns with single family or multi family buildings, then this is the book for you. Berges other book on multi family buildings is also quite informative.

It's about time somebody wrote a book that really deals with the financial aspects of real estate in an in-depth and informative way. I've seen a couple of other real estate finance books that sell for over \$100 that are intended to be used as text books and deal more in the realm of theory. Steve Berges' book takes the theory found in college level text books and simplifies it so that the average person can understand it. He then takes it a step further by showing the reader how the theory can be applied to real world situations by providing actual examples. According to the jacket of the book and some of the comments inside, the author has an MBA in finance and is also an active real estate investor, which suggests to me that he knows what he's talking about. Since math never was one of my best subjects, I found the step-by-step examples and analysis to be very helpful. Berges covered many topics related to finance including future value and present value concepts, understanding income capitalization, IRRs, ROIs, NPVs, income and balance statements, and much more. All in all, the book was very helpful to me in understanding how to analyze income producing properties such as apartments and commercial buildings. The author did an excellent job in writing about a topic that has been all but neglected by the so-called TV gurus.

The author actually described the valuation of a bank CD as simply dividing the cash flow by the interest rate - a perpetuity valuation! But one does not receive the CD cash flow for eternity. A CD is a single cash flow that requires a simple time-value discounting. This teaching is akin to describing how the planets orbit the sun based on the theory of electromagnetics, or how a hybrid car runs so efficiently because a little gnome is in the engine turning a handcrank! A complete lack of conceptual understanding. The author also goes on to define "single-family housing" as having 4 or fewer units and "multi-family housing" as having 5 or more units - a definition that is cumbersome at best and downright knuckleheaded at worst. This distinction is important, but it is the distinction between residential (single, duplex, triplex, or quadplex) housing and commercial (multifamily) housing. Other organization of the book is just poor. For example, in discussing useful financial ratio, the author introduces ratios using the net operating income (NOI) before actually defining the NOI a few pages later. (I won't get into the fact that NOI is introduced as another "ratio", although it's not; it's a dollar value off of the income sheet.)

[Download to continue reading...](#)

The Complete Guide to Real Estate Finance for Investment Properties: How to Analyze Any Single-Family, Multifamily, or Commercial Property Confessions of a Real Estate Entrepreneur: What It Takes to Win in High-Stakes Commercial Real Estate: What it Takes to Win in High-Stakes Commercial Real Estate Real Estate: 25 Best Strategies for Real Estate Investing, Home Buying and Flipping Houses (Real Estate, Real Estate Investing, home buying, flipping houses, ... income, investing, entrepreneurship) Real Estate: 30 Best Strategies to Prosper in Real Estate - Real Estate Investing, Financing & Cash Flow (Real Estate Investing, Flipping Houses, Brokers, Foreclosure) Commercial Real Estate for Beginners: The Basics of Commercial Real Estate Investing The Due Diligence Handbook For Commercial Real Estate: A Proven System To Save Time, Money, Headaches And Create Value When Buying Commercial Real Estate (REVISED AND UPDATED EDITION) Principles of Corporate Finance (The McGraw-Hill/Irwin Series in Finance, Insurance, and Real Estate) (McGraw-Hill/Irwin Series in Finance, Insurance and Real Estate (Hardcover)) Rental Property Investing Success: How to Successfully Invest In Rental Property Using Other People's Money (Real Estate, Managing, Passive Income, Rental Property) How to Analyze People: 50 Proven Methods to Analyze and Read Anyone Instantly! Real Estate Finance & Investments (Real Estate Finance and Investments) A Guide to MAKING IT in Real Estate: A SUCCESS GUIDE for real estate lenders, real estate agents and those who would like to learn about the professions. How to Start Your Own Real Estate Photography Business!: A Step-by-Step Guide to Show You How to Begin Your Own Real Estate Photography Business in 14 ... for real estate, photographing houses) Corporate Finance: Corporate Finance Guide To Understanding Corporate Finance With Strategies For Business Owners For Utilizing Corporate Finance Including ... Finance Business, Theory And Practice) Wheelbarrow Profits: How to Create Passive Income, Build Wealth, and Take Control of Your Destiny Through Multifamily Real Estate Investing Florida Real Estate Law and Practice Explained (All Florida School of Real Estate - Florida Real Estate Mastery) (Volume 1) Real Estate Valuation: Guide to Investment Strategies (Real Estate Practice Library Series) Confessions of a Real Estate Entrepreneur: What It Takes to Win in High-Stakes Commercial Real Estate Real Estate: Investing Successfully for Beginners (w/ BONUS CONTENT): Making Money and Building Wealth with your FIRST Real Estate property! Commercial Property Coverage Guide (Commercial Lines) Commercial Diving: Discover How to Become a Commercial Diver ~ Insight into the World of Commercial Diving ( Underwater Inspections, Welding, Repair, and Maintenance )

[Dmca](#)