



John V. Propp, CCIM
President-Broker

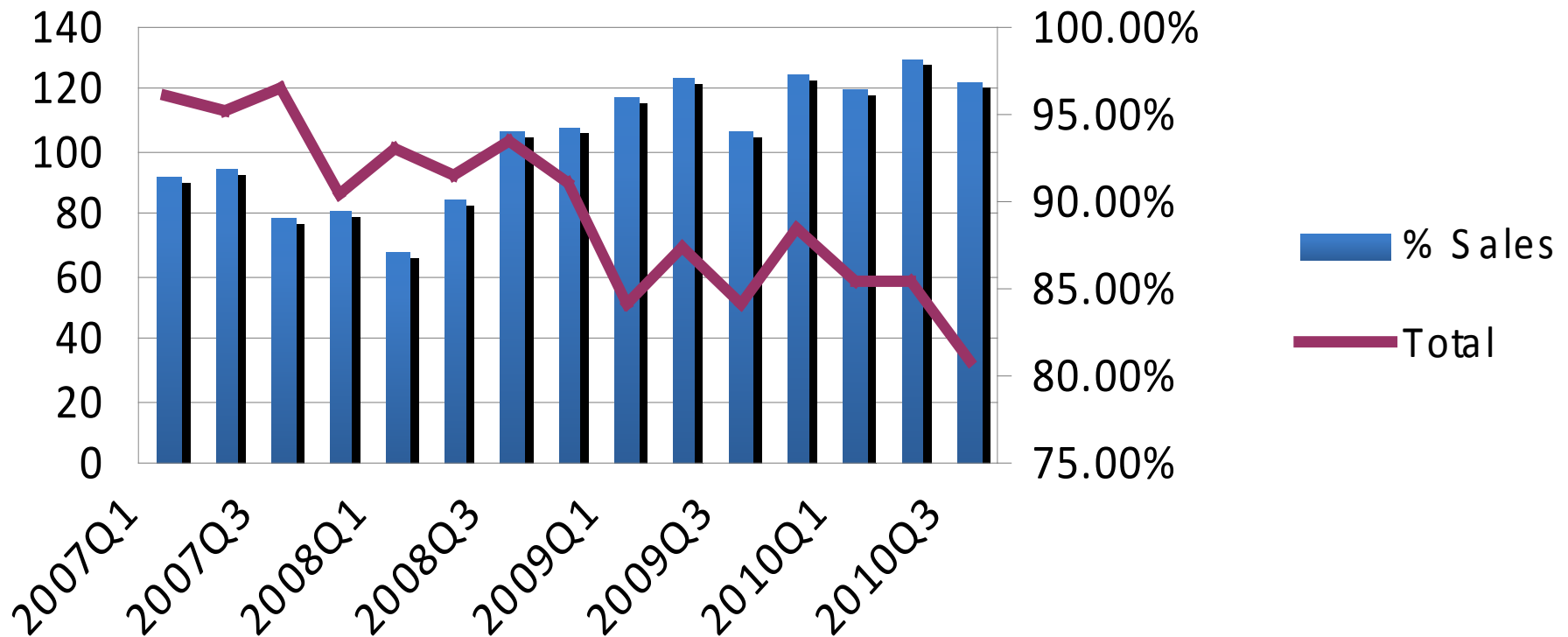
Leasing Services

Professional Property Management

Investment Properties \$500,000 and under
Investment Properties & Acquisitions

Why \$5,000,000 and under ?

**Sales under \$5M =
80% of all Investment Sales**





Investment Strategy

2000 - 2005 deployed an Investment Strategy:

acquire two properties per year

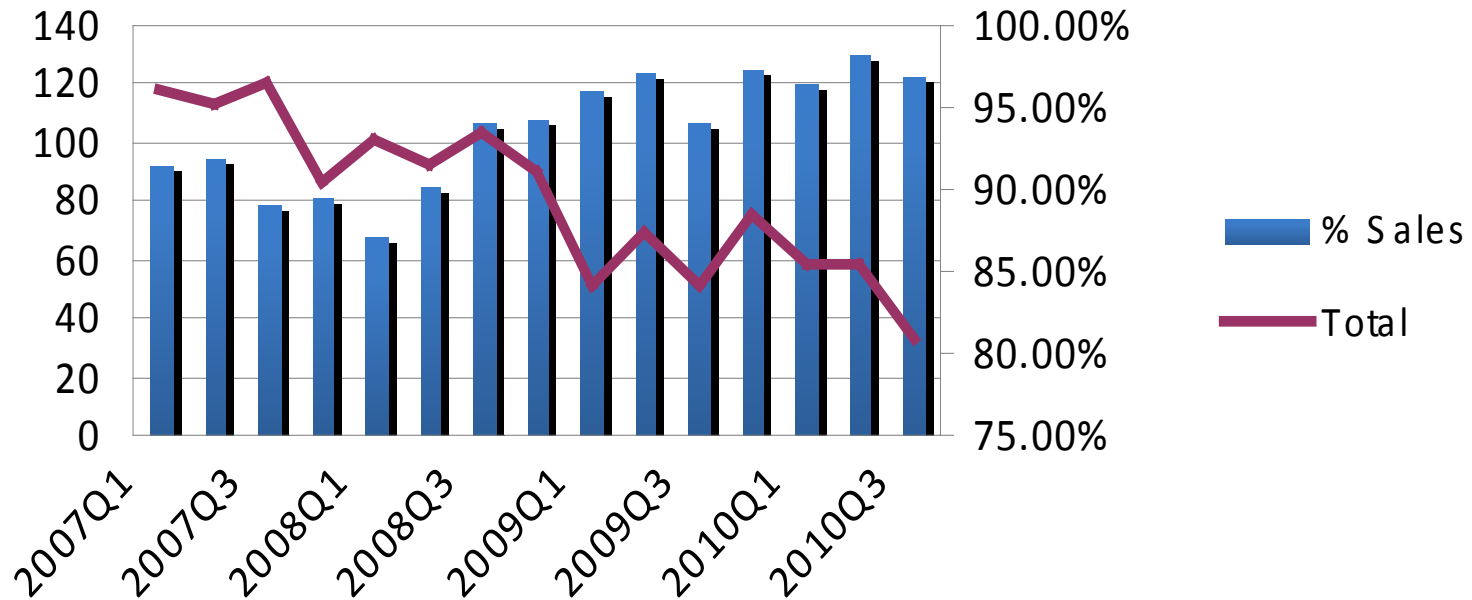
retail strip centers with 5 + tenants

10 + cap = 12% - 14% cash on cash return

sales price of \$5,000,000.00 or below

Why \$5,000,000 and under ?

**Sales under \$5M =
80% of all Investment Sales**



Difficult work for an individual alone

Why \$5,000,000 and under ?

C and B Quality Properties:

See above (less competition)

Non credit tenants – Short term leases

Disrepair - Market Area Concerns

- MY ADVANTAGE -

Introduce a high level of Management, Lease Admin.

Easier to add value by tight management than by raising rents

\$10 - \$12 nnn lease rates

Why \$5,000,000 and under ?

Investment Group Structure:

5 to 10 individuals each invest \$100,000 - \$200,000

Simple Llc Entity

Basic Operating Agreement specifically tailored to each property and each group's specific nuances

Doesn't approach SEC scrutiny or thresholds

Informal

Nimble – quicker to react to market changes and leasing opportunities



Investment Strategy

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retail strip centers with 5 + tenants

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sales price of \$5,000,000.00 or below

The Market Overheats 2006 - 2008



Hashimoto & Grooters
Years

strategy was
the sidelines
sales volume
billed

per square
not justify the
s / sq.ft.

ates
y 10% Cap

wars for a Rates ?
s cap ?

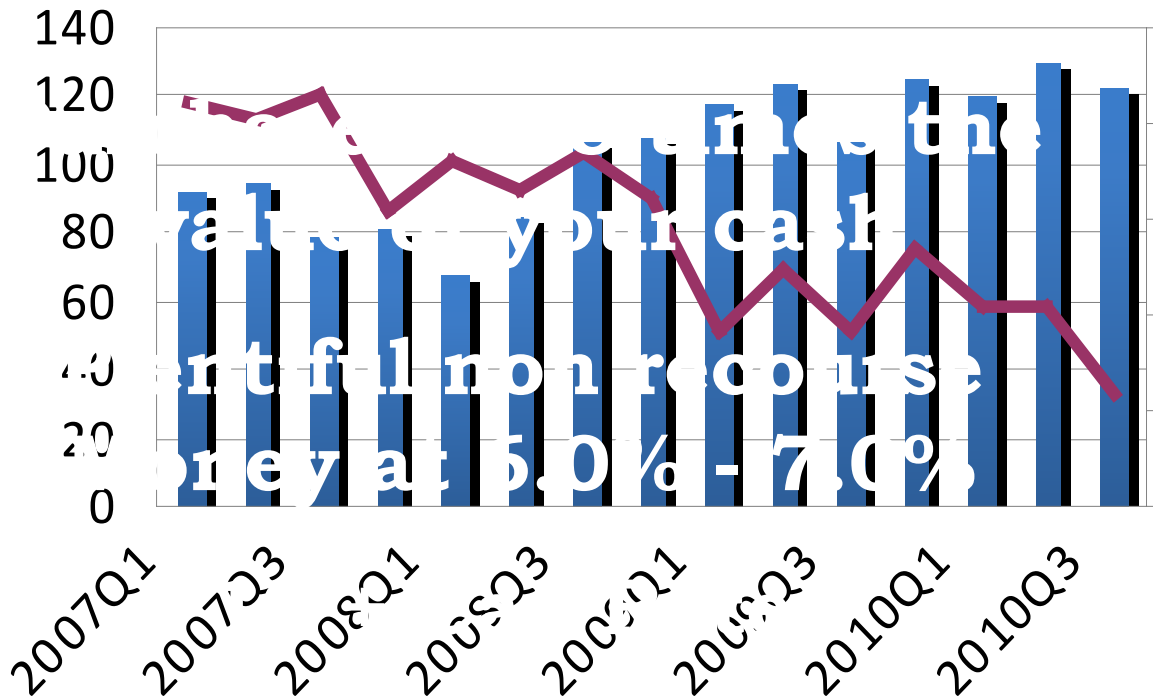
2009 - 2010



All about Survival

The New Reality of Realty

Declining Transactions
Increasing % of Sales using



The New Reality of Realty Cap Rates

? Banker? Appraiser? Seller? Buyer? Writer?

Still hanging on

No trend or statistical certainty

No trend or statistical certainty

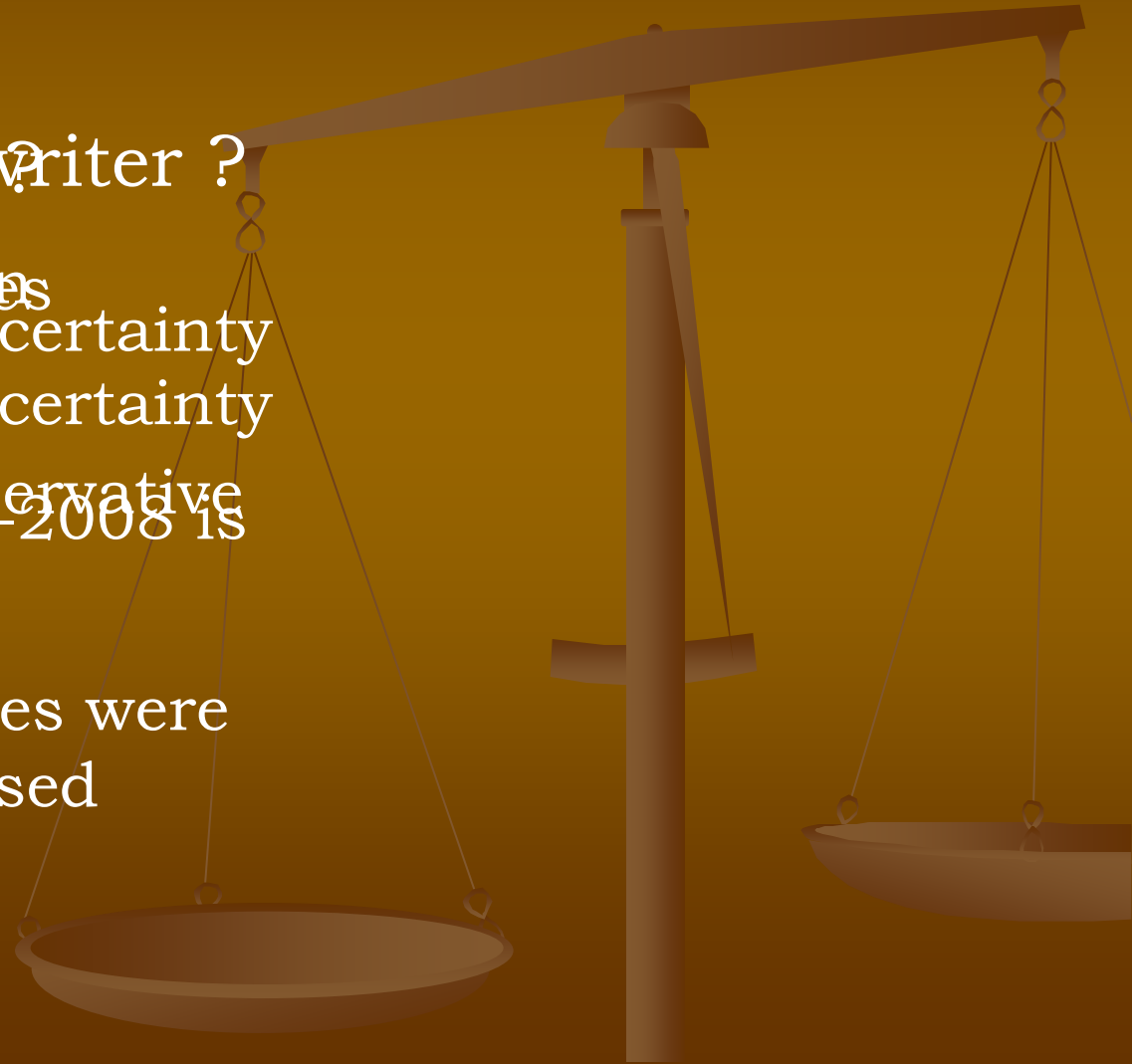
Will be very very conservative
Any sale by Buyers 2006-2008 is

suspect

Still hopeful

Majority of recent sales were

9.5 - 10.0 +
vacant or distressed



The New Reality of Realty Cap Rates

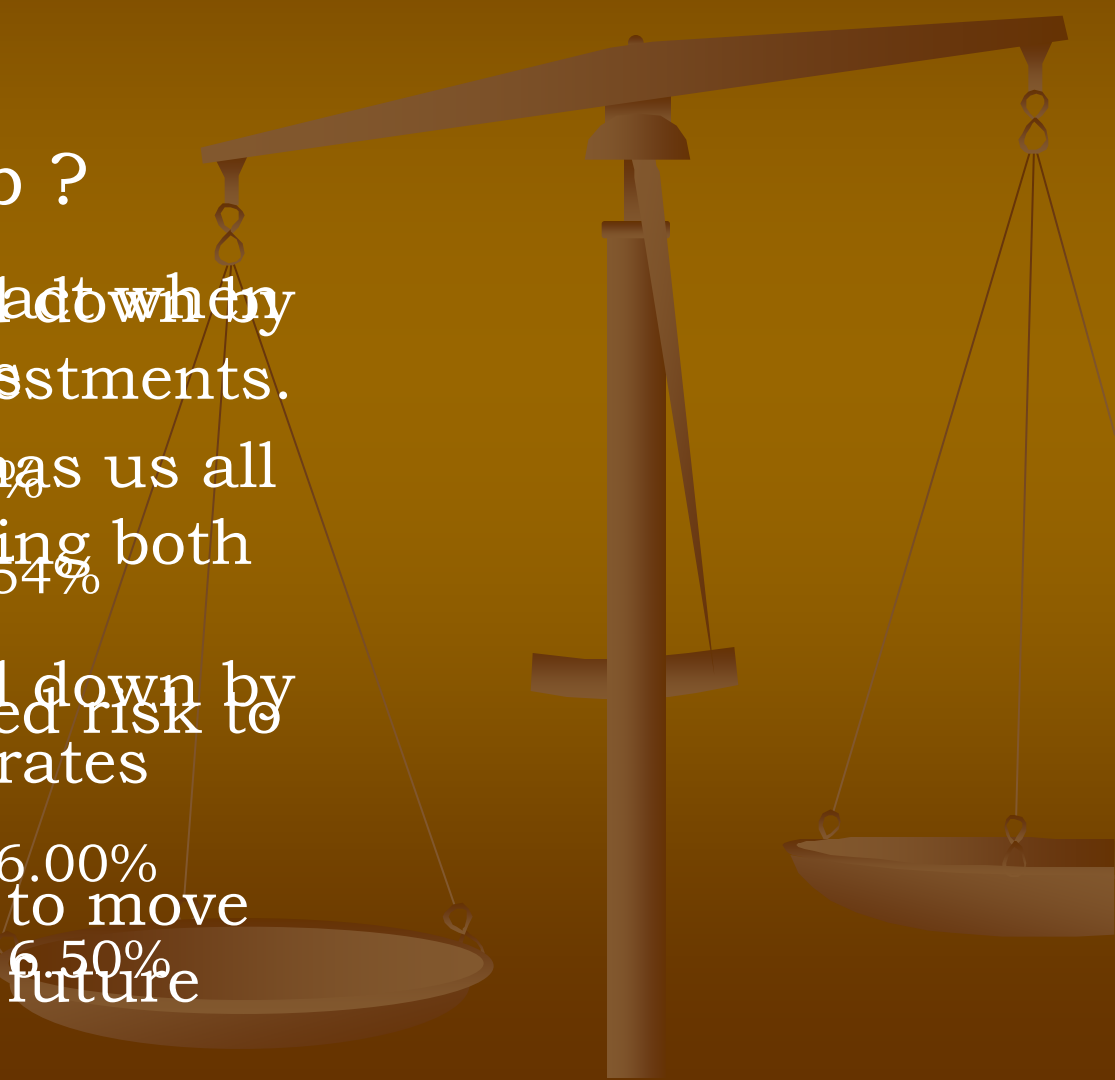
? John V. Propp ?

Cap Rates are being held down by
crazy low fixed rate investments.

recent economic woes has us all
walking softly and looking both
ways

Cap Rates are being held down by
adds additional perceived risk to
crazy low mortgage rates
all investments

-5 year fixed @ 4.65% – 6.00%
cap rates will continue to move
upward into the near future
-10 yr treasuries @ 2.54%
-10 year fixed @ 5.25% – 6.50%



What I have Learned

Current thoughts

People will never completely trust

big % returns again

10 year investment projections will

always be wrong

I see big opportunity:

Little flaws can become

Acquire quality real estate at reasonable
values

“B” Properties, held up

Acquire “stressed” properties cheap



Who's making

AVAILABLE



John Propp
COMMERCIAL GROUP

303-692-1816

JohnProppCommercial.com

FOR LEASE

Cassidy / Fuller
Turley / Real Estate

ctfuller.com

Available

303.292.3700

Newmark Knight Frank

Frederick Ross

NAI Shames Makovsky

Commercial Real Estate Services, Worldwide.

naishamesmakovsky.com

AVAILABLE

303-534-5005

Forecast 2011 and Beyond

Stagnation will address many of our concerns
Predictability is desirable
12 -14 million unemployed

Uncertainty from the White House or
Wall Street

Keeping My Powder Dry (NOT)
2.0 Million who are over 55 years old

Billions \$\$ on the sidelines
6%-7% unemployment the new norm?

Estate Tax ??
Capital Gains ??

!! Concerns about buying too early
Problems are world wide this time
in a rising cap environment !!
National Health Care Costs ??

1990 Economic Crisis / S & L Crisis
Lease Rates have bottomed out
Confined to Colorado & neighboring

“Same as it ever was”
Uncertainty creates Inaction

below replacement cost / sub \$100 sq.ft.
Inaction is creating an economic
malaise & a prolonged recovery

9.5-10 + cap rates

It is our collective thoughts
and actions that will create
the truth that is our future

Self Fulfilling Prophecy

