



Commercial Monthly Newsletter

Is Real Estate Still The Answer?

Commercial Real Estate Index Continues Rise

A forward-looking index for the commercial real estate market recorded its ninth consecutive improvement in the second quarter, according to the National Association of Realtors®. The Commercial Leading Indicator for Brokerage Activity rose 0.5 percent to an index of 120.7 in the second quarter, the highest on record.

Lawrence Yun, NAR senior economist, said the commercial sectors are benefiting most from rises in industrial production, shipments of durable goods and wholesale trade. "Despite some signs of slower overall economic expansion, the rise in the index means net absorption of space in the industrial and office sectors is likely to expand over the next six to nine months," he said. "In addition, an improvement in returns on investment implies healthy rent increases for commercial property owners."

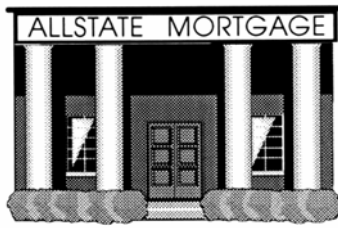
"In short, the latest data suggests improved business opportunities for commercial real estate practitioners in the months ahead," Yun said.

Many people over the last 10 years have made a lot of money in Residential Real Estate Investing. Low down-payments and "stated" qualifying programs facilitated this to unprecedented levels in 2005 and 2006. But the market today is a different story. Contracting loan programs (stated income is almost non-existent), declining Real Estate Values and high taxes and insurance make buying a Residential home and renting it out for a profit nearly impossible in many states.

So the big question is, can money still be made in Real Estate. Well the good news is, it can be and it can be more profitable than ever! But the market is not Residential Real Estate – but commercial. Commercial Real Estate has TREMENDOUS OPPORTUNITIES and most of the "issues" that you have in residential real estate does not even apply.

1. Commercial properties did not appreciate like residential because cash flow is a big determinant of value and rents did not go up very quick. Hence they are not depreciating. IN fact, the National Association of Realtors commercial index shows property values INCREASING in commercial in almost EVERY section of the country!

2. You can only get approved to close a commercial loan on say apartments or a strip mall if the property cash flows. IN other words, commercial properties DO cash flow with their rents. Many at 20-30% greater than your monthly mortgage payments and expenses. READ THAT AGAIN – you make 20% on your payment PER MONTH! And the profits are all but guaranteed depending on the rents in place, etc. NO OTHER INVESTMENT CAN YIELD 20% PER MONTH PROFITS.
3. In Commercial, you do not have to qualify for the loan. The property is the star. SO if a \$1,000,000 property cash flows, even if you only show \$5,000 a year for income you can still buy the home FULL DOCUMENTATION. The property is the star. If it cash flows, you get the lowest fixed rates regardless of how little you show on your taxes!
4. Because commercial loans were always properly underwritten, there has been almost no overhang from the mortgage meltdown. Aggressive loan programs still exist in commercial and NEVER went away!



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I hope this letter has enlightened you and helped you. Give us a call if we can ever be of assistance. WITH RATES AT HISTORICALLY LOW LEVELS and the ECONOMY POISED FOR IMPROVEMENT there has NEVER been a better time to buy commercial property! I wish you the best.

Yours for prosperity,

Thomas A. Azimi
General Manager

Is Real Estate Still The Answer? – cont.

So think about this. You can buy a property that cash flows at 20% profit per month! The property is appreciating (yet you get to depreciate it on your taxes!!!) You only have one building to maintain – not 20. Maintenance, management, everything is easier. You still get the great benefits of write-offs and YOU don't have to qualify on income. You can't get that from any stock or any other investment that we know of – it is incredible!

So what are you waiting for? Commercial Real Estate may be that ticket to finally living

the American Dream. We have the lenders, the knowledge and the ability to help you buy those properties and refinance ones you currently have. With long term fixed rates, 30-year amortizations, and more – we have loan programs the local banks can not touch. So give us a call; we will give you sound advice, counsel, and the best loan products to make your financial dreams come true. The action is in commercial real estate. It is the next big opportunity. Will you take advantage? Call us today!

Commercial Closings:

- Church Refinance – \$2,700,000 – Huntington, NY
- Mixed-Use Purchase - \$376,000 – West New York, NJ
- Multi-Family Refinance - \$756,000 – Philadelphia, PA
- \$100,000 Line of Credit – Troy, MI
- \$30,000 Line of Credit – Auto Shop - PA