



**WILDE**  
REAL ESTATE  
— WildeTeam.com —

# Building Wealth in Real Estate

Presented by  
Brett Wilde - Wilde Team



# About us - Team Members





# What Questions do you have about Real Estate Investing?



# Market Update

## Today vs 2008

- Interest Rates (4.5% vs 7.5%)
- Inventory (0.95 months vs 7 months)
- Lending Requirements





# Lending Requirements

- 2008 Lehman Brothers Bankruptcy
- Stated Income Loans
- Speculative Home Buying





# Why Invest in Real Estate?

- Tangible Asset
- Tax Advantages
- Stable Rent Revenues





# Areas of Real Estate Investing

What areas do you want to invest in?

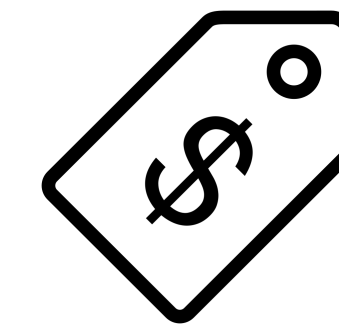
## Be a Homeowner

- Long-Term Buy & Hold
- Fix-and-Flip
- Wholesaling
- House Hacking
- Live-in Flip
- Vacation Rentals
- BRRRR Investing
- Short-Term Buy & Hold
- Seller Finance
- Lease Options
- Joint Ventures

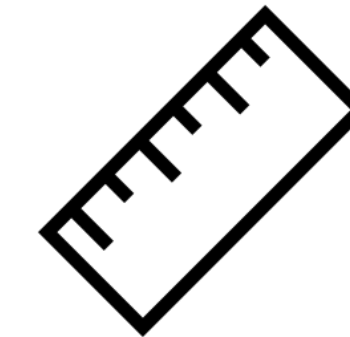


# How to Analyze a Deal

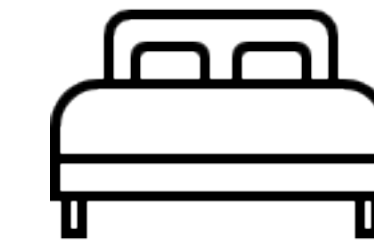
## Option 1 - Long-Term Rental Property (Indiana - Townhome)



\$299,900



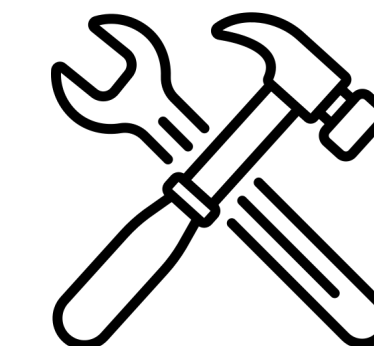
2,876 SqFt



3 Beds



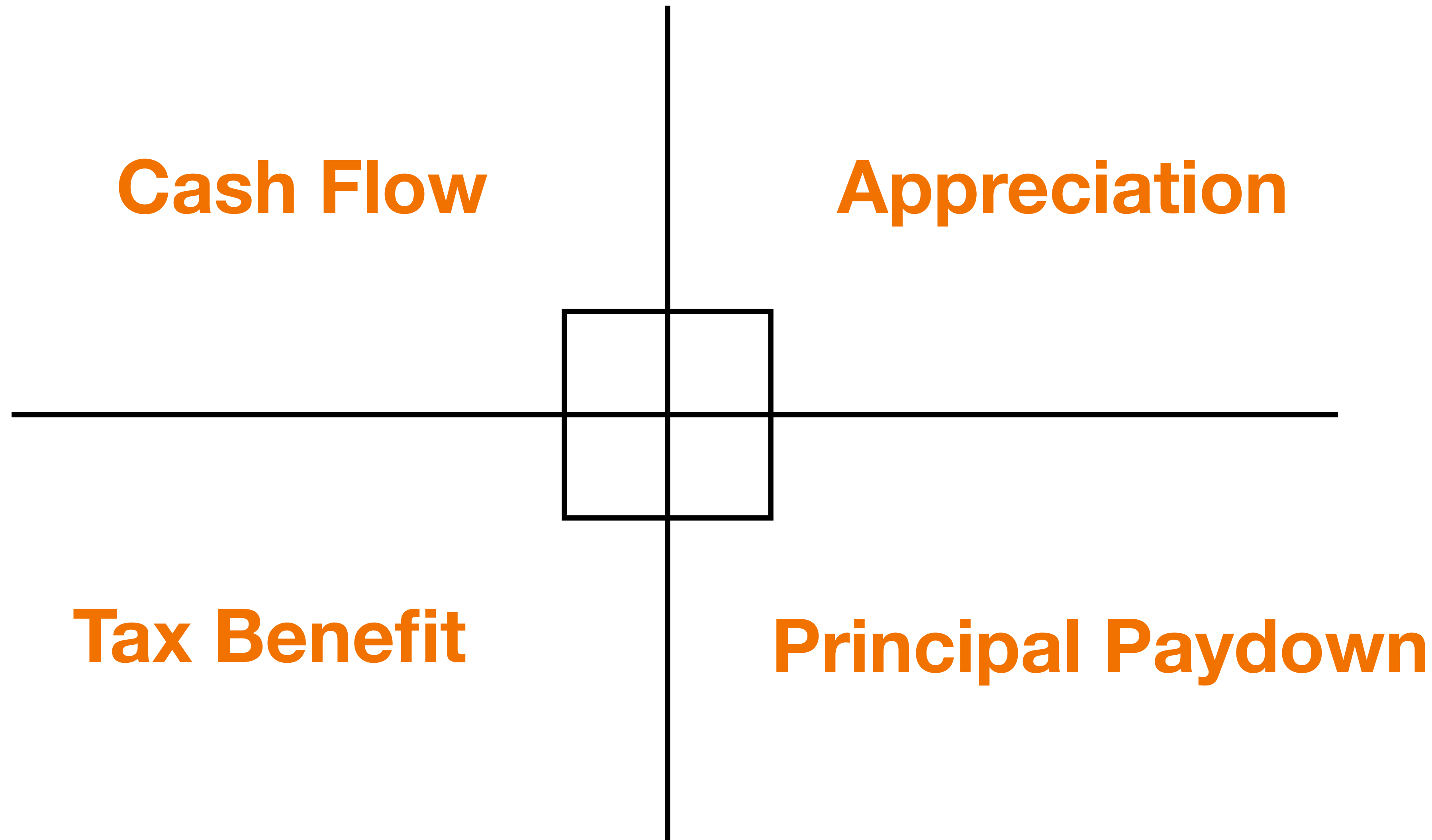
4 Baths



1993



# 4 Quadrants of Real Estate Investing







# Option 1 - Long-Term Rental Property (SF Indiana)

Purchase Price = \$299,900  
Interest Rate = 5%  
20% Down = \$59,980  
Closing Costs: \$5,000  
Acquisition Fee: \$6,000  
**Total Cash Invested: \$70,980**

**Total Monthly Payment**  
Interest = \$999.67  
Principal = \$288.28  
Taxes = \$101.08  
Insurance = \$125.00  
Management = \$250.00  
Maintenance = \$50.00  
Vacancies = \$50.00  
**TOTAL EXPENSES = \$1,864.03**

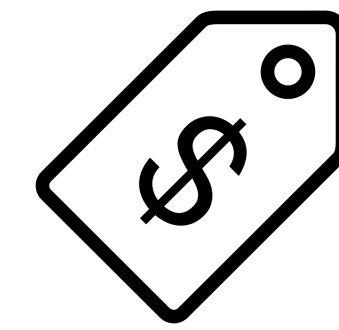
Borrower Annual Income  
\$100,000 (Tax Bracket 25%)

| Cash Flow  | Appreciation   |      |
|--|--|------|
| Rent = \$2,500.00<br>Expenses = \$1,864.03<br>Cash Flow = <b>\$635.97/mo</b><br>$\$635.97 \times 12 = \textbf{\$7,631.69/year}$<br>$\$7,631.69 / \$70,980 \text{ (down)} =$  | Purchase Price = \$299,900 x 5%<br><b>\$14,995.00/year</b><br>$\$14,995 / \$70,980 \text{ (down)} = \textbf{25\%}$ |      |
|  | 10.7%  | 25%  |
| Tax Benefit  | Principal Paydown  |      |
| <b>1. Depreciation</b><br>254,915 (Structure Only) / 27.5 years<br>$\$9,269.64 \times 25\% \text{ (tax bracket)} = \textbf{\$2,317}$<br><b>2. Mortgage Interest</b><br>$999.67 \times 12 = \$11,996.04$<br>$\$11,996.04 \times 25\% = \textbf{\$2,999}$<br>$\textbf{\$2,317} + \textbf{\$2,999} = \textbf{\$5,316}$<br>$\$5,316 / \$70,980 = \textbf{7.5\%}$ | 7.5%   | 4.9% |
|  | Principal = \$288.26 x 12 = \$3,459.31<br>$\$3,459.31 / \$70,980 = \textbf{4.9\%}$                                 |      |
|  | <b>48.1%</b>   |      |



# How to Analyze a Deal

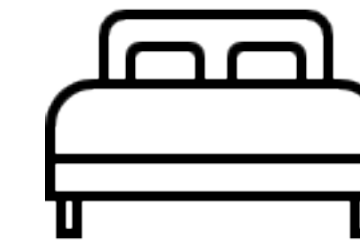
## Option 2 - (Indiana - Single Family)



\$289,900



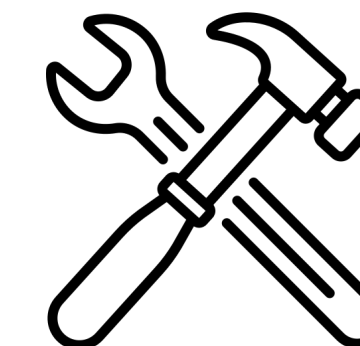
2,652 SqFt



4 Beds



2.5 Baths



2007





# Option 2 - Single Family (Indiana)

Purchase Price = \$299,900  
Interest Rate = 5%  
20% Down = \$57,980  
Closing Costs: \$5,000  
Acquisition Fee: \$5,998  
**Total Cash Invested: \$68,978**

## Total Monthly Payment

Interest = \$966.33  
Principal = \$278.66  
Taxes = \$99.67  
Insurance = \$125.00  
Management = \$220.00  
Maintenance = \$50.00  
Vacancies = \$50.00

**TOTAL EXPENSES = \$1,789.66**

Borrower Annual Income  
\$100,000 (Tax Bracket 25%)

## Cash Flow

Rent = \$2,200.00  
Expenses = \$1,789.66  

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Cash Flow = **\$410.34/mo**  
 $\$410.34 \times 12 = \textbf{\$4,924.08/year}$

$\$4,924.08 / \$68,978 \text{ (down)} =$

## Tax Benefit

**1. Depreciation**  
246,415 (Structure Only) / 27.5 years  
 $\$8,960.55 \times 25\% \text{ (tax bracket)} = \textbf{\$2,240.14}$   
**2. Mortgage Interest**  
 $966.33 \times 12 = \$11,596.00$   
 $\$11,596.00 \times 25\% = \textbf{\$2,899}$   
 $\textbf{\$2,240.14} + \textbf{\$2,899} = \textbf{\$5,139.14}$   
 $\$5,139.14 / \$68,978 = \textbf{7.47\%}$

## Appreciation

Purchase Price = \$289,900 x 5%  
**\$14,495.00/year**  
 $\$14,495 / \$68,978 \text{ (down)} = \textbf{21\%}$

|       |       |
|-------|-------|
| 7.14% | 21%   |
| 7.45% | 4.84% |

## Principal Paydown

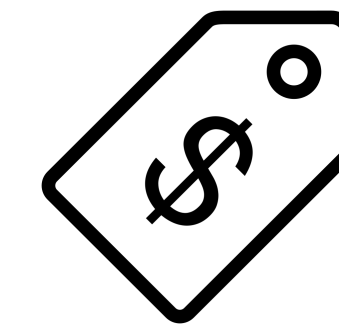
Principal = \$278.66 x 12 = \$3,343.92  
 $\$3,343.92 / \$68,978 = \textbf{4.86\%}$

**40.43%**

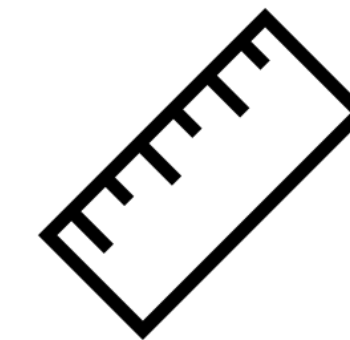


# How to Analyze a Deal

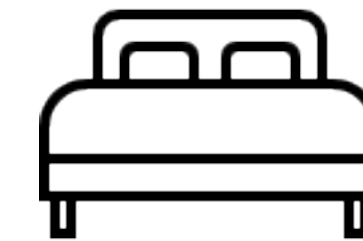
## Option 3 - (Utah - Towhhome)



\$489,000



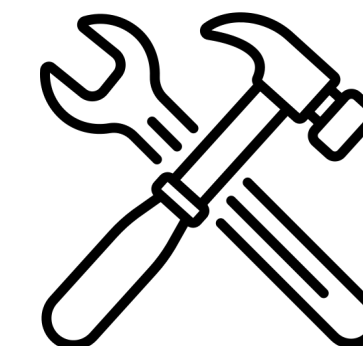
2,090 SqFt



4 Beds



3 Baths



2018





# Option 3 - Townhome - Utah

Purchase Price = \$489,000  
Interest Rate = 5%  
20% Down = \$97,800  
Closing Costs: \$5,000  
Acquisition Fee: \$0  
**Total Cash Invested: \$102,800**

**Total Monthly Payment**  
Interest = \$1630  
Principal = \$470.05  
Taxes = \$160.50  
Insurance = \$25.00  
HOA = \$180.00

**TOTAL EXPENSES = \$2,465.55**

Borrower Annual Income  
\$100,000 (Tax Bracket 25%)

## Cash Flow

Rent = \$2,500  
Expenses = \$2,465.55

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Cash Flow = **\$34.45/mo**  
 $\$34.45 \times 12 = \textbf{\$413.45/year}$   
 $\$413.45 / \$102,800 \text{ (down)} =$

## Tax Benefit

**1. Depreciation**  
\$415,650 (Structure Only) / 27.5 years  
 $\$15,114.55 \times 25\% \text{ (tax bracket)} = \textbf{\$3,778.64}$

**2. Mortgage Interest**  
 $1,548.50 \times 12 = \$18,582$   
 $\$18,582 \times 25\% = \textbf{\$4,645.50}$

$\textbf{\$3,778.64} + \textbf{\$4,645.50} = \textbf{\$8,424.14}$   
 $\$8,424.14 / \$102,800 = \textbf{8.12\%}$

## Appreciation

Purchase Price = \$489,000 x 10%  
**\$48,900/year**  
 $\$48,900 / \$102,800 \text{ (down)} = \textbf{47\%}$

|       |       |
|-------|-------|
| 0.40% | 47.5% |
| 8.19% | 5.48% |

## Principal Paydown

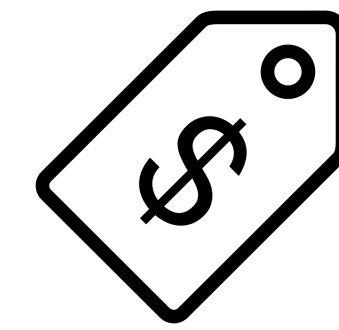
Principal = \$470.05 x 12 = \$5,640.60  
 $\$5,640.60 / \$102,800 = \textbf{5.43\%}$

**61.57%**



# How to Analyze a Deal

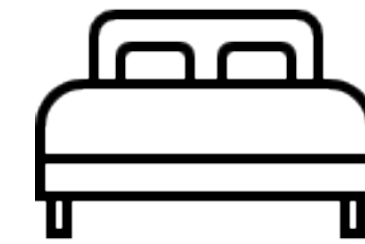
## HELOC (How to Leverage your Equity)



\$400,000



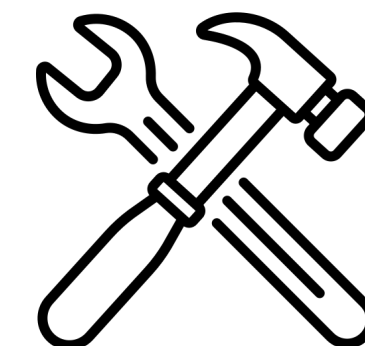
1,950 SqFt



4 Beds

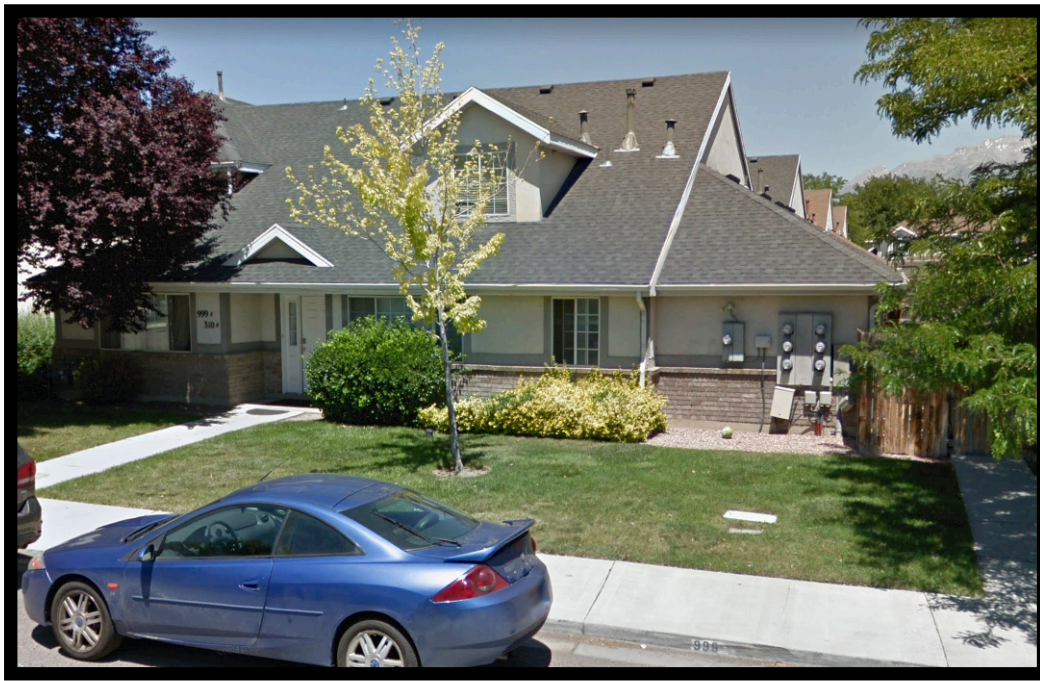


3 Baths



1993





## Option 3 - HELOC (Leverage your Equity)

How are you leveraging your Equity?

Property Value = \$400,000  
Loan = \$160,000  
Equity = \$240,000

### Equity

Value = \$400,000  
Loan = \$160,000

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Equity = **\$240,000**

### Loan to Value 85%

$400K \times 85\% = 340K - 160K = 180K$

**\$180K Available Credit**

*\*Use it just like a credit card*

**Variable Rate = 3.99%**

**Fixed for 5 years = 3.5%**

**Fixed for 7 years = 3.75%**

**Fixed for 10 years = 4.0%**

*\*Disclosure: Data pulled from the UCCU website.*

### FORMULA:

$(\text{Value} \times 85\%) - \text{Loan Balance}$   
= Max Amount HELOC



# Cost Segregation

## Tax Strategies for Long-Term Buy & Hold



Total Cost for Study **\$6,270**

Future Tax Credit = **\$174,234**





Jeffrey Butler



| Description                            | Date<br>Placed in<br>Service | Amount     | Asset<br>Class | GDS<br>Life | ADS<br>Life | Method | IRC<br>Section | Convention | Current Year<br>Depreciation<br>Calendar Year |
|--|------------------------------|------------|----------------|-------------|-------------|--------|----------------|------------|---|
|  | 2021                         |            |                |             |             |        |                |            |   |
| 5 Year Property                        |                              |            |                |             |             |        |                |            |   |
| Flooring                               | 8/10/2021                    | \$ 9,551   | 57.0           | 5           | 9           | 200DB  | 1245           | HY         | \$ 9,551                                      |
| Wall Coverings & Blinds                | 8/10/2021                    | 1,069      | 57.0           | 5           | 9           | 200DB  | 1245           | HY         | 1,069   |
| Shelving / Paneling                    | 8/10/2021                    | 2,476      | 57.0           | 5           | 9           | 200DB  | 1245           | HY         | 2,476   |
| Data / TV Equipment                    | 8/10/2021                    | 697        | 57.0           | 5           | 9           | 200DB  | 1245           | HY         | 697   |
| Appliances                             | 8/10/2021                    | 6,931      | 57.0           | 5           | 9           | 200DB  | 1245           | HY         | 6,931   |
| Special Plumbing & Sinks               | 8/10/2021                    | 6,976      | 57.0           | 5           | 9           | 200DB  | 1245           | HY         | 6,976   |
| Electrical for Personal Property       | 8/10/2021                    | 7,329      | 57.0           | 5           | 9           | 200DB  | 1245           | HY         | 7,329   |
| Counters & Cabinets                    | 8/10/2021                    | 30,287     | 57.0           | 5           | 9           | 200DB  | 1245           | HY         | 30,287  |
|  |                              | \$ 65,316  |                |             |             |        |                |            | \$ 65,316                                     |
| 7 Year Property                        |                              |            |                |             |             |        |                |            |   |
| Telephone / Communications Equipment   | 8/10/2021                    | \$ 369     | 0.11           | 7           | 10          | 200DB  | 1245           | HY         | \$ 369  |
|  |                              | \$ 369     |                |             |             |        |                |            | \$ 369  |
| 15 Year Property                       |                              |            |                |             |             |        |                |            |   |
| Landscaping                            | 8/10/2021                    | \$ 39,526  | 00.3           | 15          | 20          | 150DB  | 1250           | HY         | \$ 39,526                                     |
| Land Improvements                      | 8/10/2021                    | 12,635     | 00.3           | 15          | 20          | 150DB  | 1250           | HY         | 12,635  |
| Fencing                                | 8/10/2021                    | 80,916     | 00.3           | 15          | 20          | 150DB  | 1250           | HY         | 80,916  |
|  |                              | \$ 133,077 |                |             |             |        |                |            | \$ 133,077                                    |
| 27.5 Year Property                     |                              |            |                |             |             |        |                |            |   |
| Building                               | 8/10/2021                    | \$ 206,818 |                | 27.5        | 30          | SL     | 1250           | MM         | \$ 2,821                                      |
| Plumbing                               | 8/10/2021                    | 8,520      |                | 27.5        | 30          | SL     | 1250           | MM         | 116   |
| Heating, Ventilating, Air Conditioning | 8/10/2021                    | 20,474     |                | 27.5        | 30          | SL     | 1250           | MM         | 279   |
| Electrical Distribution System         | 8/10/2021                    | 9,196      |                | 27.5        | 30          | SL     | 1250           | MM         | 125   |
| Roof                                   | 8/10/2021                    | 25,330     |                | 27.5        | 30          | SL     | 1250           | MM         | 346   |
|  |                              | \$ 270,338 |                |             |             |        |                |            | \$ 3,687                                      |
| Tie to Cost Seg                        |                              | \$ 469,100 |                |             |             |        |                |            | \$ 202,449                                    |
| Total Excluded Costs                   |                              | 268,400    |                |             |             |        |                |            |   |
| Total Amount                           |                              | \$ 737,500 |                |             |             |        |                |            |   |





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