



John Coake

SUPERIOR RESULTS IN REAL ESTATE

Investment

Growth

Real Estate Services

John Coake IV

Windermere
Madison Park



Professional Background

I have been associated with Windermere since 2001 and have over 10 years experiences in real estate investments.

- **Active Washington State Real Estate Licensee**
- **Member of the National Association of Realtors®**
- **Member of the Washington State Association of Realtors**
- **Member of the Seattle-King County Association of Realtors**
- **Accredited Buyer Representative (ABR®) — Benchmark of Excellence in Buyer Representation. (less than 1% of agents nationally hold this designation)**
- **Ongoing Education — Real Estate Law, 1031 Exchanges, & New Construction Sales**
- **Owner Lewis Gordon Homes, Inc – Home Restoration Contractors**
- **Owner Lewis Gordon Homes, LLC – Owner Vacation Property Rental**

**2006 and 2007 Five Star: Best in Client Satisfaction
Seattle Magazine**





Not Just An Agent



Active Investor

- Property Flips...
 - Purchase, restore and resale homes in the Capitol Hill, Queen Anne and Leschi neighborhoods
 - Most recent restoration – Queen Anne sold for \$1,100,000
- Rental Properties
 - Owned a tri-plex rental on Capitol Hill for 8-years, sold in 2006
 - Currently own a foreign property in Mexico/short-term rentals



Investing Strategically

A Strategic approach...

- Developing an Investment Plan
 - Investment property type
 - Investment goals (short/long term)
 - Financial plan
- Target property type and area
 - Search parameters
- Execution
 - Identify, Analyze & Purchase
 - Post Sale Management





Analysis

Analyzing the investment before purchase

- ROI analysis
- Financing analysis
- Rental income analysis
- Improvement/Resale cost analysis
- Cap Rate – cash return on all cash paid investment
- Tax implications
- Washington State Laws: Contractor License Requirements and Insurance



Property Options

Defining Your Investment & Interests

Residential Improvement/Flipping

Residential Rental :

single family, condos, multiplexes 2-4, 5+ unit apartment buildings

Vacation Property

Your primary resident is also a real estate investment



Residential Flipping

Buying, Improving and Selling Residential

Risk:	Moderate
Financing:	Typically 20% down + higher interest rate for non-owner occupied property.
Liquid Assets:	Requires cash for improvements & carrying costs
Taxes:	Taxed on gain (dependent on your tax status)
Licensing:	Washington State now requires you to have a contractors license and liability insurance.



Residential Rental

Buying & Renting Residential Units

Risk:	Moderate to Low if you do your homework
Financing:	Typically 20% down + higher interest rate for non-owner occupied property. Up to 4-units: traditional financing. Over 4 units – financing terms change.
Liquid Assets:	Some cash to carry vacancy periods and improvements
Taxes:	Dependent on individual tax status
Management:	How much time to you have to manage your rental or do you pay a management company?



Vacation Property

Owning Vacation Property

- Risk:** Moderate to Low if you do your homework
- Perks:** Tax advantages – but you can only use the property 2-weeks per year.
- Financing:** Typically 20% down + higher interest rate for non-owner occupied property.
- Liquid Assets:** Some cash to carry vacancy periods and improvements
- Taxes:** Dependent on financial tax bracket & your use of the property
- Management:** Could require more time management with shorter term rentals (weekly). Typically farther away from your home requiring local resources.



Creating an Entity

Protect yourself...

Create an entity to hold real estate investments

- LLC or, Limited Liability Company – a great option
- Create separate financial accounts

- What did I do:
 - Lewis Gordon, LLC : for rental properties
 - Lewis Gordon Homes, Inc. : for residential flips



I03I Exchange

I03I Tax Exchanges...the basics

- Great tool for selling one property and investing in another one – tax savings
- Exchange Facilitators are a required entity in the transaction
- You have 45-days from closing of one property to designate up to 3 new properties
- 180 days to close on the new investment