# THOW WE THOOSE OUR MULTIFAMILY ASSETS

The "3" Most Important Indicators

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# How We Choose Our Multifamily Assets By: David and Tammy McDonough

There are many factors to consider when deciding which multifamily property is the one to choose and buy! You can narrow down all of the complex information into three categories. You must know your market location, understand the basic information of potential renters, and have a well thought out business plan.

# Know Your Location

Location, Location, Location!

Where you buy matters! It is crucial to know the area where you plan to buy a multifamily asset. We look for major retailers in these areas such as Lowes or Target because these companies have completed the necessary market research to indicate sales growth. Another strong indication that an area is healthy and growing is when a Starbucks is within close proximity.





# Analyze Before You Buy

- Population Growth
- Income Distribution
- School Ratings
- Rent vs Own Ratio
- Appreciation Rates
- Crime Rates
- Median Age of Population

### Know Your Potential Renters

In many areas, renting is desirable because of the inability to afford a mortgage. It becomes crucial to get to know the renter in the area you are buying. Ask yourself these questions.



What are your renters looking for?

Can you offer them a unit that is more desirable than your competition?

Can your renters afford the units you are offering?

Where will the renters be employed?

Are you value adding in a way that is still affordable for your potential renters?

All of these factors will keep your properties occupied and profitable.

# Know Your Business Plan

When writing a business plan to purchase a multifamily asset, you have to align yourself with a professional team to develop a business plan. **We are your team!** We have the capability to underwrite, to syndicate the deal, and follow due diligence until the business plan proves it will be successful. It is not uncommon to underwrite 150 deals and only consider one of those 150. Determining the net operating income of an asset and making sure the profitability will benefit our investors is our number one priority. We work with lawyers and asset managers to ensure that all factors are considered when creating a business plan for our assets.