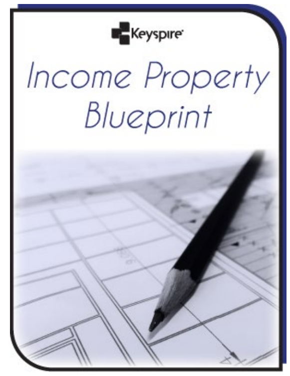
Module 2 – Lesson 10

Private Equity Overview



FUND

Week 23

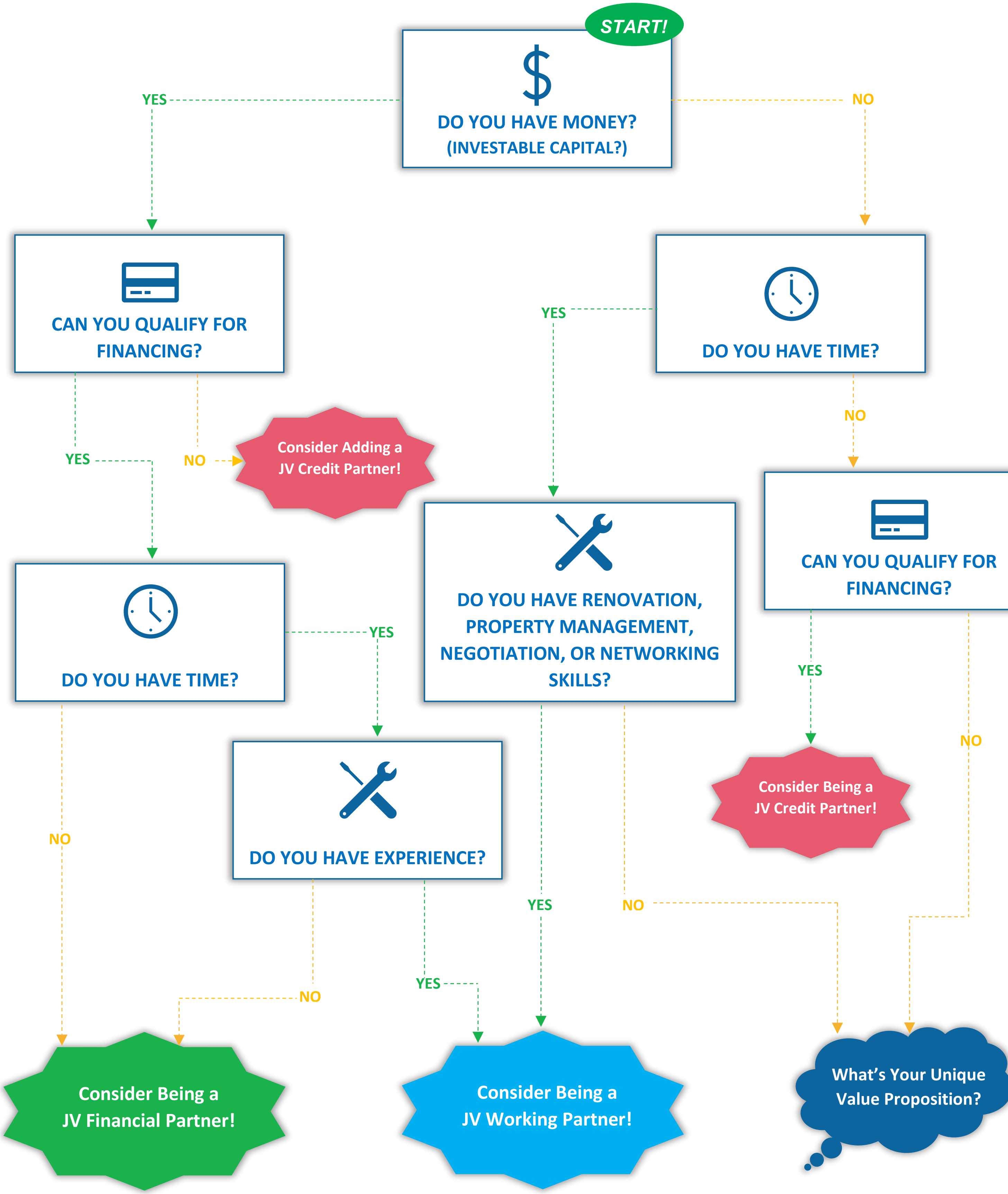
When looking to purchase an income property, you need three things:

1. Time to complete everything involved with the property
2. The capital required to purchase the property and pay for any renos
3. The credit to purchase

If you're missing any of these three items, a Joint Venture might be the solution. A Joint Venture (JV) is a business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task.

In real estate, a Joint Venture typically consists of an active investor and a passive investor. Simply put, the active investor is the Working Partner who doesn't have the money to purchase a property but who can do the majority of the work by putting in the time, knowledge, and experience. The passive investor is also known as the Financial Partner who has money but doesn't have the time or skills to do the work.

If you're missing one of the above components, take the quiz on the next page to see what type of JV partner you could become.


START!
DO YOU HAVE MONEY?
(INVESTABLE CAPITAL?)
YES
NO
CAN YOU QUALIFY FOR FINANCING?
DO YOU HAVE TIME?
YES
NO
YES
NO
Consider Adding a JV Credit Partner!
DO YOU HAVE TIME?
YES
DO YOU HAVE RENOVATION, PROPERTY MANAGEMENT, NEGOTIATION, OR NETWORKING SKILLS?
CAN YOU QUALIFY FOR FINANCING?
YES
NO
Consider Being a JV Credit Partner!
NO
DO YOU HAVE EXPERIENCE?
YES
NO
NO
YES
Consider Being a JV Financial Partner!
Consider Being a JV Working Partner!
What's Your Unique Value Proposition?