



Commercial **REAL** Estate,
Financial Security You Can Touch



Growing Wealth for the Individual

Used to be, only the wealthy and large corporations could afford the luxury of investing in commercial real estate. Today, people who want to build capital and enjoy the benefits of a steady income stream have the option of fractional ownership.

By acquiring property as a group, individuals have access to safe, stable and time-proven wealth-generating resources. Gateway Assets bridges the gap between commercial real estate investing and people who may not individually have the financial resources or industry experience to make an investment.

Rather than work with large corporate clients, we prefer to team up with individuals with whom we can be a true partner in business while on the path of providing service. This allows us to fully focus on a client's individual goals, needs and even limitations.



Why Invest in Commercial Real Estate?

As a group sponsor, Gateway Assets combines equity contributions of both United States and international investors to purchase and rehabilitate multi-family apartment properties. Investment in income-producing commercial real estate competes successfully with other forms of investment, such as stocks, mutual

funds, bonds and certificates of deposits. Of all the available commercial investment options apartments have the most efficient cash distribution, delivering superior returns even during recessionary periods. Multi-family residential real estate investment comes with several benefits, including:

- Demand for apartment rentals is less volatile than for other property types, and there is always a market for affordable housing.
- Lower interest rates, and wider availability of debt capital, so banks are generally more willing to provide financing, as opposed to other property types.
- A favorable regulatory and taxation environment.
- Shorter leases than other property types, allowing quicker adjustments to changing market environments.

Investing in a Depressed Market

The biggest myth about investing in real estate in a down market is that it's a bad time to do it. When the market is uncertain you can find stories in the media every day that paint a dismal picture of plummeting home and commercial real estate values. But keep in mind that the media uses national averages. This practice isn't a true depiction of the state of real estate in every market.

The truth is, even during widespread national real estate slumps not all markets are the same. Several real estate markets can be found that are experiencing an increase in property values regardless of the national average; these are the markets we seek out.

SOLID MARKET VS. FORECLOSURE BARGAINS

Many investors make the mistake of purchasing foreclosures or bank-owned properties during recessionary times, ignoring the market analysis process. They look for bargain pricing, which is meaningless in a sub-par market. Gateway Assets recommends keeping the focus on the big picture instead of bargain-hunting. The goal is to purchase a quality, desirable and income-producing asset in a solid market. Purchase an asset in a market that has sustainable fundamentals and there is less concern about the ups and downs in the market.



Our Process

Our methodology follows a basic four-step plan:

- Identify good investment markets
- Acquire the most profitable investment option in the market
- Improve and reposition the property to build value incrementally
- Sell the property at a profit

We Chase Down the Good Markets

While there are many markets where investing in real estate might not make sense, we have found that, when using the right set of measurements to determine a market's value, excellent commercial real estate investments can be found.

Although it's a common practice, evaluating a market or investment opportunity by looking at basic indicators is not enough. For Gateway Assets, it's a comprehensive process that requires careful consideration. We research and rigorously analyze many aspects of a market in concert in order to gain a richer understanding of the market dynamics.

Besides traditional benchmarks, we also consider lifestyle factors like city persona, social interaction patterns, employment opportunities, quality of the workforce, state of the educational systems, health facilities, medical services and much more.

Is it a good place to live?

In other words, we want to determine if the market is a good place to live. We seek out cities that have embraced the new paradigm in multi-family housing of providing a community for its residents, not just a place to sleep at night and a car port. Because the demand for these multi-family lifestyle communities is growing, which translates into value, our investors are pre-positioned with an attractive exit strategy.

We also want to know if the market is a good place to do business. Are there tax incentives? Is the market pro-business and employer-friendly? Are there employment incentives to attract the kind of tenant base drawn to the urban, high quality, multi-family community lifestyle?



We Manage to Increase Property Values

One of our strategies is to improve the value of a property incrementally. We carefully plan and then implement enhancements by following the best property management practices and continually assessing market conditions.

The quality properties our clients invest in have curable flaws. That is, although the property is sound there is room for improvement. These flaws may be due to poor management that led to high turn-over, deferred maintenance of the building or the way in which capital has been structured.

Expert property management enhances the investment. At the outset, Gateway Assets identifies a property's flaws, plans and then applies a comprehensive asset management program to correct those issues. Ultimately, the goal is to reposition the property within the market to be of higher value. We screen and bring in property management industry leaders to manage the daily operations of our properties.

While the property management team is in place for tactical administration, we operate as asset managers and provide the actual strategy. We routinely audit all financial information, monitor market trend changes, participate in community sustainability programs, provide guidance for property improvements, review tenant satisfaction surveys, provide performance milestones for onsite staff and insure the property stays competitive in the marketplace.

Property Enhancement Strategies

Over the life of an investment, the building's market position is improved so the property can be sold at a profit. To reach our goal of enhanced market position, we use a combination of strategies:

- Bring in experienced managers and operational staff
- Improve property conditions
- Keep tenants happy and improve retention
- Carefully watch the market and raise rents incrementally when possible

How Does it Work?

Gateway Assets provides two services for investors:

a. Sponsorship

b. Advisory

As Sponsor

As Sponsor, Gateway represents an investment group of individuals who want control of their assets but prefer that somebody else manage their investments. We find the most profitable investment markets and use a number of data points to develop supply and demand charts. This information helps us accurately identify the best times to enter and exit particular markets in order to maximize the profit potential for our investors.

As Advisor

Our Advisory services are ideal if you want hands-on control of your investment but also want an advisor or partner to provide advice and counsel, to be your advocate and to help you negotiate. We work with you to develop an investment strategy to help you analyze real estate markets. Together, we develop a road map for your investment, including:

- Market analysis
- Financial analysis
- Physical analysis
- Tenant analysis
- Property management planning

You receive a comprehensive proposal with full analyses, an hourly rate and an estimate of hours. After an initial startup fee, typically about a quarter of the total hours projected, you are invoiced as project milestones are reached so you can critique our work and decide if you would like to continue.

Our Values

We believe the values that drive us set Gateway Assets apart from other real estate investment firms.

Simplicity

Where other firms keep investors at arm's length and essentially in the dark, we keep the entire investment process as simple as possible. Instead of fast talk and industry jargon we like to take the time to explain the "why". There is a story behind each and every property, and we make sure to answer the questions what, when, why, who, where and how.

Transparency

We are purposefully transparent. Our online service distributes documents to investors and lets them view the status of projects, who the lead project manager is, and what the milestones are. We also give investors the opportunity to visit the property and see it for themselves if they want.

Social responsibility

When we take ownership of a property we bring a certain amount of influence into the community. That influence can be negative in the wrong hands. Gateway develops and enforces conservative policies for the tenants, keeping our residents safe and ensuring the affect we have on the surrounding area is positive.

Integrity

It takes a lifetime to build a solid reputation and only seconds to ruin it. Integrity is core to our principles; it's something we require of our employees and we only work with investors and outside vendors who identify with that virtue.

Call 858.348.4690 for a Free Consultation

If you are interested in exploring investing in commercial real estate to build wealth, contact Gateway Assets for a free consultation. We'll help you clarify your capabilities and goals and recommend the best approach for you.



Commercial Investments for the Individual

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