

The background of the slide features a dark blue, stylized illustration of a skyscraper on the left side, with its lines receding into the distance. In the lower right area, there are several stacks of US dollar bills, also rendered in a dark blue, semi-transparent style. The overall aesthetic is professional and financial.

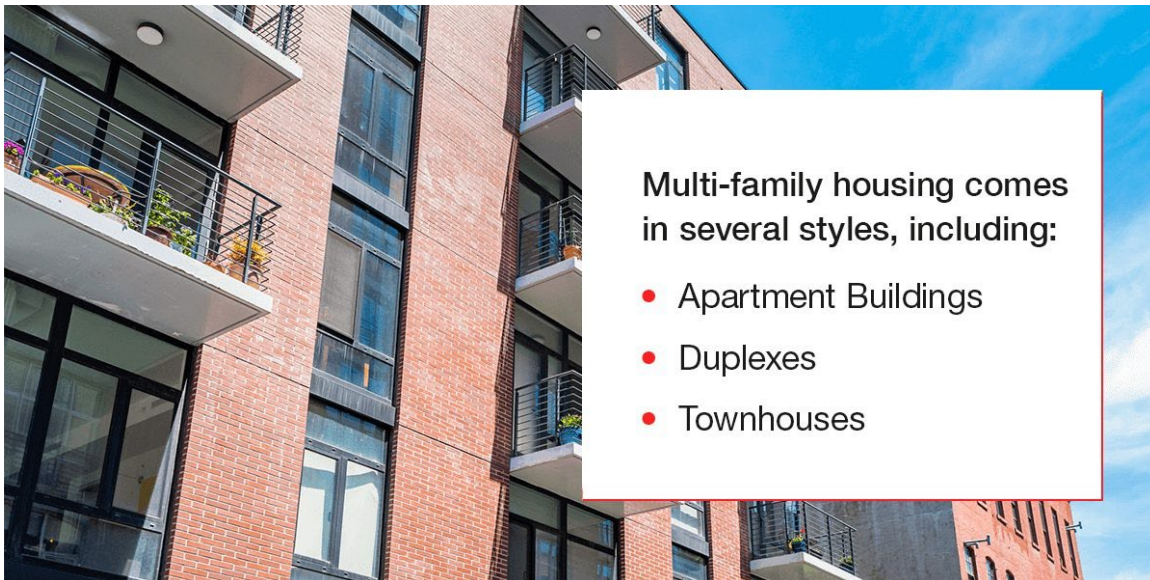
— WHY — CHOOSE MULTIFAMILY?

Pave the Way for
Financial Freedom

By David & Tammy McDonough
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Residential vs. Multifamily Investments

By: David McDonough and Tammy McDonough



Investing in multifamily is a strategic way to diversify your real estate portfolio and generate consistent income. Investing in residential real estate is an incredible stepping stone. However, investing in multi-family real estate can be more cost effective than residential real estate due to the less expensive utilities and property taxes when scaled for a larger building. Also, multiple units provide multiple streams of steady income. Scalability happens faster by completing one acquisition for multiple units instead of acquiring multiple properties with multiple transactions. This results in less costs at closing and fees overall. Focusing on one larger asset saves time because you are focusing on one transaction. It makes more sense to manage 40 units on one plot of land instead of trying to manage 40 individual units in different areas. In this case, 'Go big or go home' isn't just about making more money, but saving money too!



With residential real estate, you have one income to rely on. However, in a multifamily, you have multiple incomes to provide profits based on multiple doors. This is when the economy of scale proves that multifamily investments bring about larger returns because of stable rent growth.

Multifamily lends itself to larger profit margins based on the ability to value add when it is beneficial for both the tenant and investors. For example, adding laundry areas to a large complex would evoke larger profits because the tenant would be charged. Moreover, the tenant would save money and time by having the convenience of a laundry area on property. Storage fees and paid parking spot rentals are ways to provide convenient living for our tenants while increasing the value of the asset.

There are multiple ways to add value in a multifamily asset that isn't always possible in residential.

Value Add Amenities

- Laundry Machines Within Units
- Pet Friendly Parks and Walking Areas
- Assigned Parking and/or Garage Parking
- Balconies
- Fitness Centers
- Online Web Services
- Community Room Rentals

Turnover costs in single family are greater than multifamily because of the labor costs involved. The ability to hire a property management company for a multifamily property cuts down costs of labor dramatically. Residential assets are not profitable for an entire management company to oversee the cost associated with residential repairs. Companies or handymen will handle residential repairs and the costs from these companies are more substantial than property management companies who have hourly employees working for them to do all necessary repairs.

"Don't Wait, Syndicate!"

Stocks vs. Multifamily Investments

By: David McDonough and Tammy McDonough

Stocks are one way to make more of your money but distributions for stocks do not happen right away. With multifamily, investors see profits much sooner.



What Stocks Can't Offer:

- The ability to “refinance” like multifamily does and capture tax free equity
- Value-add opportunities
- Tax strategies involving depreciation that can reduce any gains

Stocks require significantly more capital to make profits, especially if a stock begins to lose its value. As an investor, you have little to no control on the strategies involved with stocks.