

Criteria of Evaluation

Factors of Measurement

1. Ability to Finance (simple, ready market, complicated, availability, costs, timely?)
2. Ability to Leverage Financing
3. Easy to Finance (simple, ready market, complicated, availability, costs, timely?)
4. Ability to Obtain private financing
5. Ease of re-financing (simple, complicated, availability, costs, timely?)
6. Appraisal (easy, simple, complicated, availability, costs, timely?)
7. Security
8. Knowledge
9. Tax benefits (depreciation, deductions)
10. Term of Investment: Short vs. Long
11. Competition
12. Government Control (regulations, permits, government agencies, rent control)
13. Need for cash
14. Cash Flow
15. (Income) Return on investment, Return on Equity
16. (Cap Rate)
17. (Return after Taxes)
18. Management (low vs. high with large contact with public)
19. Mobility (can you take it overseas with you?)
20. Utility / Usability
21. Legal Fees
22. Appreciation
23. Insurance
24. Time (short 3 yrs, medium 7 years, long 20 years)
25. Control (you decide your course and strategies) (short and long term control)
26. Liquidity (ready market of buyers)
27. Exchangeability
28. Possible stop income or for a period of time (vacancy)
29. Staff or Advisor's Support help needed (employees, Attorney, CPA, Insurance Agent, Escrow, Appraiser, Contractors)
30. Maintenance Required (repairs, replacements, regular inspections required)
31. Resale Market (ready market, strong, weak, complicated, fast, slow, unknown?)
32. Simplicity or complication of bookkeeping & Accounting (tax returns, record keeping)
33. Location nearby (ability to see your investment)
34. Value adjustments during depression
35. Costs to solve problems (vacancy, slow periods, brokerage, legal time)
36. On-going Maintenance Requirements (Damage, breakage, wear and tear)
37. Legal exposure: costs to acquire, finance, liquidate, liability to public and customers
38. Estate planning ease or problems (inheritance benefits)
39. Asset protection available?
40. Exchange tax free possible
41. Portfolio Balance -- Does this fit right in with your other investments
42. In the event of your death -- easy takeover by heirs?