

**NW NEW WESTERN®**

# Portfolio Growth Hack: Create \$30k in Equity

Market Outlook & Data Driven Tactics to Scale Your Portfolio

*Kurt Byers, New Western*

POLL

# Portfolio Size

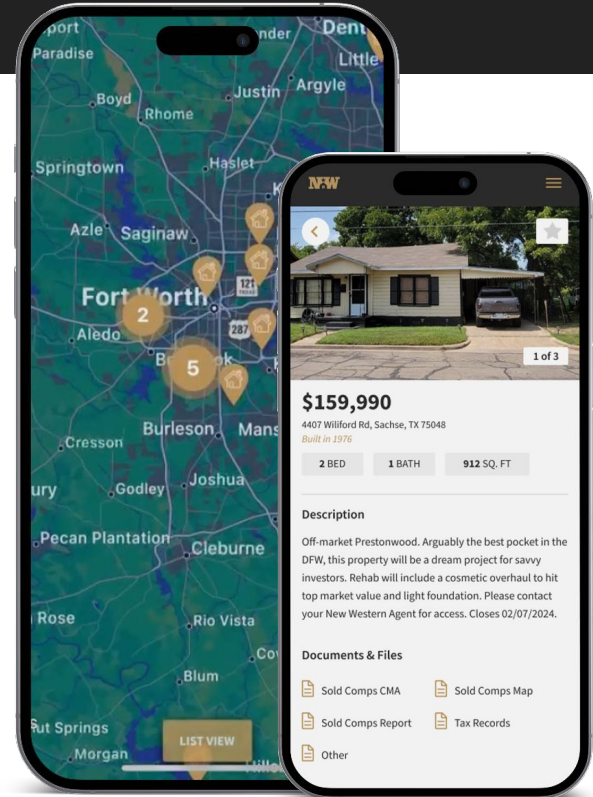
# A Little About Myself



# A Little About New Western

## An Online Marketplace Where Investors Find Houses to Rehab

- 200,000 investors on Platform – FlipSide Report
- Rich transactional dataset
- Access to billions of data points in our proprietary MIDs program



# Today's Presentation

**Market Outlook &  
How to Stay  
Ahead**

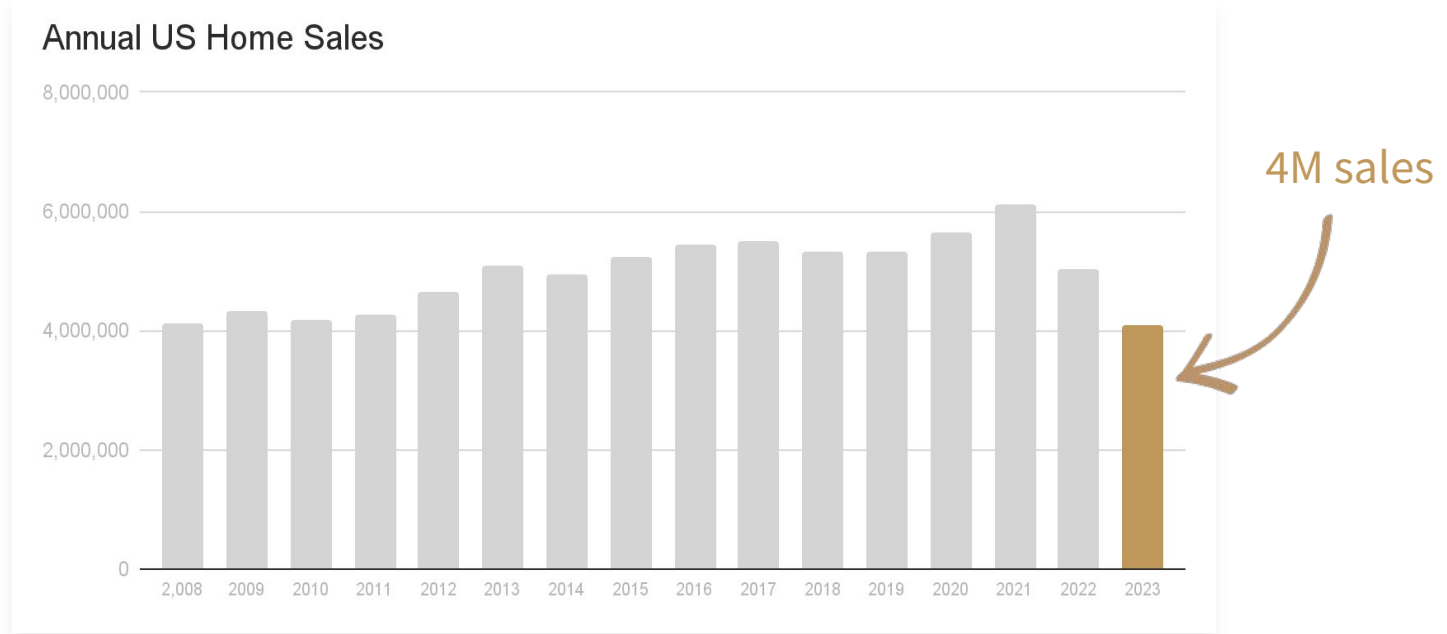
**Creating Equity Through  
Value-Add Portfolio  
Growth**

# Today's Trends

# Dynamic Fluidity

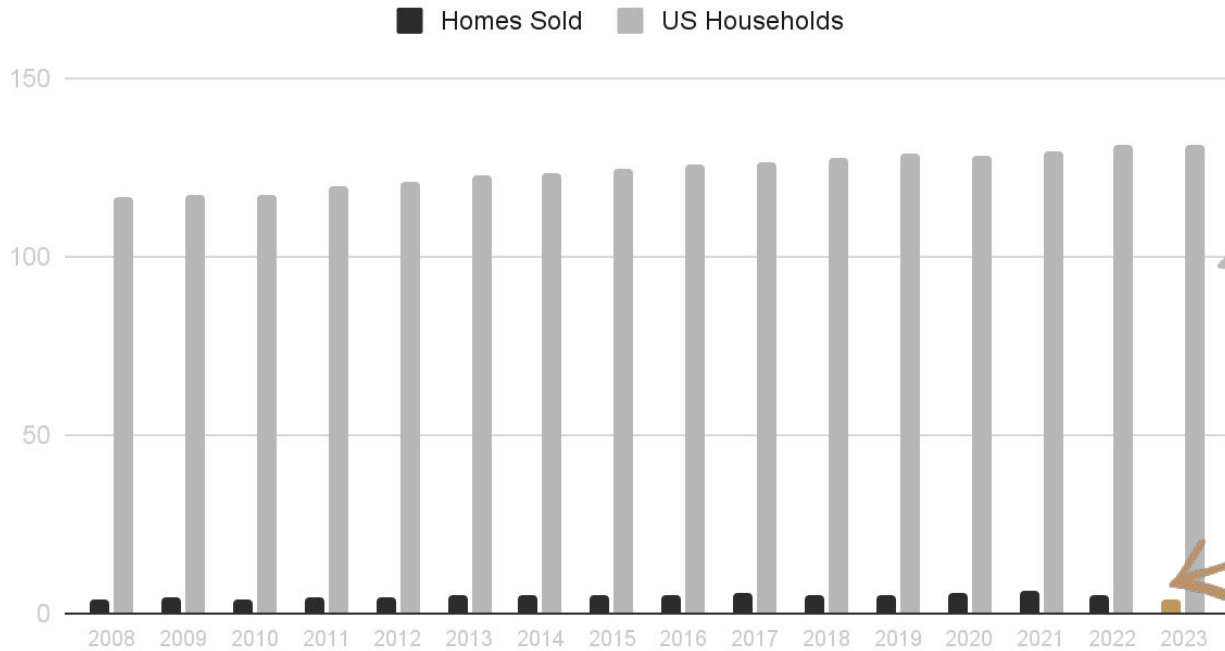
**WARNING** Anything can happen at any moment due to: *Looming Election, Fed Action and/or Inaction, Divergent Local Politics, Proposed Federal Government Relief Programs for Homebuyers, Regional Banking Contagion from CRE exposure, Multifamily Defaults, Ongoing prospect of Rolling Recessions, and the long awaited final outcome of what one giant class-action lawsuit is “allegedly” claiming to be a conspiracy perpetrated by the National Association of Realtors and every real estate brokerage in the united states to extort hundreds of billions of dollars from home sellers over the past one hundred years.*

# Dismal Sales





## Homes Sold vs Total US Households in Millions



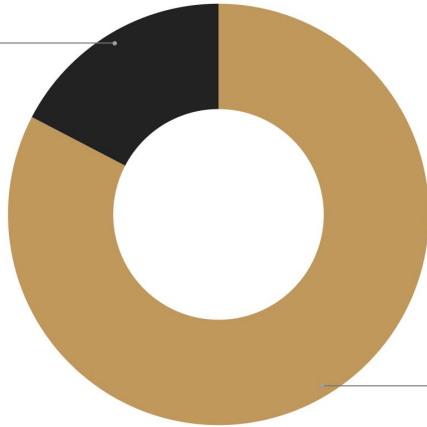
130M  
Households

4M sales

# Independent vs. Institutional

Market Share

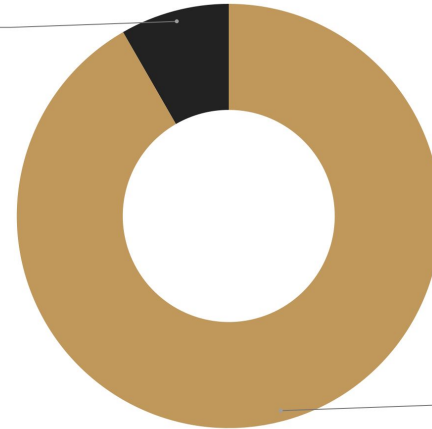
Institutional Buyers  
17.4%



2021

Market Share

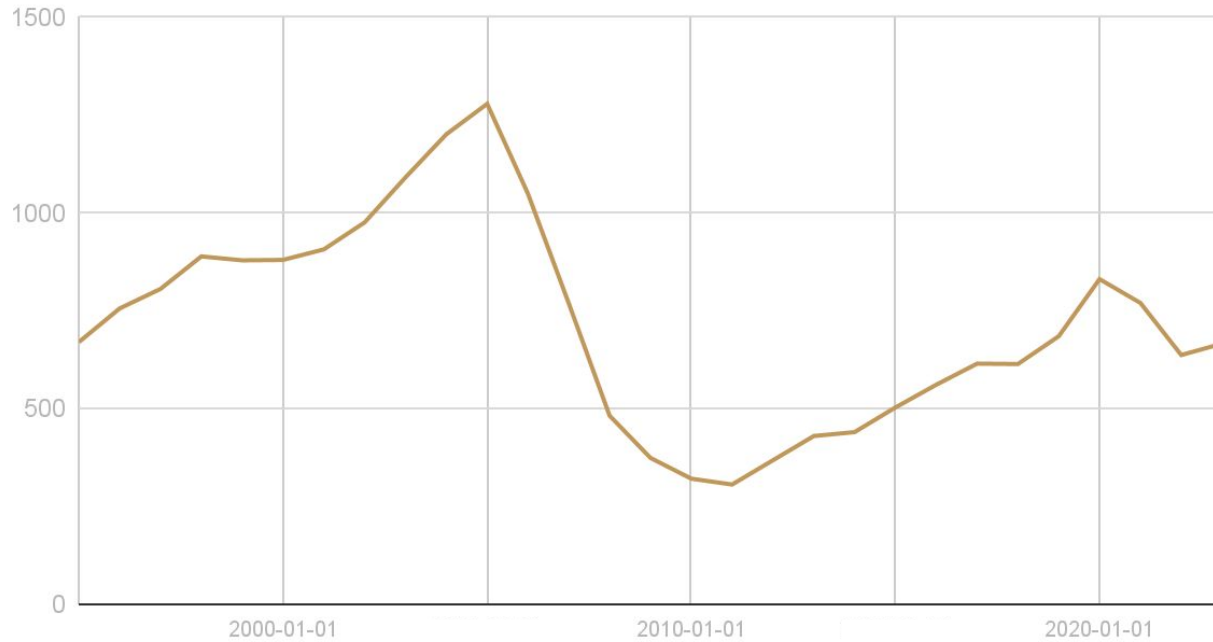
Institutional Buyers  
8.3%



2023

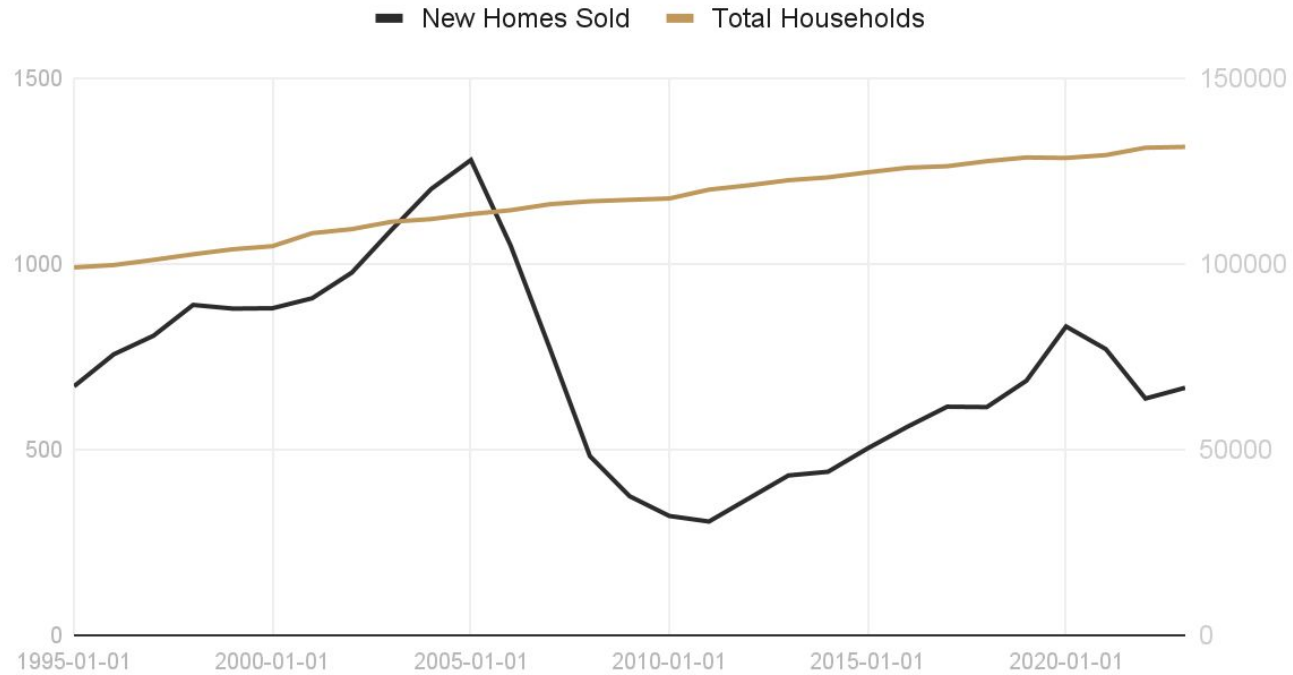
52% decrease in institutional buyer market share

## New Homes Sold

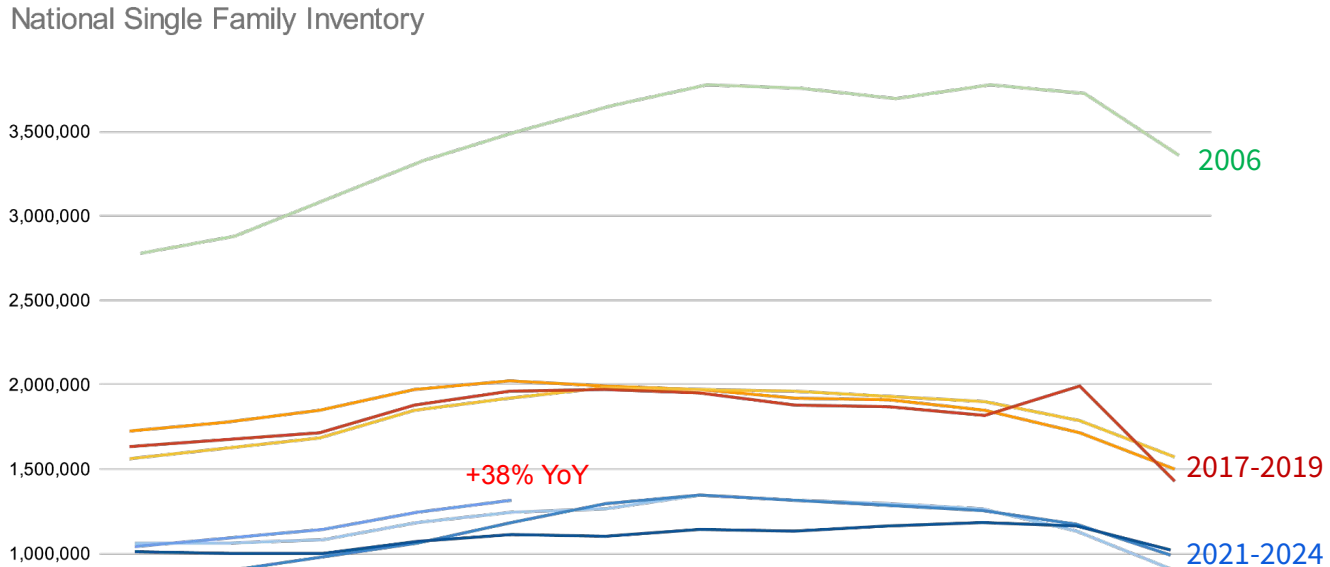


*Supply has been a long war of attrition and we are losing*

# Supply vs Demand



# Supply will remain strained?



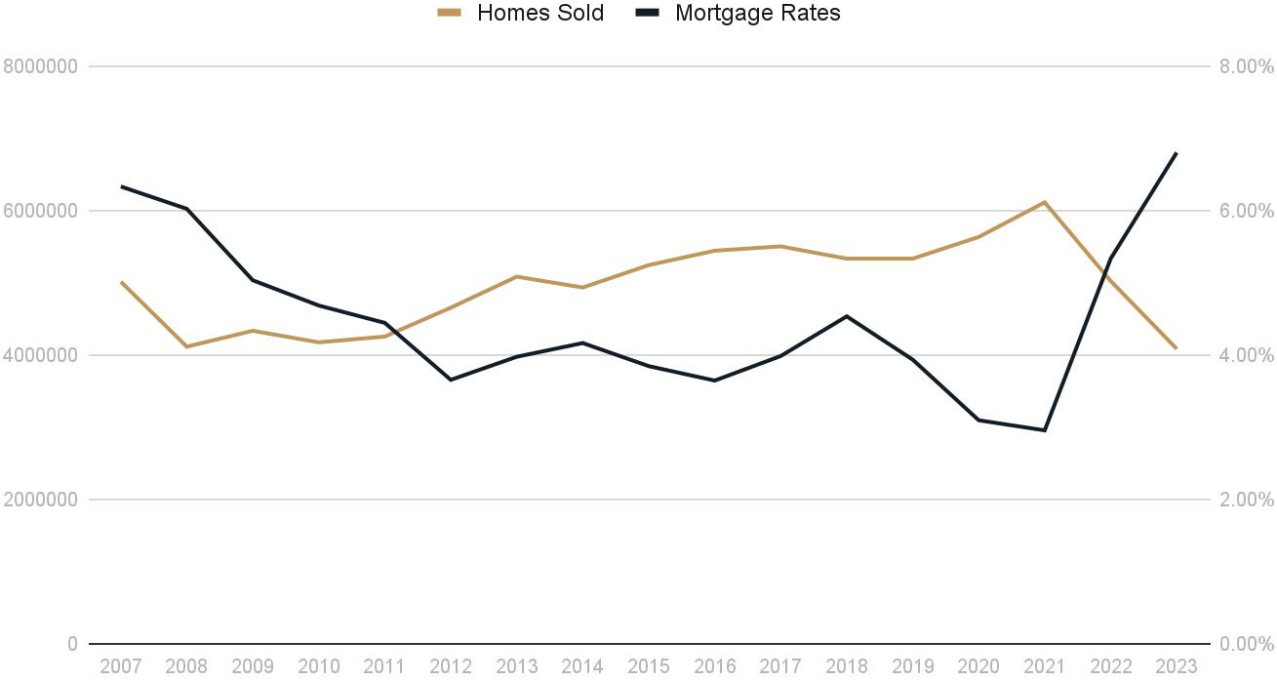
# Reasons we're losing

- Skilled Labor shortage
- Rising material costs
- Supply chain disruptions
- Land availability and zoning restrictions
- Regulations and permitting delays
- Affordability and Interest Rate Concerns

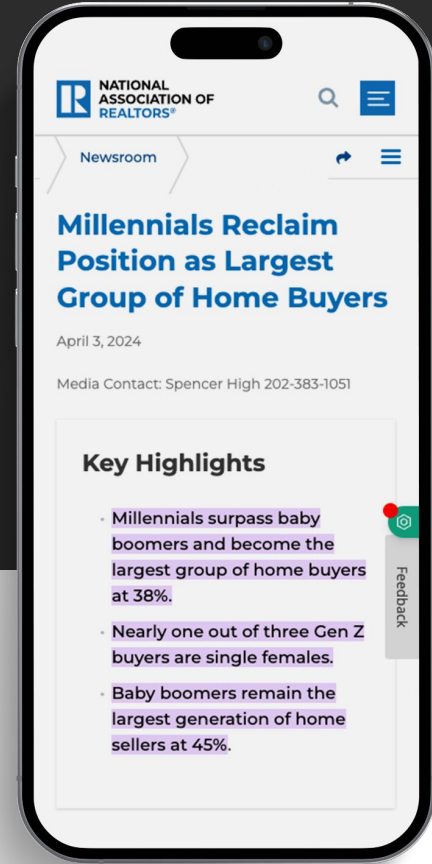
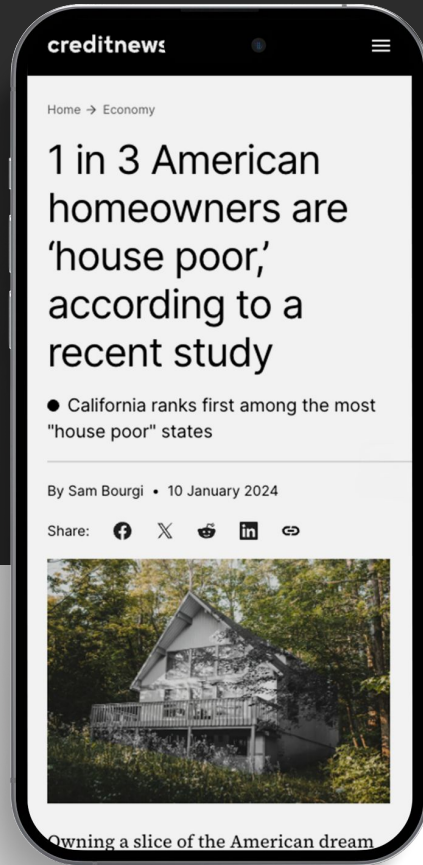
POLL

# How are Interest Rates Impacting Investment Plans?

# Homes Sold vs. Mortgage Rates







# What is certain...



Supply will remain strained



Demand will continue to exceed supply to create sustained long-term appreciation



Opportunities will favor local small business

# Opportunity: Vacant Homes

## 15 Million Vacant Homes in the U.S.

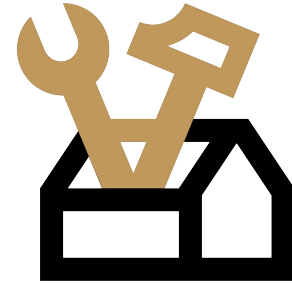
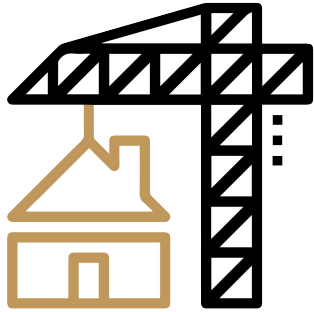
*This is the inventory no one wants (because they don't see the opportunity)*

- Real estate agents focus on high end homes that come with high-end commissions. Marketing a vacant, distressed home would sink cost and time, falling flat on the MLS
- Vacant and distressed homes give you the opportunity to add value, equity, and cash flow in a high-interest market
- Finding vacant properties is labor and asset intensive - no one is focusing on these homes, so they remain hidden diamonds in the rough



THE GREAT  
**RENOVATION**

NW NEW WESTERN



## 20y Builder Boom

- Innovations in finance
- Easy access to credit
- 27 million new homes

## Great Recession

- Construction stopped
- Homes aged
- Families grew

## Great Renovation

- Supply/demand imbalance
- Historical lack of affordability
- 15 million vacant homes

POLL

# New or Rehab?

# BRRRR

- *Buy* a distressed property with room to add value
- *Rehab* the property, building equity through added value
- *Rent* the newly rehabbed property
- *Refinance* to pull cash out of the property
- *Repeat* the process to grow your rental portfolio

# Buy

For the math to work, you have to find a distressed where value can be added. You will increase value by making smart improvements and addressing any repairs that need to be done.

Aim for 70-80% of ARV for purchase price and estimated repairs.

When you're trying to find that diamond in the rough, imagine you're the tenant. Where would you like to live?

Look for properties near desirable amenities like schools, access to public transportation, stores, service providers, and outdoor recreational activities.

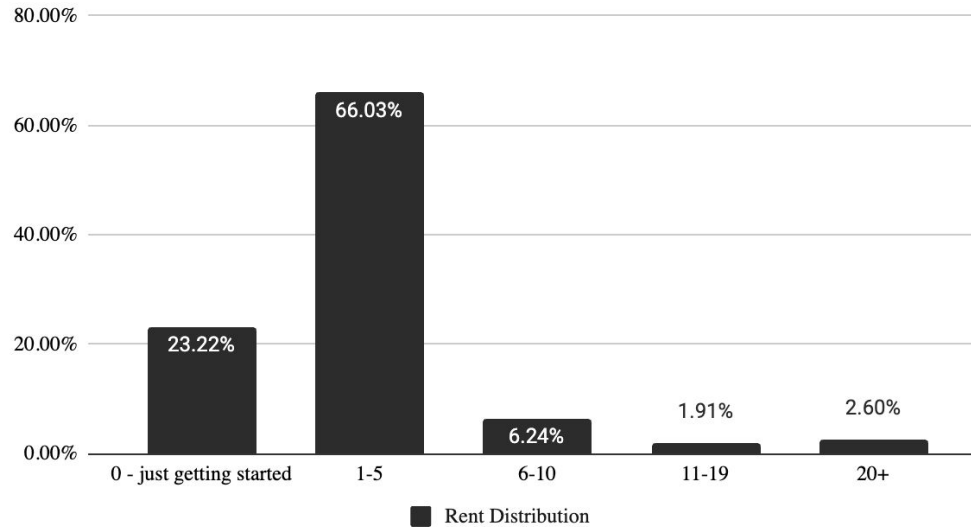
## Proven Value Big Ticket Items to Look for When Buying

- Roofs
- Foundations
- Drywall damage
- Ugly but livable kitchens and bathrooms
- Low bedroom count with opportunity to add bed/SqFt

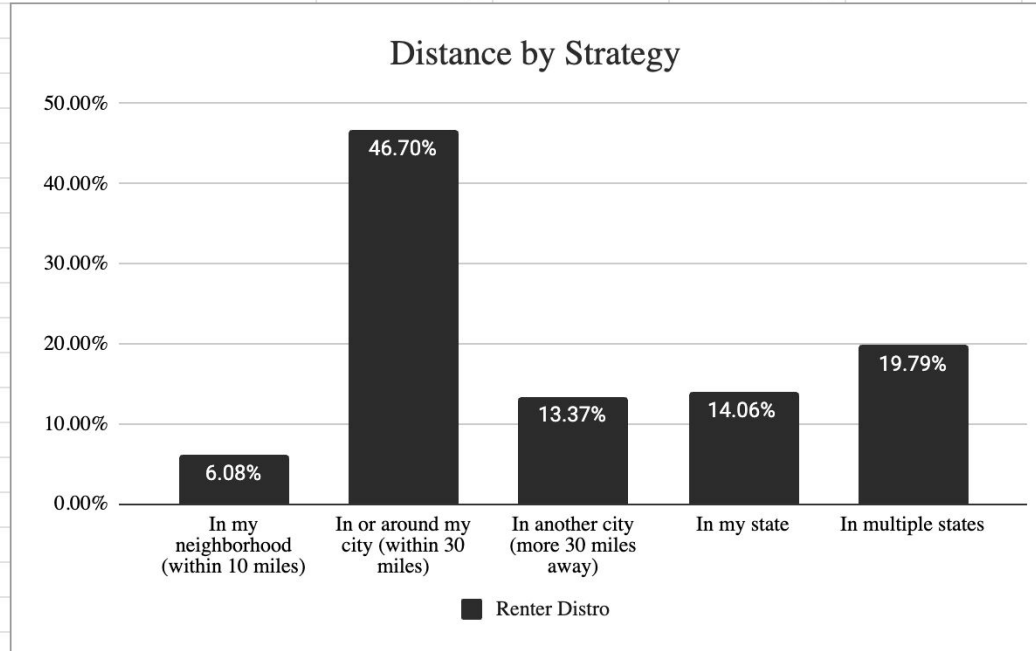


	Purchases	Flippers	Flip Distribution	Renters	Rent Distribution
0 - just getting start		139	18.83%	134	23.22%
1-5		448	60.70%	381	66.03%
6-10		92	12.47%	36	6.24%
11-19		32	4.34%	11	1.91%
20+		27	3.66%	15	2.60%

### Purchases by Renters



	Flippers	Flipper Distro	Renters	Renter Distro
In my neighborhood (within 10 miles)	56	7.60%	35	6.08%
In or around my city (within 30 miles)	400	54.27%	269	46.70%
In another city (more 30 miles away)	90	12.21%	77	13.37%
In my state	108	14.65%	81	14.06%
In multiple states	83	11.26%	114	19.79%
	737		576	



# Rehab

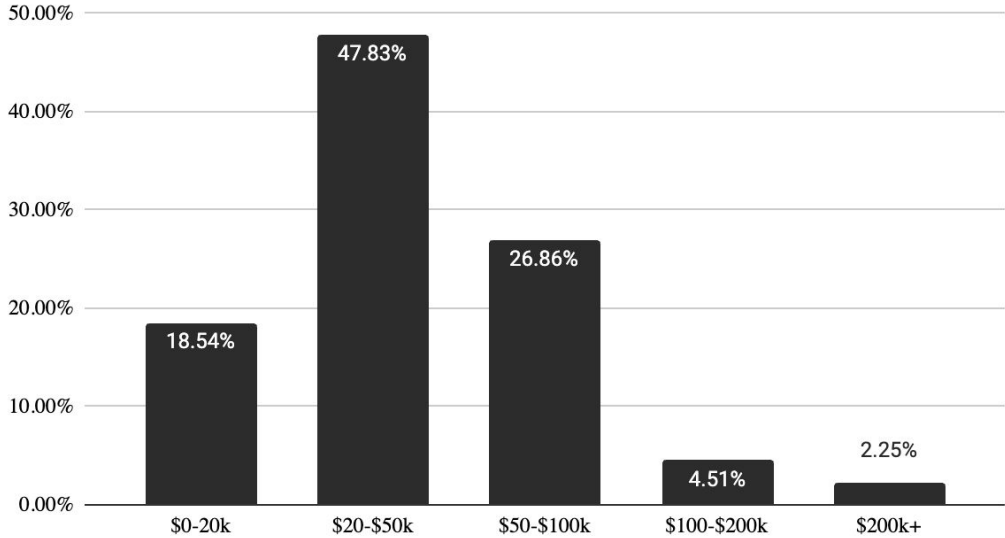
Making changes to a house that add value but don't cost a lot is the best way to fix it up. Tackle the safety and necessary improvements first like roof repairs, foundation, etc., and then find cosmetic upgrades that bring it to rental standards, like:

- *Landscaping*
- *Updating Kitchen and Bathrooms*
- *Flooring*
- *Paint*

Avoid spending money on luxury home upgrades if you're using the BRRRR strategy because the the return on investment rarely covers the renovation costs.

Rehab Costs	Flipper	Flipper Distro	Renters	Renter Distro
\$0-20k	50	6.78%	107	18.54%
\$20-\$50k	275	37.26%	276	47.83%
\$50-\$100k	297	40.24%	155	26.86%
\$100-\$200k	84	11.38%	26	4.51%
\$200k+	32	4.34%	13	2.25%

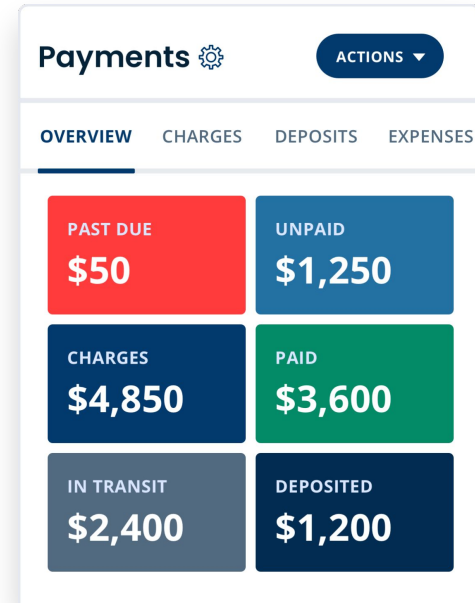
Rehab Costs by Strategy



# Rent

Leverage **TurboTenant** for every step in your landlording journey:

- Use our AI-Generated Listing Description generator to write an eye-catching intro
- Market your listing across the top rental sites in one click
- Pre-screen leads with our automatic questionnaire
- Screen tenants for free
- Use our free Condition Reports
- Automate rent collection
- Streamline maintenance management



# Refinance

Once you have rented the rehabbed property, and the seasoning period has ended, you can complete a cash-out refinance.

Look to find the best terms and compare lenders for your situation.

The goal is to recoup your money to put into your next BRRRR.

# Repeat

This is where New Western and TurboTenant can become the fuel to your portfolio growth.

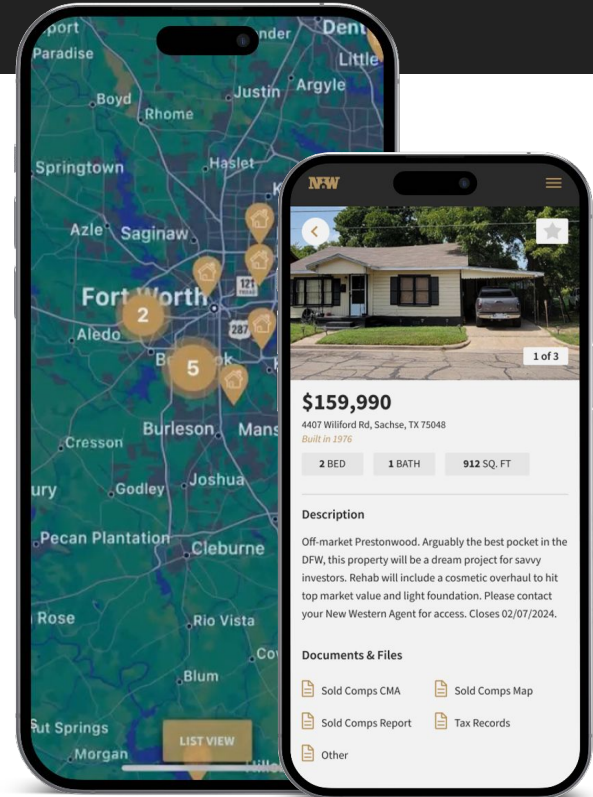
New Western will deliver BRRRR ready opportunities directly to your inbox, no time spent looking for off-market deals below value. That is New Western's specialty.

Then use TurboTenant to easily manage your portfolio growth at every step of the way.

# New Western

## An Online Marketplace Where Landlords Can Find Houses to Rehab

- Save time: we find houses that fit your criteria
- Work directly with a local New Western agent to find your next rental
- No fee to join New Western





**NW**

**80%**

Of New Western investors plan to rehab 1-5 properties per year



Overwhelming majority of investors purchase hyper local



**28%**

Of investors have been in REI for less than 3 years

New Western sells a home every **13 minutes**



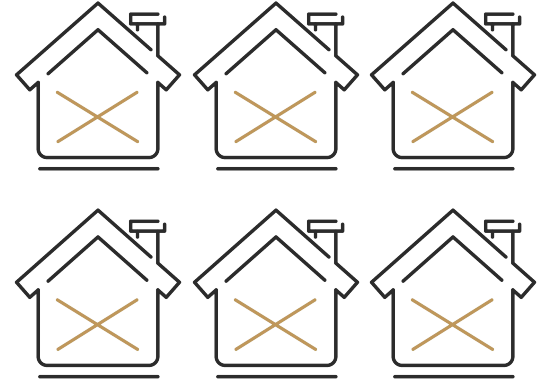
**198,193**

New builds in NW markets last year



**171,458**

Flips in NW markets last year



**3,329,975**

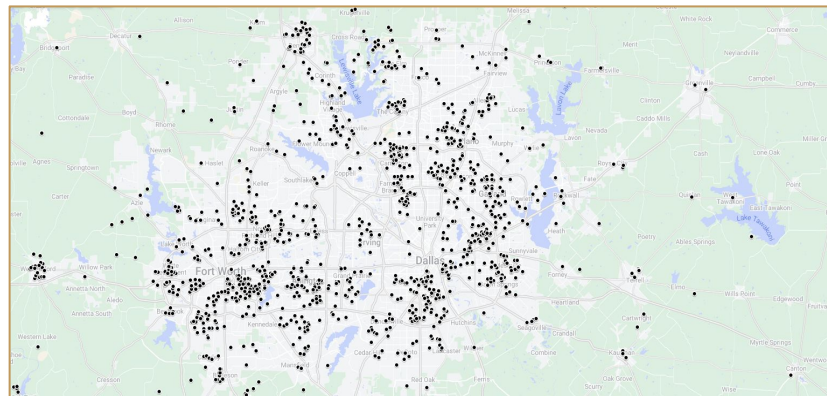
Homes marked as vacant in the US census in NW markets

# New Western Coverage

## NATIONAL

- Atlanta
- Austin
- Birmingham
- Boston
- Charlotte
- Chicago
- Dallas
- Denton
- Denver
- Fort Worth
- Greenville
- Houston
- Indianapolis
- Jacksonville
- Kansas City
- Las Vegas
- Los Angeles
- Nashville
- Oklahoma City
- Orlando
- Philadelphia
- Phoenix
- Pittsburgh
- Raleigh
- Salt Lake City
- San Antonio
- St. Louis
- Tampa
- Tulsa
- Virginia Beach
- Washington DC

## LOCAL COVERAGE EXAMPLE



DFW transactions last 12 months

## AGENTS

**800+ local agents in  
40 markets nationwide**

**NW NEW WESTERN<sup>®</sup>**

**Opportunity Delivered.**

[www.newwestern.com](http://www.newwestern.com)