

# Creating Tomorrow's Wealth

If the 1%-2% returns that you are receiving in the current market are not satisfactory, you may want to consider a NNN Lease Investment.

An NNN leased investment is a real estate investment that includes a long term lease with an established credit tenant. The tenant is obligated to pay all of the expenses that go along with the owning property. (The NNN refers specifically to taxes, insurance and common area maintenance). THERE IS NO MANAGEMENT NEEDED.

The advantages can be substantial; a new depreciation schedule becomes a significant tax benefit not available with corporate bond holdings. Best of all, you own real estate, and not paper.

In addition, the investor has the option to increase buying power by getting financing on an investment opportunity. This creates another tax advantage because of the opportunity to write off all the interest, as well increase equity by paying down the note with the income stream generated from the income of the leased investment.

What are the risks to converting bonds to NNN leased investments? The most obvious will be the interruption of liquidity should a life situation arise that would require immediate cash. The other risk would be in the event that the tenant went bankrupt and the investor would have to sell the building, or re-tenant the property. If the need for "instant cash" arose, the investor would have to endure the delay necessary to sell or refinance the property—depending on the circumstances.

The advent of a defaulting tenant can be significantly averted by paying substantial attention to the tenant credit rating, and the real estate quality at the time of purchase. Quality

NNN investments typically have seasoned intrinsics because the tenant has chosen this location after extensive demographic research into perspective sites that will generate sales for that operation.

A typical tenant for a NNN leased investment is interested in developing new unit locations to generate sales of their widgets and resources tied up in real estate equity. Walgreen's is a good example of a company interested in high quality real estate to occupy, but not own.

It gives them the ability to keep cash circulating in order to open new income generating stores and make money.

There are some extremely well priced real estate investments today, and interest rates remain at historic lows. As I said; the wealth of tomorrow exists for those with the intelligence and agility to move forward and take advantage of today's market forces.

**As the old saying goes; Don't wait to buy real estate; Buy real estate and wait.**

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