

IG: RÍORAHOK FB RÍO RAHOK

OWNING LAND AS RESILIENCE?!

- *INFO SHARE**
- *IDEA EXCHANGE**
- *STRATEGIZING**

@ríoltor



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CONTENT OUTLINE

Introduction: What I do and Why I do?

Isn't ownership capitalist?

Current Market in LA?

Why not buy "American Dream" homes?

What do we invest in/own?

How to Prep & Plan to own?

Community Strategizing!!!

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RÍO RAHOK?



Echo Park Born x Raised
Co-founder STAY & LA Rooted



Río the Ríoltor®
sell out?



(Re)
Colonized

SOLD
LET US LEARN

The Perfect Gift Book for Dads and Grads. Give them a summer of discovery and wonder.

Atlas
Obscura

AtlasObscura

THE ATLAS STORIES EVENTS TRIPS

Random Place National Parks Royalty Objects of Intrigue Kickass Women



LOS ANGELES

Obscura Society LA & Cartwheel Art Tours: The Belmont Tunnel & Animal Alley

Peek inside the historic Belmont Tunnel and then trek through Echo Park's Animal Alley to see flying kittens, a three-eyed owl, elephants, cheetahs, gorillas, lions, polar bears, and monkeys.

DATE
Saturday, March 19, 2016

TIME
11:00 a.m. to 1:30 p.m.

COST
35.00 USD

WHERE
Belmont Station Apartments, 1304 W
2nd St, Los Angeles, 90026

GET TICKETS

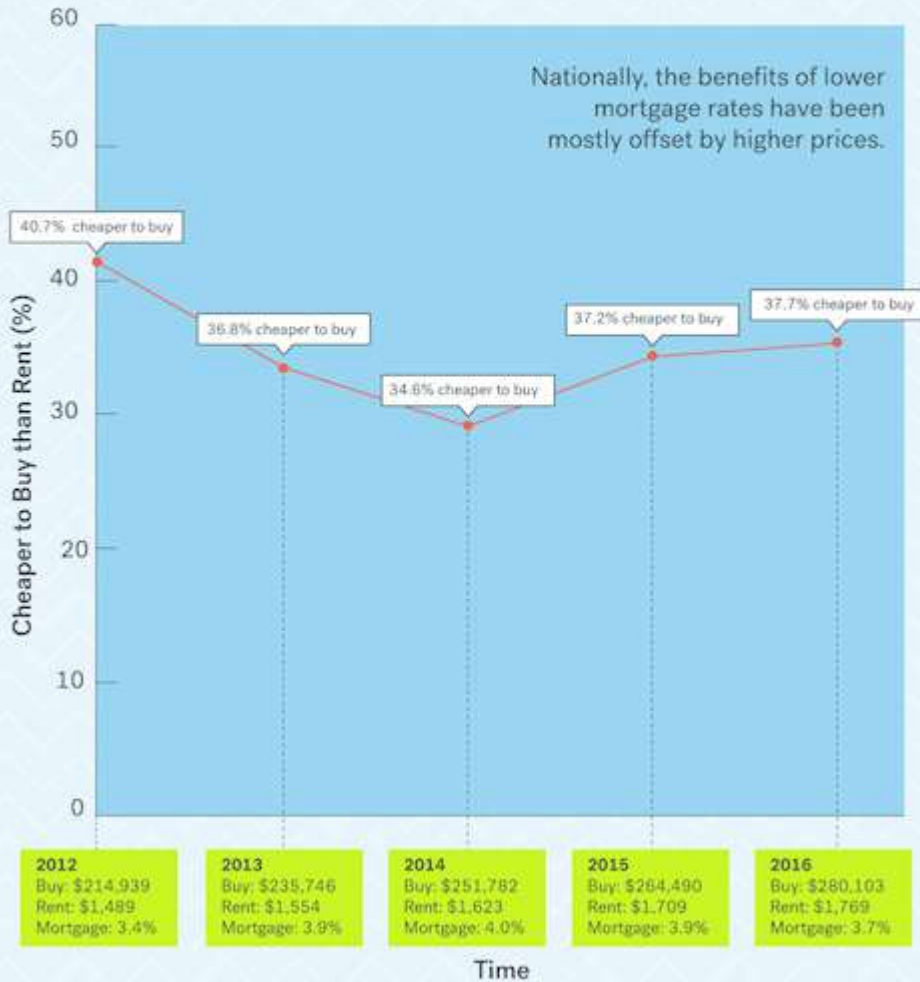
Buying a Home is 37.7% Cheaper Than Renting

For households who move every seven years and can afford to put 20% down.

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Owning is Capitalist

So is renting & living on the grid.



Trulia's Rent vs Buy calculation assumes a 3.66% 30-year fixed-rate mortgage with a 20% down payment, itemizing tax deduction at the 25% bracket, and staying in the home for seven years.



37.7%

In savings if you buy.
White / Money families are trained to buy where they live to save.
Most gentrifiers only own for 2-3 years. We are trained to "farm" them..

CURRENT LA MARKET

Rents in LA for One-Bedroom ->
 LA is 53% Renters highest in US
 11% of RE owned by "outside"
 What is in store for HP & SELA?



Infograph from Rad Pad Via LA Curbed

LA River





Here Are 10 House-Hunting "Bargain" Neighborhoods in L.A.

BY DENNIS ROMERO

MONDAY, APRIL 18, 2016 AT 6:02 A.M.



Pacoima

[Rosa Ruvalcaba/Flickr](#)

10. North Valley \$455,000

9. Sun Valley \$440,000

8. Fox Hills \$432,000

7. Sylmar \$400,000

6. South L.A. \$386,000

5. Panorama City \$368,000

4. "South Central" L.A. \$359,450

3. West Long Beach \$355,100

2. Pacoima \$343,000

1. Watts \$287,500

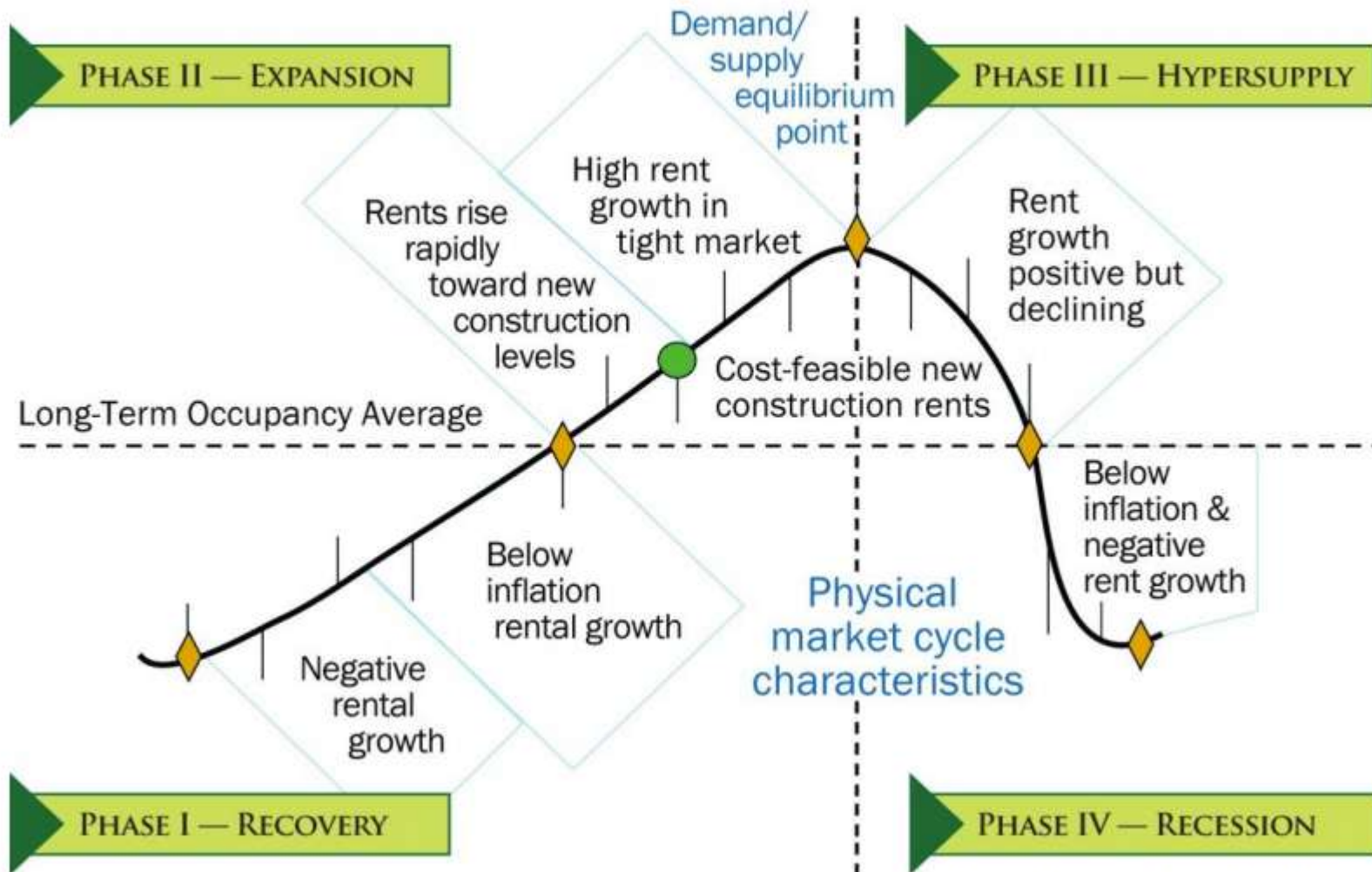
Happy house hunting.

WHY NOT BUY THE AMERICAN DREAM HOME?

- "Gentrifiers" are taught to see their first purchase as temporary as investment
- Does not follow Market Development Cycles
- High risk for default on mortgage

RE MARKET DEVELOPMENT CYCLE

Rental growth rates can be characterized in different parts of the market cycle, as shown below.



Source: Mueller, *Real Estate Finance*, 2016.

RE-COLONIZATION

The three stages of property changes:

1. Development
2. Maturity
3. Old age

The growth and disintegration of properties and neighborhoods is completely normal and natural. It happens continually, as a cycle, so when a neighborhood reaches the final stage, it can be restored to its first stage again. For example, a lovely neighborhood that was developed thirty years ago may have some deteriorated properties and considered to be an 'old neighborhood.' However, young families may be interested in these properties because of their moderate prices with plans to remodel the property they purchase. This might bring the neighborhood back to the development stage once more.

WHEN TO INVEST?

If the investor is looking for investment opportunities that will generate a good running income then the best time to do this is in the new construction phase or at the first part of the saturation stage.

On the other hand, if the investor is looking for investment opportunities to generate appreciation profit then she should be seeking to enter markets in the latter part of a downstage or in the early absorption stages. If the investor is looking for a long-term investment, though, the stage of the market should not be the first priority.

Investors with a sharp eye for details can spot underperforming properties that can generate more profit no matter what stage the market is in. That discernment enables some investors to enter market while facing the down stage because they can see upside potential in a specific property.

One tip applicable to all projects and potential properties: Do not fall in love with the property. This can cause potential loses or at least decrease the profit substantially. Choosing the right tactics depend mainly on the property itself and real estate investment requires objective, rational decision-making. The problem is that some beginner investors become infatuated enough with a property to influence their perspective. The best

WHAT CAN WE INVEST IN/ OWN?

*Single Family Residence vs Multi Family


*Condos vs Housing Cooperatives

*Prefab Homes

Tiny and Container Homes

SFR VS MULTI-FAMILY

Single Family VS 4-Plex
\$750,000 Same Value Price



\$2,500 rent \$5,000 rent (**BETTER!**)

The illustration shows a small, single-story yellow house with a red roof and a chimney on the left. To its right is a two-story red building with a black roof, divided into four separate entrances, each with a set of stairs. The building has multiple windows with green shutters and red curtains.



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CONDO VS HOUSING COOPERATIVE



HOUSING COOPERATIVE



	Cooperative Housing	Rental Apartment	Single Family Home	Condominium
Ownership	The residents are shareholders in a corporation that owns the property. Owning a share entitles you to occupy a unit.	Tenants own nothing. On expiration of lease, tenants may be forced to vacate.	Owners acquire individual title to their dwellings and yard.	Unit "airspace" owned by individual, plus an undivided share of common elements.
Monthly Cost	Members pay the Co-op for their share of the actual operating cost, building mortgage, and real estate taxes, based on the non-profit operation of entire community.	Tenants pay rent specified in lease.	Owner must make his or her purchases of whatever is needed, often at higher retail costs. Owner makes mortgage and tax payments to lender.	Same as cooperative, except mortgage payments and taxes are paid directly to the lender.
Move-in Cost	New members buy their share in the cooperative and also pay the first monthly charge in advance.	Usually one month's rent is paid as a security deposit, plus the first month's rent.	Purchaser must buy the property, usually with a mortgage with a down payment of at least 5% and closing costs of 3% or more.	Same as single family, plus first month's condo fee and often a "contribution to capital" of 1-2 months' fee.
Community Control	Co-op resident members elect their board of directors, which decides all policy matters. The Board usually sets up several committees to help run the community.	Renters usually have no voice at all in establishing and maintaining community standards.	Individual owners have no jurisdiction over their neighbors.	Condo owners, like cooperatives, elect a board of directors.
Community Service	Co-ops provide a natural base for service and activity desired by its members.	Provided at discretion of landlords.	On your own.	Condos similar to co-ops, unless limited by state law.
Federal Tax Benefits to Individuals	Your share of mortgage interest and real estate taxes may be deductible on personal income tax return.*	No benefit.	Mortgage interest and real estate taxes are deductible on personal income tax return.	Mortgage interest and real estate taxes are deductible on personal income tax return.

PREFAB HOMES

Cost effective

Contractors deal with zoning and regulations

Great on lots with zoning for more units (parking)

Mechanic Loans consider high risk

Lots of ugly homes to chose from

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TINY & CONTAINER HOMES



PREP & PLAN TO OWN



ASSISTANCE PROGRAMS

3 Realities:

- Down payment money is a serious **obstacle** for buyers.
- **Hundreds of millions of dollars** is available across California to help them get over it.
- Most home searchers **don't know this**.

What's Available in California?

414 programs

274 have money available today

200+ housing agencies

1 EXAMPLE: CALHFA

- First-Time Homebuyers
- Income Limits Apply
- Minimum Credit Score 640
- 45% DTI
- Homebuyer Education Required

Cal  California Housing Finance Agency

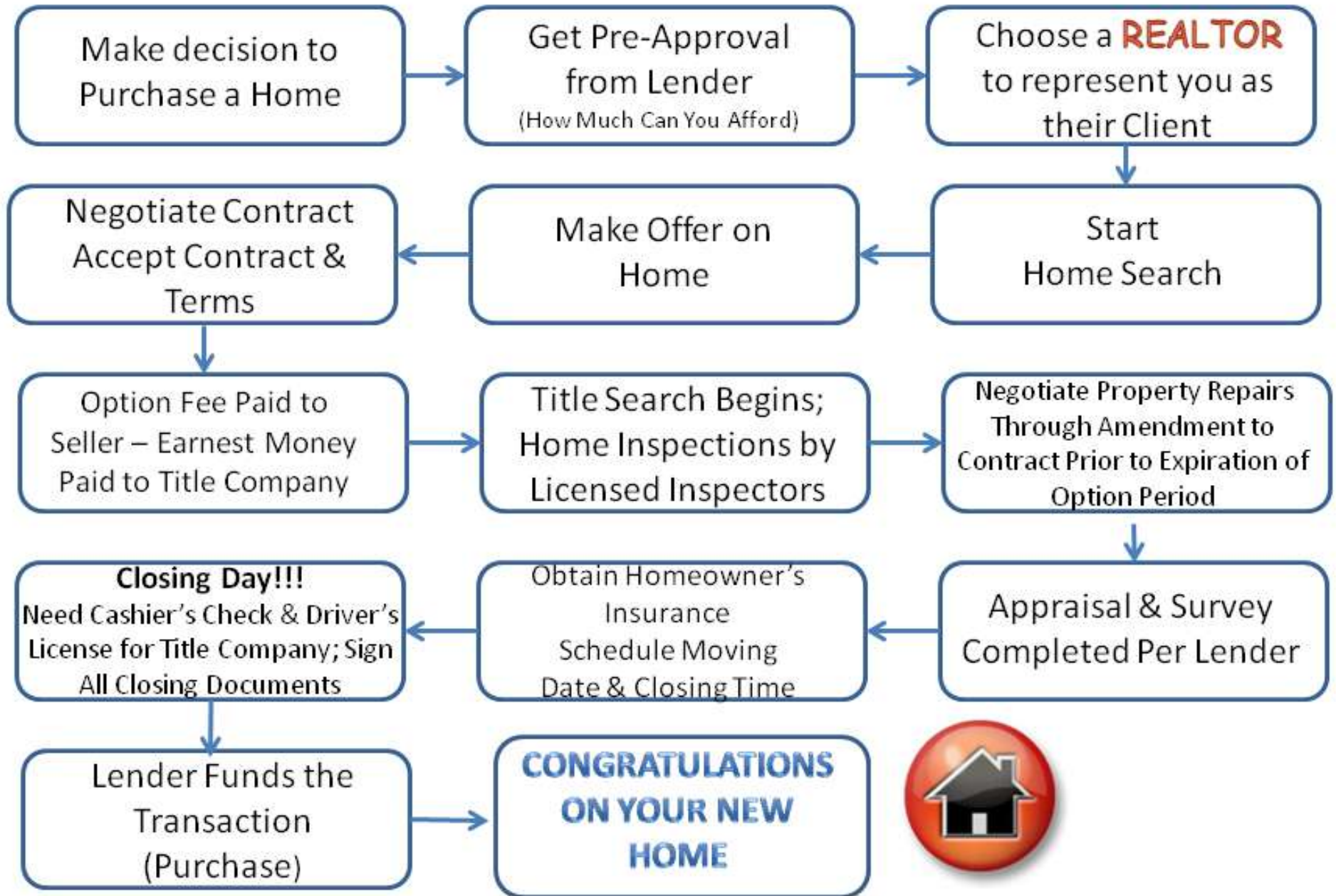
Property Eligibility

- Sales Price Limits
- Single Family Residence and Condos in CA
- Owner Occupied Only
- 1 Year Home Warranty
 - Except New Construction

Scenario

CalPLUS Conventional		CalPLUS FHA	
Purchase Price	\$400,000	Purchase Price	\$400,000
LTV 96.5%	\$386,000	LTV 96.5%	\$386,000
MyHome	\$14,000	MyHome	\$14,000
ZIP	\$15,440	ZIP	\$15,710
CLTV 103.86%	\$415,440	CLTV 103.92%	\$415,710
Closing Cost 4%	\$16,000	Closing Cost 4%	\$16,000
Total Due	\$560.00	Total Due	\$290.00

HOME BUYING TIMELINE



Community Strategizing Brainstorm

What are our tangible road blocks?

- Perceived vs Reality

How do we get over the road blocks?

- Individualistic vs Community

What are deep rooted fears?

- miseducation, capitalism, sell out, greed, etc

Where do these fears stem from?

- social conditioning, truths

THE DREAM

- *Collectively own community spaces
- *Own Transformative Center focussed on QT*IPoC ("Abusers/Thrivers")
- *Use my Real Estate venture to facilitate & fund these dreams!



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**NEXT STEPS
SEE YOU LATERZ
B'ANTIOX**



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