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Thinking to sell? Don't make decision on net proceeds/price

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Triple net leased properties including the likes of CVS, Walgreens, and Starbucks etc. that were once trading in the 6-7% CAP range are now available in some markets in the 8-9% CAP range.

Although viewed as a riskier investment the opportunities in the stock market are abundant for companies like GE, Ford and Citigroup that can be purchased at all time lows. Back in the fall of 2009 the stock for Bank of America was trading at \$3 per share and in less than a couple months rebounded to as high as \$20 per share. An investment of \$100,000 in that stock would have reaped a gain of almost half a million. Based on what we know from historical data the financial markets always rebound and when they do they come back even stronger than the prior bull market. On top of that the financial markets recover quicker than the real estate market.

For those not interested in stocks or NNN leased properties there are tremendous opportunities in multi family markets in other parts of the country. A natural destination for most New Englanders for vacation Florida has been hit hard this past recession. Unlike most parts of the Northeast the Florida market has pretty much collapsed in most areas and investment types. Due to the fact that the multi family market is still strong locally the upside of selling and purchasing in Florida is much greater than if you held and wait for the market to rebound. Just like the Bank of America stock the time to buy is when the price is at an all time low and that time appears to be now.

To re-cap when making the decision to sell don't make the decision not to sell solely based on net proceeds or price. Look at where you can invest those monies and what your upside is on your next investment. If the upside is greater on the next deal then you know you are making the right decision in selling. Something that you should also keep an eye on is the current capital gains tax that expire the end of this year. If Congress does not extend them, the rates will return to the previous higher levels as of 2011.

Given the economy and the new political makeup it is not clear how lawmakers will deal with the current rates.

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