



# Real Estate Investment News

Welcome to SIFF Investment Services' inaugural newsletter. We hope this newsletter finds you in good health.

We hosted our first annual client appreciation party in late August. A few of our business partners flew in from Portland to join the festivities at our offices, and we appreciate their support. The event was a huge success: The turnout was tremendous, the excitement level among our business partners and families (and us!) was high, and the party lasted late into the evening. We would like to thank everyone who attended, and we look forward to making this an annual event.

For those who have not checked out our new and improved Web site, please do so at [www.siffinvestment.com](http://www.siffinvestment.com). We've added content regarding our services, including actual samples of our current clients' investments.

We're executing the long-term vision of our business plan to change how investment property is acquired and managed today. SIFF gives our investors the best opportunity for their investments to perform. With our business partners coming on board and perform-



ing their duties more efficiently, we are allowing them to be the experts in their fields.

To solve some of our clients' concerns regarding investment property management, SIFF recently launched **Premier Investment Management Service (PIMS)**. With PIMS, contract employees provide our clients with property investment management services in the Portland Metro area. PIMS is not just a referral to a good property manager: It is SIFF taking responsibility for the property manager's performance. Our goal is to assure property owners that their investments are being managed properly in all aspects. SIFF's continuous growth allows us to command better service to maximize the return on your investments.

## Rental Market



In late 2005, we have seen the rental market tighten slightly. The national rental market has been very soft over the last four years, with rental decreases or no rental increases since the peak market conditions of 2000 to 2001. This is also true in the Portland Metro area. With 30-year fixed interest rates slowly increasing and variable rates substantially increasing, the purchase market has slowed slightly and has increased the pool of renters. Unfortunately, double-digit appreciation over the past four to five years

has cost the investor. This cost is higher than average national vacancy rates of 8% to 10%, and a lower quality of potential renters moving up to higher quality units. Increased interest rates mean that fewer people will be able to afford a home, which will increase the pool of renters.

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## Market Overview

The Portland Metro has seen some steady double digit growth (14.1%)\*in 2005. Inventory as of September was at a very low 1.9 months. We feel this is high growth but not hyper growth like areas such as Las Vegas, Phoenix, and the Bay Area with 20%, 30%, and even 40% annual appreciation rates. Our projection for 2006 will be double-digit growth in appreciation in the Portland Metro area with the market slowing down in 2007.

## Residential Market Highlights

| Metro Portland, Oregon |              | New Listings | Pending Sales | Closed Sales | Average Sale Price | Median Sale Price | Average Market Time* |
|------------------------|--------------|--------------|---------------|--------------|--------------------|-------------------|----------------------|
| 2005                   | September    | 4,451        | 3,191         | 3,291        | 301,000            | 250,000           | 36                   |
|                        | Year-to-Date | 38,857       | 31,040        | 28,724       | 278,700            | 233,800           | 44                   |
| 2004                   | September    | 3,670        | 3,036         | 2,797        | 242,800            | 204,000           | 51                   |
|                        | Year-to-Date | 36,945       | 27,136        | 24,784       | 243,200            | 200,200           | 57                   |

## Testimonial



*I have my own business and like everyone else I am too busy to take enough time in managing my own investments. My assets are too concentrated in the stock market and I have been re-researching the California real estate market looking for investment property as a form of diversification. The gross rent multiplier on local property and the lack of understanding of other property markets compounded by the complications of out of state property management made an investment in real estate unattractive.*

*SIFF Investment Services was an easy decision for me. They found the property that was most appropriate for my personal needs - I was provided with the information to make the right decision for me. The purchasing process was seamless with all aspects of the transaction being serviced - mortgage, property insurance to closing documents. The process was quick trouble free. I am now the worry free, hassle free owner of a four-plex in Oregon.*

~ Business Owner

## Inefficiencies in the Marketplace



Currently, buying real estate is very inefficient for the individual investor. An industry driven by commissions puts the small investor at a

disadvantage in the marketplace. Bottom line: The more expensive your property, the larger your loan, and owning more units will give you a distinct advantage with the realtors, mortgage brokers, and property managers. We all want to feel that we're getting the best properties, the best rate, and the best management. Unfortunately, only the big fish get the best food.

By including our clients in the SIFF process, we ensure that they have the best opportunity for their

investments to perform in a very inefficient market. We give the small investor the same opportunities as a very large investor. By developing relationships with select real estate professionals and maintaining a high volume of business in our marketplace, we ensure that our clients will be at the top of the list.

With no third party looking over all facets of a real estate transaction, the inefficiencies will continue! At SIFF, we are that third party, and we look forward to changing the way that investment property is acquired, financed, and managed.