

April 2019

# Hughes Private Capital Investor Update

## Buy and Hold Fund

Since December, we have been inundated with 1031 Exchanges, and they just keep coming through the door. You'll hear no complaints from us, as we are thankful to be able to help so many of you with your investments. However, the increase in 1031 Exchanges has depleted our inventory of readily-available homes. While we can accommodate all the investors currently on our roster, we have had to turn away new 1031 Exchange investors— particularly ones who contact us last-minute, having already sold their property, with their 1031 Exchange deadline fast approaching.

Timing for 1031 Exchanges is so important. You must identify properties within 45 days of your sale without exception. In the past, we've had hundreds of available properties in our portfolio which made the 45-day deadline a non-issue. But properties we're buying today are going straight to fill 1031 Exchange "orders!"

**If you are interested in a 1031 Exchange, please let us know as soon as you are THINKING about doing an exchange or as soon as you put your investment property up for sale.** While priority will be given to investors already on our 1031 Exchange list, your name will go on our waiting list for future exchanges. Joining the wait list as early as possible helps us ensure that we have properties available to meet demand. We won't let anyone get in a compromised position with their 1031 timeline.

Fortunately, after a wintertime lull and a short onboarding period for new employees, acquisitions are picking up, especially in St. Louis and Cleveland. I don't know about you, but I am ready for spring to be here. And if you live in the Midwest, I'm sure you can't wait!

## ROI Strategies/Polo Estates

Here is your monthly update on Polo Estates mobile home park from Major, our "man on the scene."

*"The entryway sign is up. Other than its fantastic look, what is even better is that it cost \$412 less than we budgeted. Also attached are a few pictures of the best-looking homes in the community whose owners have made extreme efforts to meet our curb appeal requirements. This*

*is perfect as it sets the example for the rest of the park of what we are working towards.*

*Paving is almost complete. Phase 3 of street lights has started. The poles have been installed. Waiting for the final seven lights to be installed and wired to have the park completely lit up and secure. We have one last eviction scheduled for this coming Monday at 10 am to finally have rid of all gang members and 95% of the trouble makers. Very soon, Polo Estates will soon be a place I could leave my car unlocked overnight.*



Polo Estates' new park sign; three homes showing off the park's "curb appeal" requirements.

*The individual water meters are operational and online. We have started contacting tenants about leaks and will send a draft invoice for usage to tenants next week in preparation for future billing. The meter readings will be uploaded and operational early this coming week. I bring this up to make apparent that the first two months utility bill will be higher than usual and will affect the cash flow of the park. This is due to water leaks in tenant homes not being fixed properly before city water is established. It will take the first bill they receive for water usage before it is taken seriously and fixed by each tenant. However, tenants have already become [accustomed] to paying for utilities which helps greatly."*

Until next time,

Steve Sixberry

Greg Hughes