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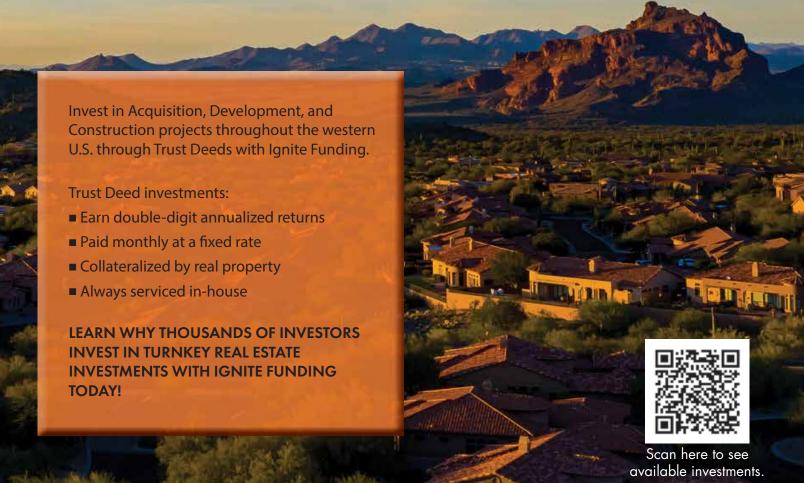
Hot Market: Phoenix

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Hard Money Lender Moves in on Hot Phoenix Market

by Pat Vassar, Ignite Funding

has been as hot as the Arizona summer sun, attracting hard money lenders like Ignite Funding into the desert arena. Positive market drivers, favorable building climate, quality real estate projects and borrowers are all variables that Ignite Funding factors into its lending strategy, and Phoenix checks all the boxes.

Important market drivers include projected employment/population growth, affordability and desirability, and the supply vs. the demand of the region. In 2019, Phoenix was ranked No. 1 on the list of fastest-growing cities in the U.S., while in proceeding years ranking in the top ten. This is due to the city succeeding in creating a business-friendly environment for resilient industries such as bioscience, healthcare, business and financial services, which make up about 60 percent of the metro area workforce. With the higher salary these industries tend to offer, coupled with the affordability of the region and lower taxes, makes Phoenix a desirable place to live. This in turn has created a demand for residential and commercial growth that the municipalities, real estate developers, and lenders are scrambling to supply.

"As demand rises, we are seeing municipalities in the Phoenix area allowing higher density projects and more centralized locations," said Pat Vassar, Ignite Funding's Director of Underwriting. "They will be able to house more people while also protecting the native landscape by preventing urban sprawl."

Ignite Funding is familiar with the desert climate of Las Vegas as well as regions that experience seasonal weather conditions like Colorado. In comparison, the desert climate tends to be more favorable for time efficient and cost-effective real estate development. "Builders in Nevada and Arizona don't have to deal with weather issues, mitigating timing delays and additional building costs associated with that," said Vassar. "Being able to remove weather as a variable that could

hinder the profitability of a project for our borrowers lowers the overall risk for us."

Ignite Funding has already funded several projects in Arizona, working with nationally ranked luxury homebuilders, multifamily property developers, as well as healthcare facility construction. Ignite Funding is looking to double, or even triple the amount of loans it will fund in Phoenix and the surrounding areas.

Ignite Funding is the conduit in connecting bankable borrowers with sophisticated investors seeking double-digit returns collateralized by Trust Deeds. Ignite Funding is always looking to maintain diversification in investors and its own portfolio. Adding another geographical hotspot like Phoenix into the mix will help accomplish that goal. To date, Ignite Funding has facilitated 1,147 real estate investments, providing 48 borrowers in 12 states with the ability to acquire and develop over 12,000 acres of land, 7,800 residential lots and 2.9 million square feet of commercial space.