

3 Terms to Know



Fair Market Value (FMV)

The highest price available in an open and unrestricted market between informed and prudent parties, acting at arm's length and under no compulsion to act, expressed in terms of cash.²

Capitalization Rate

This rate is determined by dividing the annual net operating income by the current market property value, converted to a percentage. This number will give you an estimate of how long it will take your investment to break even.³

Return On Investment (ROI)

Measures the profit you have made (or could make if you were to sell) on an investment. It is calculated by comparing the amount you have invested in the property, including the initial purchase price plus any further costs, to its current value.

I know the market can be confusing, but I am here to offer clear, concise information you can trust. Feel free to contact me and I will answer any questions you may have.