BLACK BELT INVESTORS

DISCIPLINED INVESTING

REAL ESTATE EDUCATION, COACHING, AND INVESTMENTS

LEARN
INVEST
BUILD WEALTH
LIVE FREER

A BRIGHTER TOMORROW THROUGH REAL ESTATE

CASH & WEALTH

REPORT 2027

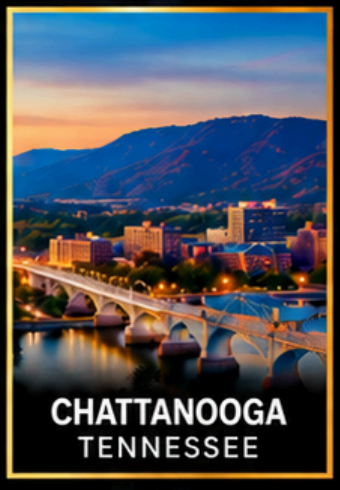
MARKETS. TRENDS. STRATEGIES. OPPORTUNITIES.
FOR TODAY'S REAL ESTATE INVESTOR.



CLEVELAND
OHIO



PHOENIX
ARIZONA



CHATTANOOGA
TENNESSEE

Sensei Gilliland

FOUNDER
BLACK BELT INVESTORS

- DATA-DRIVEN MARKET ANALYSIS
- INVESTMENT OPPORTUNITIES
- REAL-WORLD STRATEGIES
- RISK INSIGHTS & PREPARATION
- ACTIONABLE STEPS TO BUILD WEALTH

REAL STRATEGIES.
REAL TACTICS.
REAL RESULTS.

DISCIPLINE TODAY.
FREEDOM TOMORROW.

THE INVESTOR OUTLOOK / 2027

How to Invest in Real Estate in 2027: The Market Has Changed

Real estate investing has never been about finding a perfect market.

It is about learning how to make disciplined decisions in the market you actually have.

After three decades in real estate, I have invested through rising markets, falling markets, easy credit, tight credit, recessions, booms, changing regulations and periods when seemingly everyone suddenly considered themselves a real estate expert.

Every cycle is different. The fundamentals survive.

Recently, affordability has been challenging, construction and renovation costs elevated, and appreciation alone cannot be counted on to rescue a poorly purchased property.

That may sound negative. I don't believe it is.

Markets that require more discipline tend to expose bad operators - but they can also create opportunities for investors who know their numbers.



National home-price appreciation cooled notably during the first half of 2026. Realtor.com's July midyear forecast projected only 1.2% price growth for 2026. At the same time, elevated homeownership costs continue to keep millions of households renting. Single-family rents have been growing faster than apartment rents nationally. And greater inventory in some markets is finally giving buyers negotiating leverage again.

Meanwhile, fix-and-flip investors are adapting. Renovation costs remain high, transaction volumes have fallen, and nearly half of surveyed flippers told John Burns Research & Consulting and Kiavi that they planned to retain more properties as rentals in 2026.

That is exactly what disciplined investing looks like.

Adapt the strategy. Don't abandon the fundamentals.

This report is designed to help you answer three questions:

1. How can I create cash flow and build long-term wealth?

2. Which real estate markets should I watch going into 2027?

3. What do I personally need to do next?

Don't just read this report looking for a prediction.

Use it to build a plan.

Sensei Gilliland

THE INVESTOR OUTLOOK / 2027

The 2027 Real Estate Investor Landscape

The housing market entering 2027 is neither a simple boom nor a nationwide crash. It is increasingly a market of markets, where local conditions, financing, property basis, and operating performance matter more than broad national headlines.

MARKET SNAPSHOT

Data researched through September 2026.

National home-price growth has slowed. Realtor.com's July 2026 forecast update projects just 1.2% home-price growth for the full year, while existing-home sales are expected to rise only modestly.

Affordability remains a major constraint. Mortgage rates have remained elevated, limiting purchasing power and keeping many would-be homeowners in the rental market.

That dynamic matters enormously for investors.

- **Home prices:** Slow national growth with major regional divergence.
- **Mortgage rates:** Still high enough that financing can make or break a deal.
- **Rental demand:** Supported by the large financial gap between renting and owning.
- **Single-family rentals:** Outperforming apartments in rent growth nationally.
- **Fix & flip:** Opportunities remain, but renovation and holding-cost discipline matter more.
- **Inventory:** Improving in many markets, increasing buyer negotiating power.
- **Economic uncertainty:** One of the largest concerns reported by active flippers.

THE BLACK BELT TAKEAWAY

The easiest mistake in this environment is trying to invest according to the rules of the last market.

A property that worked at a 4% mortgage rate may not work at today's financing costs.

A flip that survived a 10% renovation overrun when prices were appreciating rapidly may not survive one today.

And a rental that appears profitable before management, vacancy, maintenance and capital expenditures can quickly become a liability.

The opportunity for 2027 is therefore not simply:

Buy Real Estate.

It is: Buy the right real estate, at the right basis, retain flexibility, and adaptability.

THE INVESTOR OUTLOOK / 2027

Is Real Estate a Good Investment in 2027?

This is one of the wrong questions investors repeatedly ask.

Real estate is not automatically a good investment.

A good real estate deal can be a good investment.

The difference matters.

National appreciation has slowed, which means investors should become less dependent on future price growth and more focused on today's economics.

That can actually be healthy.

More inventory can create negotiating opportunities. Sellers facing longer marketing periods may become more receptive to price reductions, concessions, repairs, creative financing or other terms.

At the same time, the rental market continues benefiting from the high cost of homeownership. Zillow reported that comfortably affording the typical U.S. rental required approximately $78,500 in annual income in July, compared with almost $99,800 to afford the typical home purchase.

Nationally, single-family rents were up about 3% year over year in July, versus 1.7% for multifamily units.

That creates a compelling environment for investors who can acquire homes at sensible prices and operate them efficiently.

BLACK BELT PRINCIPLE

You make your money when you buy. Not when you hope.

WHAT SHOULD REAL ESTATE INVESTORS LOOK FOR IN 2027?

LOOK FOR

- ✓ Motivated sellers
- ✓ Improving buyer negotiating power
- ✓ Properties below replacement cost
- ✓ Strong rent-to-price relationships
- ✓ Markets with diversified employment
- ✓ Properties with multiple exit strategies
- ✓ Seller-financing opportunities
- ✓ Distressed or poorly managed assets
- ✓ Neighborhoods improving faster than current prices reflect
- ✓ Deals where today's numbers work without heroic assumptions

AVOID DEALS THAT REQUIRE

- × Immediate interest-rate cuts
- × Aggressive appreciation
- × Perfect tenants
- × Zero unexpected repairs
- × Unrealistically fast resale
- × An optimistic ARV

THE INVESTOR OUTLOOK / 2027

How to Make Money Wholesaling Real Estate in 2027

Wholesaling remains one of the most accessible ways to generate cash through real estate without building a large long-term portfolio first.

It is also one of the most misunderstood.

Wholesaling is not just about finding a house online, signing a contract and magically collecting a five-figure assignment fee.

THOSE PROBLEMS MAY INCLUDE:

- Inherited properties
- Deferred maintenance
- Foreclosure or financial distress
- Tired landlords
- Vacant properties
- Properties that cannot qualify for conventional financing
- Estate and probate situations
- Owners who value speed or certainty over maximum retail price

The wholesaler's value is finding the opportunity, understanding the property, structuring a legitimate transaction and connecting it with a qualified buyer.

IS WHOLESALING STILL PROFITABLE?

It can be.

But the investor must understand local wholesaling laws, disclosure requirements, contracts, property values and buyer demand.

The investors most likely to succeed are not necessarily those sending the most texts or postcards.

They are the ones who become exceptionally good at:

1. Lead generation
2. Seller communication
3. Property analysis
4. Negotiation
5. Contracting
6. Disposition
7. Closing

2027 OPPORTUNITY

More balanced housing conditions may create opportunities among owners who cannot - or do not want to - wait for the perfect retail buyer.

But never mistake seller motivation for permission to operate irresponsibly.

Disciplined investing includes ethical investing.

A legitimate wholesaler solves problems and adds value to the transaction.

WANT TO LEARN HOW REAL ESTATE WHOLESALING ACTUALLY WORKS?

Explore podcasts, webinars, training programs, market updates, and investor resources at BlackBeltInvestors.com.

How to Fix and Flip Houses Profitably in 2027

Fixing and flipping houses still works.

But the margin for sloppy math has narrowed.

The John Burns Research & Consulting + Kiavi survey reported average renovation spending of approximately $79,000 per flipped property in Q1 2026, up from roughly $50,000 in early 2022. Their Q2 update subsequently showed average spending moderating to about $69,000, but costs remain significantly above earlier levels.

The lesson is not that every flip costs $69,000.

The lesson is that yesterday's renovation assumptions can destroy tomorrow's deal.

HOW DO YOU CALCULATE PROFIT ON A FIX-AND-FLIP?

START WITH THE FULL COST

	Purchase price
+	Renovation
+	Financing costs
+	Property taxes
+	Insurance
+	Utilities
+	Permits
+	Holding costs
+	Real estate commissions
+	Closing costs
+	Contingency
=	**REAL COST BASIS**

THEN:

	Conservative After-Repair Value
−	Real Cost Basis
=	**Projected Profit**

AND THEN ASK:

- What happens if I'm wrong?
- If the rehab costs 10% more?
- If resale takes three additional months?
- If the buyer negotiates?
- If interest costs increase?
- If the ARV is 5% lower?

A deal that only works when everything goes perfectly is not a disciplined investment.

THE BLACK BELT FLIP RULE

Overestimate costs. Underestimate resale. Demand margin between the two.

How to Buy Rental Property for Cash Flow in 2027

Rental property has created enormous wealth.

It has also bankrupted investors who confused rent with profit.

HOW DO YOU CALCULATE CASH FLOW ON A RENTAL PROPERTY?

START WITH:	
	Gross monthly rent
−	Vacancy allowance
−	Property management
−	Maintenance
−	Capital expenditures
−	Property taxes
−	Insurance
−	HOA / utilities where applicable
−	Debt service
=	**REAL MONTHLY CASH FLOW**

FIVE WEALTH DRIVERS

Principal reduction. Tenants help pay down debt.

Appreciation. Property values can rise over long periods.

Rent growth. Income may increase while fixed-rate debt remains relatively stable.

Tax treatment. Depreciation and other provisions may provide advantages depending on the investor's circumstances.

Leverage. Investors can control substantial assets with less than 100% cash.

But cash flow is only one part of rental-property wealth.

THE DANGER

An investor can own a property that creates long-term wealth while producing modest immediate cash flow.

But the investor must survive long enough to realize that wealth.

That requires adequate cash reserves and realistic maintenance and capital expenditure budgets.

Cash flow keeps you alive. Equity helps make you wealthy.

It requires conservative vacancy assumptions, reliable property management, and the financial strength and discipline to hold through changing market conditions.

Best Real Estate Markets for Investors in 2027

These are three markets Black Belt Investors believes deserve special attention because they represent three different investment opportunities for those looking to make real profits.

1. CLEVELAND, OHIO

Rental Property Investing + Affordable Resale

Cleveland remains compelling because relatively affordable acquisition prices can coexist with meaningful rental income.

Zillow's July city data showed a median sale price around $137,500 and rental-market data around $1,400-$1,500, depending on the measure used. Zillow's large-metro July rent report showed Cleveland asking rents up 4.3% year over year, with single-family rents rising 5.3%, one of the strongest gains among major metros.

Realtor.com's original 2026 metro forecast projected 6.3% price growth for Cleveland-Elyria, although local performance varies significantly.



WHY WE ARE WATCHING CLEVELAND

- \+ Lower entry prices than many major metros
- \+ Stronger rent-to-price potential
- \+ Single-family rental demand
- \+ Older housing stock creating value-add opportunities
- \+ Large inventory of investor-sized properties
- \+ Retail resale opportunities in stronger neighborhoods/suburbs

THE WARNING

Cleveland is hyperlocal.

Two houses several miles apart can have radically different tenant pools, taxes, municipal requirements, maintenance profiles and resale values.

Local due diligence and professional property management matter enormously.

Phoenix Real Estate Investment Outlook 2027

2. PHOENIX, ARIZONA

Repricing + Buyer Leverage + Long-Term Growth

Phoenix represents a fundamentally different opportunity from Cleveland.

This is not primarily our cash-flow market.

It is a market where repricing and greater negotiating leverage may create opportunities for investors who previously found Phoenix too expensive.

Zillow showed the typical Phoenix home value at approximately $408,770 in July 2026, down 1.8% year over year, with 58.6% of June transactions selling below list price.

Redfin's different methodology showed the median Phoenix sale price higher and slightly positive year over year, illustrating why investors should never base a decision on one data source alone.

More importantly, Realtor.com's 2026 forecast expected Phoenix-Mesa-Scottsdale prices to decline 2.3% while sales increased 4.9%.

That combination - greater transaction activity with softer pricing - is worth watching.



WHY WE ARE WATCHING PHOENIX

- \+ Seller negotiation opportunities
- \+ Price normalization following years of rapid appreciation
- \+ Large, liquid housing market
- \+ Potential fix-and-flip opportunities
- \+ Long-term demographic/economic appeal
- \+ Opportunities to acquire better assets at more rational bases

THE WARNING

Buy the basis. Underwrite today's rent. Let future growth be the bonus.

Phoenix rental growth has been softer than Cleveland's. Yet the Phoenix area continues to attract people relocating from other markets. Investors should not automatically assume yesterday's appreciation or rent growth will continue. That said, opportunities still exist to buy well today and generate cash flow.

Chattanooga Real Estate and New Construction Investment Outlook 2027

3. CHATTANOOGA, TENNESSEE

New Construction + Development + Growth Corridors

Our Chattanooga thesis is different again.

We are particularly interested in new construction and selected development opportunities in the Greater Chattanooga area.

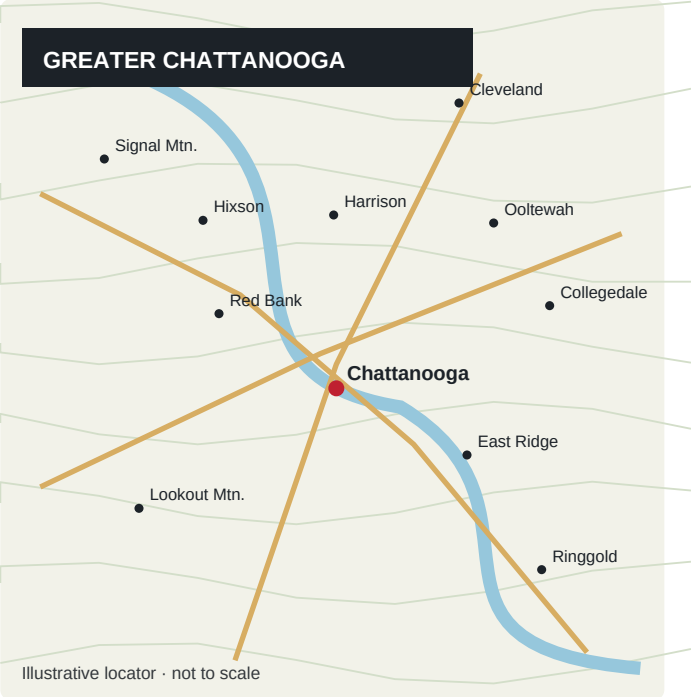
Zillow's July 2026 data showed a typical Chattanooga home value around $322,295, down 1.2% year over year, with roughly 62% of sales occurring below list price in June.

Yet Realtor.com's original 2026 forecast projected the Chattanooga metro to post approximately 5.6% price growth for the entire year.

The disagreement itself is instructive.

This is exactly why disciplined investors do not simply buy a city because somebody calls it a “hot market.”

We look for the right land, basis, construction economics, buyer demand and submarket.



WHY WE ARE WATCHING CHATTANOOGA

- \+ New-construction rental opportunities
- \+ Build-to-sell potential
- \+ Selected build-to-rent opportunities
- \+ Development corridors outside the urban core
- \+ Relative affordability compared with larger Southeastern metros
- \+ Potential longer-term growth story

THE WARNING

New construction creates a different risk stack:

Land acquisition.
Entitlements.
Utilities.
Site work.
Labor.
Materials.
Financing.
Permitting.
Final buyer demand.

A $20,000 land discount can disappear quickly after an unexpected $40,000 site-development problem.

New construction investors must underwrite the dirt before they underwrite the house.

Still, the Greater Chattanooga area is shaping up to be one of the more compelling growth markets to watch heading into 2027. More people are discovering the region, including households relocating from states such as Florida and California. Its quality of life, relative housing affordability, growing economy, and strong infrastructure continue to support the area's long term appeal. For disciplined investors, selected new construction opportunities may offer an attractive combination of modern housing, lower nearterm maintenance demands, rental potential, and future appreciation.

2027 Real Estate Market Forecast: The Risks Investors Cannot Ignore

Predictions are easy.

Preparation is more useful.

There are several wildcard risks capable of materially changing the 2027 real estate market.

1. INTEREST RATES AND INFLATION

Higher inflation can keep borrowing costs elevated.

Investors should stress-test acquisitions at today's financing - not buy based on the assumption that refinancing will soon save the deal.

2. ECONOMIC SLOWDOWN

A weaker economy can affect:

- Employment.
- Tenant payment performance.
- Homebuyer demand.
- Credit availability.
- Foreclosures.
- Seller motivation.

Recessions can hurt existing deals while simultaneously creating extraordinary acquisition opportunities.

Liquidity matters.

3. WAR, ENERGY AND GEOPOLITICS

The IMF's July 2026 outlook explicitly identified renewed geopolitical escalation as a downside risk capable of reigniting commodity-price volatility and tightening financial conditions.

For real estate investors, energy shocks can show up through:

- Gasoline.
- Contractor travel.
- Utilities.
- Materials.
- Manufacturing.
- Consumer spending.

4. TRADE AND CONSTRUCTION COSTS

Building-material and skilled-labor costs remain important risks for rehabbers and builders.

Every flip and construction budget should contain a contingency.

5. THE POLITICAL AND POLICY CYCLE

Election outcomes can change expectations around:

- Tax policy.
- Trade.
- Housing programs.
- Energy.
- Regulation.
- Federal spending.

But disciplined investors should resist building a portfolio around political predictions.

BLACK BELT PRINCIPLE

Invest the numbers - not the election.

What Will the Real Estate Market Do in 2027?

PREPARE FOR 3 SCENARIOS

Nobody knows exactly what 2027 will bring.
So prepare for more than one outcome.

SCENARIO 1 — NORMALIZATION

- Inflation moderates.
- Financing gradually improves.
- Buyer confidence strengthens.
- Housing transactions increase.
- Prices grow modestly.

INVESTOR RESPONSE

- Acquire quality assets before competition fully returns.
- Lock in deals that work today and treat future financing improvements as upside.

SCENARIO 2 — HIGHER FOR LONGER

- Inflation remains sticky.
- Mortgage rates remain elevated.
- Affordability stays constrained.
- Transaction volumes remain subdued.

INVESTOR RESPONSE

- Prioritize cash flow.
- Negotiate harder.
- Look for seller financing.
- Maintain conservative leverage.
- Require stronger margins.

SCENARIO 3 — ECONOMIC OR GEOPOLITICAL SHOCK

- Recession, war escalation, energy prices, credit problems or another unexpected event reduces confidence.

INVESTOR RESPONSE

- Protect liquidity.
- Avoid being forced to sell.
- Keep reserves.
- Watch distressed opportunities.
- Be ready when others cannot act.

THE OPPORTUNITY OF UNCERTAINTY

The goal is not predicting which scenario wins.
It is building a financial position capable of surviving all three.

Discipline beats prediction.

10 Real Estate Investing Rules Learned from Three Decades

01

BUY BASED ON TODAY'S NUMBERS - NOT TOMORROW'S HOPES.

Appreciation is welcome. It should not be required.

02

CASH AND WEALTH ARE NOT THE SAME THING.

Wholesaling and flipping can create cash. Ownership can compound wealth. Know which objective you are pursuing.

03

NEVER CONFUSE ACTIVITY WITH PROFIT.

Deals closed, doors owned and dollars spent are vanity metrics if the economics are poor.

04

STAY FLEXIBLE ABOUT THE EXIT.

Wholesale it. Flip it. Rent it. Sell it. Choose the best outcome available.

05

LEVERAGE AMPLIFIES EVERYTHING.

Debt makes good decisions more powerful and bad decisions more painful.

06

YOUR TEAM IS PART OF THE INVESTMENT.

Contractors, agents, property managers, lenders, attorneys, CPAs and insurance professionals affect your returns.

07

CHEAP REPAIRS CAN BECOME EXPENSIVE REPAIRS.

Fix the underlying problem.

08

REAL ESTATE IS LOCAL.

National headlines don't tell you what is happening on a specific street.

09

LIQUIDITY CREATES OPPORTUNITY.

The investor with cash and credit during a downturn has choices. The overleveraged investor has obligations.

10

DISCIPLINE BEATS PREDICTION.

You don't need to correctly predict the next market. You need a strategy that survives being wrong.

Stop Reading. Start Building Your Plan.

Information does not create wealth by itself.

Execution does.

STEP 1 - WHAT IS YOUR REAL ESTATE INVESTING GOAL FOR 2027?

My additional cash/income goal:

☐ $25,000 ☐ $50,000 ☐ $100,000 ☐ $250,000+ ☐ Other: _____

My target monthly passive income: $ _____

My target number of completed deals: _____

My target portfolio size: _____ properties

My long-term real estate wealth goal: $ _____

STEP 2 - WHICH REAL ESTATE INVESTMENT STRATEGY FITS YOU?

☐ Wholesaling ☐ Fix & Flip ☐ Rental Properties ☐ New Construction

☐ Combination

Capital available: $ _____

Financing available: $ _____

Time available each week: _____

Experience level: Beginner / Intermediate / Advanced

Risk tolerance (1-10): _____

STEP 3 - CHOOSE YOUR TARGET MARKET

☐ Cleveland, Ohio - Rental Cash Flow / Affordable Resale

☐ Phoenix, Arizona - Repricing / Resale / Growth

☐ Chattanooga, Tennessee - New Construction / Development

☐ Other: _____

Step 4 - Create Your Real Estate Buy Box

Define the numbers and criteria that make a deal worth pursuing.

Market: _____

Neighborhoods: _____

Property type: _____

Purchase-price range: $ _____ to $ _____

Maximum renovation: $ _____

Minimum rental cash flow: $ _____ / month

Minimum flip profit: $ _____

Minimum target ROI: _____ %

Maximum leverage: _____ %

Minimum cash reserves: $ _____

Preferred exit:

☐ Wholesale ☐ Flip ☐ Rent

☐ Build ☐ Other _____

Dreams become goals when they are attached to math.

2027 CASH GOAL	AVERAGE WHOLESALE PROFIT	CLOSED DEALS NEEDED
$100,000	$20,000	5

At one closing per 20 qualified opportunities: **100 QUALIFIED OPPORTUNITIES**

Now continue backward:

How many leads create one qualified opportunity? _____

How many offers must you make? _____

How many contracts must you secure? _____

How many closings do you need? _____

Your Number

Turn your financial target into measurable activity.

My 2027 financial goal: $ _____

Average expected profit/cash flow per deal: $ _____

Deals required: _____

Opportunities required: _____

Offers required: _____

THE LESSON

Your goal isn't $100,000.
Your goal is doing the number of disciplined activities mathematically required to create $100,000.

Your First 90-Day Real Estate Investing Plan

DAYS 1-30 - PREPARE

- ☐ Define financial goal
- ☐ Choose strategy
- ☐ Select market
- ☐ Establish financing
- ☐ Create buy box
- ☐ Establish reserves
- ☐ Build local team

DAYS 31-60 - HUNT

- ☐ Generate leads
- ☐ Analyze properties
- ☐ Tour properties
- ☐ Build agent/wholesaler relationships
- ☐ Make offers
- ☐ Meet lenders
- ☐ Vet contractors/property managers

DAYS 61-90 - EXECUTE

- ☐ Get a qualified opportunity under contract
- ☐ Complete due diligence
- ☐ Finalize financing
- ☐ Close, assign - or walk away

Remember: **Walking away from a bad deal is successful execution too.**

What Is Stopping You From Investing In Real Estate?

- I don't know how to start investing in real estate.
- I don't know which real estate strategy is best for me.
- I don't know where to invest in real estate.
- I need real estate financing.
- I need motivated seller leads or investment properties.
- I don't know how to analyze a rental property.
- I don't know how to calculate fix-and-flip profit.
- I need contractors or construction resources.
- I need legal, tax or insurance guidance.
- I need an experienced investing team.
- I need help creating my real estate investment plan.

BRING YOUR 2027 REAL ESTATE INVESTMENT PLAN TO BLACK BELT INVESTORS

You've identified your goal.

You've selected your strategy.

You've identified what is standing between you and execution.

Now do something about it.

CONTINUE LEARNING

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Leverage Our Three Decades of Experience & A New Era of Black Belt Investing.

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SOURCES & IMPORTANT INFORMATION

Market data and forecasts referenced in this report include research and reporting from Realtor.com Economic Research, Zillow Research, Redfin, John Burns Research & Consulting, Kiavi and the International Monetary Fund.

Forecasts are estimates, not guarantees. Real estate conditions vary substantially by metro, municipality, neighborhood and individual property.

Black Belt Investors believes investors should independently verify property values, rents, taxes, insurance, regulations, construction costs, financing terms and other material facts before making an investment decision.

This publication is provided for general educational purposes and does not constitute individualized investment, legal, tax, accounting or financial advice. Consult appropriately licensed professionals regarding your individual circumstances.

Market Snapshot: Data researched through September 2026.