

Message from the President...

Warren Buffett says he would like to buy several hundred thousand single family homes

In a recent interview on CNBC, Warren Buffett says the following

“Single-family homes if I had a way of buying a couple hundred thousand single-family homes and had a way of managing—the management is enormous—is really the problem because they're one by one. They're not like apartment houses. — but I would load up on them”

Mr. Buffett is seeing the value in buying single family homes as an investment. He is also acknowledging the one issue with real estate and that is management of the home and the tenant. Well **Del Val Property Management LLC** is the solution! We will handle all your management needs including finding tenants, managing the tenant and all maintenance issues and let the owner enjoy the benefits of real estate without the headaches.

He also added these comments about buying distressed housing and fixing them up and renting them to tenants to create long term investments.

“if I was an investor that was a handy type, which I'm not, and I could buy a couple of them at distressed prices and find renters, I think that's—and again take a 30-year mortgage, it's a leveraged way of owning a very cheap asset now and I think that's probably as an attractive an investment as you can make now.”

If held for long periods of time and purchased at low rates, Buffet says houses are even better than stocks. He advised Buyers to take out a 30 year mortgage and refinance if rates go down.

Thanks,

Mike Lautensack

President
Del Val Realty & Property Management

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WHY Renters Rule Market ...

The collapse in housing and the 33 percent plunge in house prices since 2006 are favoring *renting* over homeownership. This trend will dominate the housing market for the next four or five years, and put additional pressure on a weak economy.

Obama's administration continues to push mortgage providers to refinance loans at lower rates, thus reducing interest income for banks... a tough sell.

And refinancing challenges persist as roughly 60% of the mortgage market is controlled by 4 banks. Almost 90% of mortgages today are originated because of guarantees from Freddie, Fannie and FHA, resulting in higher fees and minimal refinance savings.

Appraisals are much more conservative, and foreclosures have been postponed as pressure has increased on servicers and lenders to pursue modification alternatives.

Sadly, these efforts to keep people in houses they can't afford are simply prolonging the process of repairing the housing mess and getting rid of excess inventories. Large inventories of distressed assets overhang the market and depress prices. To rejuvenate markets, initial sales at low prices are needed to attract buyers and lead to higher prices.

Homeownership is falling, dropping to 66% in the fourth quarter of 2011, and the 33.5% drop in median single-family house prices since 2004 is the first nationwide decline since 1930s; foreclosures, high unemployment, tight lending standards and lack of money for down payments

are playing a huge role.

When house prices were rising, Americans were eager to keep their houses, however, current market dynamics will drive an additional 780,000 new renters into the market each year, through 2016.

Despite the collapse in prices, homeownership is still expensive relative to rentals, even as apartment rental rates rise and vacancies decline. Rents have to be higher for landlords to offset the eroding value of their properties.

The consumer retrenchment and possible recession for this year will only add to the lack of affordability of owning houses and to the attractiveness of renting. With it, unemployment will rise, while incomes will fall further. As employment drops, the duration of unemployment will rise, labor force participation will fall and median single-family house prices will decline an additional 20 percent. That will definitely make ownership less attractive even if it raises the Realtors' housing affordability index.

A. Gary Shilling,

Other Services Offered By Del Val ..

Online Tenant Marketing and Advertising Program ...\$79.95 per Unit *

Del Val Property will develop and execute an **Online Tenant Marketing and Advertising Program** and save you the hassle of dealing with dozens of websites and other advertising methods.

We are skilled in the area of composing highly effective ads, using "keywords", knowing where and when to place them, along with internet advertising to maximize the exposure of your vacant unit.

Here is a summary of the steps involved in our online Tenant marketing plan:

- Prepare a 15 to 20 point **Customize Online Tenant Marketing Plan**
- Develop a list of "**Key Words**" to be used in your ads to dramatically improve search results
- Advertise on Craig's list and 50 to 100 other popular and local rental web sites
- Update your Craig List ads 3 to 4 times per week to be sure you are always on the first page for searches
- Placement on www.DelValProperty.com (currently Page Rank #2 with over 100 visitors per day)
- Prepare a 2 or 3 minute recordings with property details for Del Val's voicemail "Information Hotline"
- If you supply us with a video we will post on about 50 video hosting sites including Youtube.com and other sites
- List property on the **Multiple Listing Service*** via TREND and Realtor.com
- List property with Section 8, if owner requests
- Advertise in local newspaper(s) at discounted rates, if requested

* In order to be on the MLS service you must be willing to pay the referring realtor a 1/2 months commission

**Why Do You Think 10% of
Real Estate Investors Make
90% of the Money?**

Click Here to Find Out Why!

<http://www.private-lending-secrets.com/>

Rent out Uncle Sam's Homes

As it tries to pare its inventory of real estate owned, Fannie Mae is offering about 2,500 homes in bulk sales to investors. The investors will be required to honor current leases and to rent the properties out for a set number of years going forward. Could this be just the start of the government's attempt to sell of its REO homes?.

Welcome New Owners This Month...

- Frank Wilson
- Yufeng Zhang
- BTR Commercial Holdings
- Jason Gritman
- Jaren Woepfel
- Secured Debt Investments, LLC
- Joe Angelucci
- Natalie Stairiker
- Paul & Ashleigh Respicio
- Jaime Schmitt
- Robert A. Winder
- David Reed

**Please feel free to refer friend or
colleague to Del Val and get 2 FREE
months of Property Management
Services**

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215-695-3007 Ext 270

Terri Ulaner – Administrative Assistant
215-695-3007 Ext 250

**Don't forget, your referrals are
ALWAYS welcome; please contact Mark
at Ext. 280 with a name and number!**

Have a Great March!!

Other Important Information...

FUN Philadelphia Facts ...

Top Apartment Features:

In Unit Washer Dryer
Air Conditioning
Dishwasher
Small Dogs
Cats

Top Community Features:

Parking
Internet Access
Garage Parking
Swimming Pool
Onsite Laundry

Top Bedrooms/Floorplans:

Most renters are searching for a Two bedroom apartment.
The second most popular floor plan is a One bedroom.
And finally, Three bedroom apartments are third in search popularity.

Average Rent & Square Footage:

Studio - \$843 and 475 Sq. Ft.
One Bedroom - \$974 and 749 Sq. Ft.
Two Bedroom - \$1,194 and 1,002 Sq. Ft.
Three Bedroom - \$1,562 and 1,351 Sq. Ft.

Courtesy of Apartments.com Star Repo