

## Message from the President...

A recent USA Today headline states "**Rate of Owning Homes is Plunging - Analysis forecasts drop to 1985 levels**".

Homeownership in this country peaked at about 70% in 2005. Since that period the homeownership rate has declined to 67.4% this year and is projected to continue to drop dramatically to pre 1980 levels of about 63% by 2020.

During the late 1990's and early 2000's there was a strong push by our government to increase home owners with the view that home owners improve neighborhoods and the American quality of life. They pushed the mortgage industry to find ever more ways to make it easy to get a mortgage and buy a home. In hind sight, we know we pushed too hard and were putting people into homes and mortgages they could not afford. These folks should have remained renters and avoided all the foreclosure headaches.

This process is now unwinding and we have all seen the dramatic impact it has had on the financial and mortgage industries. **But what does this all mean for you and I? It means more and more people will be renters.**

The impact of going from 70% to 63% in the homeownership rate means about 23 million people will become renters versus home owners over the next decade. **That is right - I said 23 million new renters!**

The home building industry has already seen this trend and is shifting to building more apartments and condos versus houses. We also saw data this month that the average size of new homes is down 15% to about 2300 sq. ft. versus 2600 sq. ft.

This is very good for people catering to the rental market and has huge implications if you want to buy real estate for renters and hold for long term wealth. **Landlords and property managers will be on the right side of the market for a generation or longer. This is very bullish for rental real estate once some of the current dust settles.**

Have a great day and, as always, if you have questions, feel free to call me at 610-240-9885.

*Mike Lautensack*

President

Del Val Property Management LLC

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## Real Estate - Tips For Investing in Rental Property

Buying rental property can be a risky investment, but it can also be a fun and rewarding experience that adds some cash to your bank account. Before you jump into the job title of "**Real Estate Investor**", there are some things you must consider.

**Determine how much money you have to invest.** Add up your personal funds that are available for investment and add them to any second mortgages or lines of credit you can obtain. Know your credit score before you even apply for a loan. You will likely need an excellent credit rating, not just good or ok, to get approved in today's post-credit crisis world.

**What do You want to Buy.** Decide what kind of real estate property you want to purchase. There are a lot of options when deciding to invest in real estate. The scope of it all depends on how aggressive you want to be and how much money you have to spend. Single-family homes, apartments and duplexes, commercial buildings and even vacation rentals are all possibilities.

**Get a Real Estate Agent.** Enlist the help of a real estate agent. She/he will steer you towards good rental locations and help you determine the market value of the surrounding properties. When you buy rental property, you want to make a profit so the market value of the house should be in-line

with or lower than the rest of the houses in order for you to get what you want for rent.

**Crunch the numbers.** Once you find a piece of real estate, determine how much it will cost to make any repairs or upgrades to get it rent ready. Figure in these costs with the mortgage and insurance, what you want for rent and the cost of hiring a [Property Manager](#) to determine if you will be in the black, flat-lined or hemorrhaging money.

Another financial consideration is whether or not you can afford for the place to sit empty and for how long. Also, you need to decide if you have back-up funds in case a renter defaults or skips out leaving behind a damaged property.

**Hire a Property Manager.** This is very important if you do not live near the rental property. You need to hire some who is trustworthy and doesn't take a huge chunk out of your monthly profits to handle issues that may arise with the real estate property.

Buying real estate as a rental property and becoming a **Real Estate Investor** carries a lot of responsibility. Even if you hire out the management of the property, you still have to make sure that business is being taken care of and that the renters are happy as well as abiding by the rental agreement. Being an investment property owner can turn into a fun side business or even a full-time job as long as you have the credit and the resources to do it.

## Property Management Secrets For Real Estate Investors

**Live Tele-Seminar Series  
August 18, 2009 - 8:00 PM**

***"Learn the 10 Success Secrets of  
Property Management Every Real  
Estate Investor Must Know to Manage  
Your Own Investments Properties for  
Profit and Avoid Tenant Headaches!"***

I am doing a Power Packed FREE 45-60 minute LIVE Tele-Seminar where you'll learn a simple step-by-step process to develop your own Property Management Program.

Every successful Real Estate Investor has crucial success areas they must focus on to make their investment properties perform profitably. They know that focusing on the right things leads to high tenant occupancy and rental income profits.

So here is what you are going to learn and discover in this brand new tele-seminar:

- ▶ What is Property Management and why it is absolutely essential to be successful in real estate investing...
- ▶ How to use both offline and online marketing techniques to get the phone buzzing with qualified potential tenants...
- ▶ Discover the advantages of a true professional lease designed to protect the owner versus a "store bought" lease which favors the tenant...
- ▶ How to Get Your Tenants to Stay After the First Year...

To sign up for this FREE tele-seminar, go to <http://www.realestatewealthtoday.com/PMS-Signup1.html>

## Meet Terri Ulaner...

**Terri Ulaner** grew up in Central PA where she graduated from Hollidaysburg Senior High School. She went to college at Kutztown University where she majored in Liberal Arts. After leaving Kutztown, she moved to Allentown and lived in the Old Allentown Historic District for many years.



In Allentown, she worked for an accounting firm, eventually as the executive assistant to the head of the Bankruptcy /Workout Group.

Due to the economy and other factors, the Bankruptcy/Workout Group which closed in December 2006.

She joined Mike Lautensack's busy real estate business in June of 2007 and has been working as the company's administrative assistant since that time.

Terri enjoys gardening, yoga, walking, shopping for bargains and spending time with family and friends.

**Terri can be reached at 610-703-1737, if you need her.**

**Del Val Personnel  
Contact information**

**Mike Lautensack** – General Questions  
610-240-9885

**Chip Robinson** – Rent / Buy or Sell Questions  
215-520-2888

**Jen Narvell** – Accounting/Bookkeeping  
302-545-2284

**Tom Ianelli** – Maintenance Issues  
215-834-4389

**Terri Ulaner** – Administrative Assistance  
610-703-1737

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<http://www.delvalproperty.com/>

**Del Val Properties for Sale**

~~227 Stony Way, Norristown, Pa 19403~~

~~3 bed / 2.0 bath~~ **SOLD**

~~1,405 Sq. ft.~~

~~Monthly rent \$1,200~~

**Asking Price \$149,500**

**3123 Weymouth Street, Philadelphia, Pa  
19134**

**3 bed / 1.0 bath Row**

**900 Sq. ft.**

**Monthly rent \$625**

**Asking Price \$54,900**

**Do you want your property listed here?  
Call Chip at 215-520-2888**