

NEXT MEETING

Monday,
March 16, 2009

Fort Stephenson
House
600 W. State St.
Fremont

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Landscape your Way to Faster Rentals and Quicker Flips Our Topic of Interest for the February 16th Meeting

Learn the importance of landscaping to help you move properties. Learn the kind of plants to use that hold up the best in our area and take the least amount of maintenance. Learn the plants that really add punch to your landscape and really get your properties noticed. Learn how to care for them so you keep your investment in tip top condition.

Tom Mercer with Corso's Flower & Garden Center in Sandusky is our speaker for February. Tom graduated from The Ohio State University in the winter quarter of 1989 with a degree in Landscape Design/Horticulture/Hardscape Design. He started with Corso's in February 1990 on the installation crew. In 1991 he was promoted to a landscape designer/salesperson. Today he works with large residential and commercial projects in Northern Ohio & Michigan. He also manages the sales department of the landscape division.

Corso's Flower & Garden Center traces its roots back to 1941 when it started as a truck farming business. In 1949, a retail Flower Shop was added to supply local customers with flowering plants grown in Corso's greenhouses. The business expanded in 1973 to include a full service garden center complete with trees and shrubs. The landscape department was added in 1978 to offer a complete line of services for both residential and commercial customers. Today, Corso's Flower & Garden Center includes greenhouses, flower shop, garden center, landscape department, wholesale perennial plant division, and a wholesale production farm located in Castalia, OH.

With spring planting season right around the corner don't miss out on getting all the professional knowledge you can from Tom.

THREE QUESTIONS TO ASK WHEN SELLING A PROPERTY

When selling a property, having all the information about your potential buyer is an important step in ensuring you get the best deal possible. The following three questions will allow you to come to the negotiating table as a well-informed seller.

1. Ask the buyer "what is your motivation to purchase my property" Their answer will provide you insight into what negotiating technique you should use and how much leverage you have.
2. Ask your listing agent "would you accept this offer or would you counteroffer" Asking the listing agent is a good idea because chances are they have seen more real estate deals than you and are in a better position to determine whether you are getting a good price for your property in the context of the current market.
3. Ask the real estate agent "Is the buyer working with a time deadline" This question can provide immeasurable help when negotiating. If, for example, your potential buyers are trying to buy a house before the start of the school year, you can use this information to negotiate a better price in return for accommodating their schedule and needs.

The more information you have about your potential buyer, the better a position you are in to sell your home with terms that are agreeable to both parties.



Ever wonder why lottery winners always seem to be broke a couple years after winning millions?

The answer is: **Money alone does not solve financial problems! It takes financial intelligence too.**

If you've ever felt financially powerless and at a loss what to do, you are not alone. You see most people approach their wealth building on their own. Either they're too scared to work with other people, or they just don't know how to FIND those other people.

However, understand this--**alone you are vulnerable; connected you are strong...** It's the connections with peers that will do more than anything else to speed you on your way to your financial goals.

THE "INSIDE" AND "OUTSIDE" GAMES OF MONEY

Here is a quick snapshot of the "Inside" and "Outside" games of money because you need BOTH win the money game and enjoy Level Three wealth!

First there is **the *inside* game of money** which includes concepts like:



- **Your Wealth Operating System** -- the sum total of your belief systems and emotional associations to money and wealth and your ability to earn, enjoy, sustain, and share it.
- **Connecting with your passions and unique talents** – learning where to focus your business energies for maximum effect, and where to let go of. We all have limited energy and time, and Level Three people have learned to rigorously invest their working time in areas that they are best in class at.
- **Masterminding with a better peer group**—the pace of your peers determines your pace too. Remember, alone you are vulnerable; together we are strong. That's way I've always urged you to make the journey to wealth among friends and peers you care about, and who have a character you are comfortable catching... character IS contagious!
- **Giving**—Real wealth is what you give. We grow rich through the money we accumulate; we grow wealthy through the riches we SHARE!

Then there is **the *outside* game of money** which are the technical skills you've developed to move in the world of money and wealth with confidence and ease. These skills include:

- **Mastering a niche wealth vehicle**—the area you are going to master so that you can both generate income AND manage your risks. The world is too big and too complicated to be a master of all... instead, you need to pick your niche and use that vehicle to reach your financial goals.
- **Learning the Languages of Money, Cash Flow, Business, and Wealth** – If you don't have a solid financial foundation upon which to build and make sense of the world around you, you'll never reach your financial goals.
- **Cultivating the advisor network you need to leverage your growing wealth** – the world's wealthiest people have an advisor network that they use to save them time, guide and inform their financial decisions, and execute their financial decisions. You too need to build your advisor network and continually upgrade it as you progress.
- **Creating the personal wealth plan you need to reach Level Three**—Finally, you need the plan to tie together all the various elements to reach your financial goals. Your plan needs to be dynamic and regularly updated as you gain new information and understanding.

Does this seem like a pretty tall order? The good thing is you don't need to have all of this in place overnight. You can put this in place over time as you go.

ASBESTOS INFORMATION

Asbestos has been used in a variety of products because of its durable, fire retardant nature. Until health concerns were raised and new uses of asbestos banned in the United States, it was used in floor tiles, plaster, roofing, ceiling tiles, insulation and caulking. Inhalation of asbestos dust can lead to two types of cancer and as a result asbestos-related lawsuits are regularly filed.

To keep your tenants safe from the risks associated with asbestos, it is important to be stringent in your management of asbestos on your property. The dangers associated with asbestos arise when the bound together fibers become frayed and airborne. The danger of asbestos is inhalation of the fibers, which, when unbound are not visible.

If you know of asbestos in your property, it is not necessary to remove; however, frequent inspection of the areas is crucial. Check that the asbestos is solid in appearance and touch. If it is in good condition, then the asbestos is not a risk to your tenants, because it cannot be inhaled.

In the case of deterioration of asbestos, it is always best to repair rather than remove it. Removing asbestos will only increase the number of harmful fibers released into the air. Repair will involve either painting over the area to seal the fibers or filling the damaged areas with a product specially designed for asbestos containment.

For more information on managing asbestos, access the Environmental Protection Agency website.

UNDERSTANDING ZONING ORDINANCES

As a landlord, it is important to be knowledgeable regarding the zoning ordinances governing your property, especially if you plan to remodel or purchase new property. Most cities, villages and towns have zoning ordinances to determine the proper use of a property as permitted by local law. Depending on the location, these ordinances may also include occupancy standards.

The zoning designation systems differ depending on location, however, classifications are similar, for example

R-1 Single-family residential

R-2 Mixed residential use, which permits both single and multifamily living

B-1 Business

B-2 Mixed business and residential use

Before purchasing property or remodeling existing property to expand its current use, you must inquire at your local zoning department to determine what uses are permitted in the neighborhood.

If your desired use for the property is in conflict with the zoning regulations, you may apply for a zoning variance.

It is important to always inquire about zoning regulations before purchasing property, even if the building already contains more than one unit. If the apartments were in existence before the zoning ordinance was written, then this multifamily building may be "grandfathered" even if it is located in a single-family zone. Grandfather clauses sometimes restrict the special use permit to the original owner or may have expired if the building has been vacant for over a year.

Always check what zone potential property is in and what uses are permitted under that zoning.

Renting the Un-Rentable Property

When you have a property that just isn't renting, try this three tiered incentive method, which works every time.

1. The first thing to do to sell a rental that isn't moving is offer a freebie. This could mean waiving the first month's rent for a tenant willing to agree to a year long lease, or offering a free television to your new tenant. Typically the freebie method works roughly 50 percent of the time.
2. If you've offered a freebie and still have had no luck in renting out your property, the next step is offering a diminishing lease. Typically signed for one year, the diminishing lease slightly reduces the tenant's rent amount each quarter. For this strategy to be effective, you only need reduce the rent by \$25 or \$50 each quarter. For prospective tenants used to rents going up, this is an excellent enticement to rent with you.
3. The final strategy to try if your property still won't rent, is marketing to prospective tenants with either perceived or actual bad credit. Advertise this in your classifieds or web posting and you will certainly see a dramatic increase in tenant applications. The trick is that about half of those who think they have bad credit, are actually wrong in their assumption. If you can, sign with one of these prospective tenants. If, however, you can only find renters with actual bad credit who are willing to sign a lease with you, consider accepting them with an increase in your normal security deposit.

While offering incentives that seemingly reduce your bottom line might not sound like a good idea to you, remember that a property sitting vacant will never have positive cash flow.



THANK YOU TO LAST MONTH'S GUEST SPEAKER

Special thanks to Scott Kieffer, who is a tax map/GIS Technician with the Sandusky County Auditor's office. Scott explained the ins and outs of the new Geographical Information System (GIS) which is truly almost a one stop site for most of your real estate information. For those of you that have used the County Auditor's website for the tax card information, now you can get that all on here along with the property diagram, aerial picture, front door picture (in many cases), and a whole lot more.

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For further information,
you may contact
any of the
Board Members
at any time

About Our Organization...

SCAREIA was organized in October 2005. Our primary focus is to share information, to help educate and to motivate our members in their successful real estate endeavors.

Anyone interested in Real Estate Investing, whether you are just beginning or a seasoned investor, are welcome to join.

SCAREIA meets the 3rd Monday of every month at 7pm. Meetings are located in the basement of the Fort Stephenson House, 600 W. State St., Fremont, Ohio.

SPECIAL THANK YOU TO FIRST AMERICAN TITLE FOR PROVIDING THE MONTHLY EVICTION AND FORECLOSURE REPORTS



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