

NEXT MEETING

**Monday,
Feb. 18
7:00 p.m.**

**Fort Stephenson
House
600 W. State St.
Fremont**

Inside Stories

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Mortgage Mess***

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Investors:
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Landlords***

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THIS MONTH'S MEETING – JANUARY 21st AT 7:00 p.m.

Don Corley, Housing Development Coordinator for WSOS Community Action Commission, will be speaking on various topics for our next meeting, scheduled for Monday, January 21st.

Don has been with the W.S.O.S. organization for 27 years. He previously directed the operations of the Housing Department, including programs to provide housing purchase, rehabilitation, lead paint abatement, and energy conservation. He now concentrates full time on developing new affordable housing opportunities, both owner and rental, for persons with moderate and low incomes.

Don is a native of Sandusky, where he still resides with his wife of 35 years. He has two adult daughters, and two grandchildren. He is a graduate of Sandusky St. Mary's and the Ohio State University.

Outline of Don Corley presentation for January 21, 2008:

WSOS – its history of housing efforts

- Services
- Development
- Planning

Partnerships with Local Government

- HUD Rehab 1981
- Comprehensive Housing
- CHIS & CHIP

Partnerships with Funding Sources

- Rural Development
- HUD
- Ohio Housing Finance Agency

Partnerships with the Private Sector

- Local Contractors
- Private developers
- Equity Providers
- Rural LISC

Opportunities for Landlords

- Rental Rehab
- TBRA and other rental subsidies

Due Diligence: How to Find the Stuff You Need

by Nancy Chadwick

Due diligence is extremely important, regardless of the type of property you're thinking of buying. In development property and land deals, buyers start the fact-gathering process with their first encounter with the property and it continues until they either bail out of the deal or go to settlement.

Here's a list of sources of information (people, places & things) that are good starting points if you're trying to research a property.

Sales & Ownership Data

Tax assessor information is available in several forms. For every piece of data, there is a primary source. The primary source is likeliest to be the most accurate and current source of information. For real estate documents that are recorded, such as deeds, liens, restrictive covenants, easements and subdivision plans, the primary source is the actual record of filings maintained by the applicable governmental department as well as the documents themselves and the recording information shown on them. These are usually kept at the courthouse for the county in which the property is located (Recorder of Deeds or Tax Assessment Dept.). People usually use title insurance companies who send searchers to the various courthouses to look up records. The deed contains the legal description of the property, which sets forth the property's actual dimensions.

You can also search in free or fee-based databases that allow you to get information on properties nationwide or in a particular geographic area. These are great tools as long as you remember a couple of things. They should never be used as a substitute for hands-on research and inspection if you need results that are current and absolutely accurate. No database, even a governmental one, is a primary source of information. The governmental database, however, may be the next best thing to the primary source depending on the manner in which it was created and the frequency with which it is updated. When title companies insure property title, they do not rely exclusively on databases. They send people to where the records are maintained to physically search them. Real estate appraisers do not just use databases. They conduct additional due diligence and physically inspect the properties involved.

For several reasons, the farther you move away from the primary source of information, the greater the likelihood that the information may not be current and accurate. There is the time factor. The information has to pass from the primary source down the line through other people or organizations. In addition, there is the "garbage in, garbage out" principle. The integrity of any database, governmental or not, hangs on the thoroughness and competence of the people responsible for compiling and maintaining it. Databases can save you a tremendous amount of time and effort. You can use them most effectively as screening tools and to gather information subject to confirmation and further research if the situation or property warrants it. In addition, they are invaluable in identifying contacts if you need additional details or clarification.

If you want to find out who owns the property but don't know the address, one way to be able to identify the property is to go to the municipal building and look at the tax maps or tax plats of properties in the municipality. By process of elimination, you should be able to identify the property (thus giving you the owner name, address, parcel identifying number). It's a good idea to take a copy of the tax map with you when you return to the property since this will help you to pinpoint its location by counting parcels on the map from intersecting streets or other landmarks, particularly if the property is vacant land. Again, be aware that some of the information in the database or on the tax maps may not be accurate, particularly the size & shape of parcel, zoning classification, and whether the property's serviced by public utilities.

Due Diligence: How to Find the Stuff You Need (continued)

Municipal Records

You can identify properties that have applied for rezoning or subdivision & land development approval by requesting a list from the municipality of the properties. After you decide which properties you want to investigate further, make an appointment to review the development files and plans at the municipal office. This is public information, and anyone is entitled to review materials relating to actions taken by a municipality in public meetings and hearings. This can be an excellent source of information on owners who may be thinking of selling their properties.

Utility Maps

Checking the street for manhole covers and hydrants won't necessarily give you correct information about whether a property can be serviced by public water and sewer. Instead, consult the mapping available through the municipal or regional sewer & water authorities, county or regional planning commission and private water companies.

Zoning

Each municipality adopts a zoning ordinance and zoning map for the properties within its borders. This material is available for review or purchase at the municipal office or through private vendors. Always make sure you're looking at the most current ordinance and map since these are amended periodically. In addition, read the whole ordinance and not just the section on the particular zoning classification because the ordinance contains provisions that apply across the board on issues like definitions of terms used, accessory uses & structures, signage, and minimum frontage requirements.

The zoning officer (a/k/a code enforcement officer) at the municipality is the one to whom you should direct your questions about the zoning ordinance or map or if you want to find out anything about a property that may have happened in the past, like granting of variances, special exceptions or conditional uses.

Floodplain Maps

To determine if the property is in an area subject to flooding, consult floodplain maps. These are available through either the municipality, county/regional land planning agencies, or FEMA (<http://www.fema.gov>).

Nancy E. Chadwick, President and Broker of Chadwick Real Estate, Inc., is a PA licensed real estate Broker and Instructor. She entered the real estate business in 1982 following her career in the Philadelphia legal community as an environmental and litigation paralegal. She has specialized in land development for most of her real estate career, achieving top-producer status in several of her past agency affiliations. Her services have been sought by a wide range of clients, including builders and developers, non-profit organizations, estates, REO departments of financial institutions, medical groups, consumers and other real estate professionals.

Her book Land Buying & Selling is based on the state-of-the-art courses she created that have been approved by the PA Real Estate Commission (for real estate brokers and agents) and the PA Board of Certified Real Estate appraisers (for certified appraisers and appraiser candidates). She also teaches courses exclusively for consumers.

How to Choose a Good Investment Property

When you are considering purchasing a property for real estate investing, you'll want to remember that there are generally two ways to make money on the property you purchased. One is from capital appreciation, where the value of the property increases, and the other is from renting your property out. However, how do you know whether a property is a good investment? The following information will help you to choose a good property for real estate investing.



Real estate, whether you plan to flip houses or rent them out, can be a very profitable business for yourself

Obviously, one of the most important factors in determining whether a property is a good investment or not, is to consider the price of the property. If after you've made the initial down payment and your mortgage payment is over and above what you can rent the property out for, you'll find that to be a poor investment. Determining whether or not the property will bring in a positive monthly cash flow for you is one of the most important factors.

The location of the investment property is also an important factor. Regardless of whether or not you purchase a rental property well below its market value, if you cannot find tenants for the property, it won't matter. Make sure you choose a property in a location where there is a demand for housing. Researching the market can save you the hassle of a poor choice in real estate investing. You'll also want to make sure the property you choose will appeal to the masses. Just because you like the uniqueness of a house, doesn't mean someone else will and you may have trouble renting or selling when the time comes.

If the investment property you are considering is a fixer-upper, you may want to bring a contractor with you to determine the cost for repairs and renovations. You'll want to figure this into the cost of the property and if it will not yield you a return on your money, whether you plan to sell or rent, you are taking the risk that it may be a very poor investment.

Real estate, whether you plan to flip houses or rent them out, can be a very profitable business for yourself. While determining whether or not a property will make a good investment or not can be difficult, the important thing to remember is to always do your research. Find out the rental history on the property, the demand for housing in that particular area, and any other pertinent information you can find on the investment. Any research you do will help you to choose properties that will be beneficial to your real estate investing.

CHECKLIST OF PHRASES TO AVOID IN MARKETING

Phrases that can be seen as discriminatory

Adult Home

Executive Home

Perfect for Couple

Perfect for young professional

Family home

Great for kids

Perfect for singles

Employed

Alternative words

Quiet Area

Designer touches

**Starter Home
Cozy Home**

**Sophisticated
Elegant
Ambiance
Made for entertaining
Wired for home office**

**Affordable
Large home**

**Close to schools/ parks
Large yard
Roomy house**

Cozy studio

**Responsible
Verifiable income**

Additional tips to avoid being accused of discrimination:

1. **Always return EVERY voice message call. No matter what. To screen calls and not call someone back based on how they sound over the phone is considered “linguistic profiling” and is considered discrimination.**
2. **At the end of every conversation with an applicant, always conclude with an invitation to visit your properties. Again, no matter what. In case a conversation is misconstrued in some way and the prospect somehow is beginning to think you are discriminating, the fastest way to correct that perception is to always end the conversation by extending an offer to visit your property(ies) now or in the future to see what you have available.**



We hope you all enjoyed our Christmas get-together. There seemed to be a lot of networking going on, along with plenty of great food!!

If you have any questions about any venture you're considering, please don't hesitate to contact one of our board members. We'd be glad to steer you in the direction of someone who might be able to offer his or her assistance.

2007 S.C.A.R.E.I.A. Board Members

President: Scott Welty
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Vice President: Harry Aspacher
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419-547-8127

Social Director: Jerry Cantu
419-334-8318

OPHP Cert: Tiffany Jones
419-332-7275

Newsletter: Mary Methner

Programs: Harry Aspacher

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.

What's new with SCAREIA??

Check out our website: www.scareia.com

Have you filled out your Member Access Form, so that you can have access to our "Members Only" section on the SCAREIA website? Contact any board member to find out how.

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