

## NEXT MEETING

Monday,  
December 21, 2009  
6:00 p.m.  
Christmas Dinner  
Venue to be  
announced in next  
month's newsletter

### Inside Stories

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## MONDAY, NOVEMBER 16<sup>th</sup> MEETING: IMPORTANT POINTS OF SELLING YOUR HOME OR INVESTMENT PROPERTY

Cindy Gabel and Radelle Karg, of Gabel and Associates Realty, will be sharing their wealth of real estate knowledge with us, by giving us some insider tips on renovating homes and other options to get the most "bang for your buck" in these tough economic times.

Gabel Realty is a locally owned and operated real estate company, having opened in June 1998. Their agents have over 136 years of combined experience in all aspects of real estate – from buying and selling to relocating.



Cindy Gabel has been a licensed realtor since 1978. She is the Committee Chairman of Firelands Association of Realtors, and also the Past President Sandusky County Board of Realtors, and a Previous Board member of Sandusky County Easter Seal Society, St. Joe Elementary School Board, and St. Joe Central Catholic Booster Club. Cindy Obtained her Real Estate Broker License in 1998. She has won the Quality Service Award, and she is a consistent 1+ million dollar producer. She and her husband, Russ, are the owners of Gabel & Associates Realty.



Radelle Karg has been a full time licensed Realtor since 1984 and a member of the Graduate Realtor Institute. The Graduate REALTOR® Institute (GRI) symbol is the mark of a real estate professional that has made the commitment to provide a high level of professional services by securing a strong educational foundation. REALTORS® with the GRI designation are highly trained in many areas of real estate to better serve and protect their clients. Radelle was also the President of the Sandusky County Board of Realtors in 1990. She is a lifelong area resident and a consistent Multi-Million Dollar producer, and is very knowledgeable in the rental business.

## An Essential Tool for Real Estate Investors



Have you ever purchased something that made your life so easy that you wondered how you were ever efficient without it?

That's how many real estate investors feel about pocket video cameras. Offered by many manufacturers, these cameras are often called by their brand names, Flip, Vado, Webbie as well as others.

These inexpensive, easy to use tools can make you more efficient in more ways than can be listed in a reasonable-length post. Here are a few examples:

1. As soon as you acquire a property, you or the contractor shoots a video to document what is there for insurance and draw purposes.
2. When the contractors run into a problem with the renovations (maybe they cannot move a wall as intended), they can often email you a quick video to refresh your memory of the property and allow you to make a quick decision/solution without having to wait for you to drive out and see everything in person.
3. Marketing - buyers and renters love seeing property videos that aren't commercially enhanced.
4. You can video properties before attending an auction to quickly review necessary repairs in case your bidding numbers are getting too close to your bottom line.
5. Here's another example: at the walk-thru inspection, the garbage disposal didn't work. The buyer was pressed for time and would have to delay closing in order for you to get a contractor out to repair and then schedule a re-inspection. Instead, the buyer went to closing as scheduled, and took a video of the recently-repaired garbage disposal as well as a demonstration of it operating properly so that it could be viewed at the closing table. No delay!

Pocket video cameras are very affordable and now offer HD versions. Starting prices are about \$60 with HD cameras starting about \$100.

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## IS NOW THE RIGHT TIME TO “FLIP” HOUSES?

Flipping houses is BIGGER and MORE profitable than in the “boom times”. During the “boom times” houses were selling for full value, even an “ugly house” was selling for a premium. It was difficult for an investor to buy low enough to “flip”, due to how fast the homeowner could sell at a premium by themselves and just as easily.

Now, those same properties and “uglys” are selling for 20 to 30 cents on the dollar. How many houses do you want for \$5,000-\$10,000? They’re out there, if you look .

Because of the market, an investor can buy \$100,000.00 houses for \$20k, put \$20k of work into them, and sell them FAST, (to “buy and hold” investors as well as homeowners) for \$80,000, quickly doubling their money and giving the buyer a good deal.

In addition, you could buy those same \$100,000 properties for \$20,000 and resell them to other investors for \$25,000.00 – \$30,000.00 ... without doing any work whatsoever... within DAYS.

This could be one of the best markets ever in which to be a real estate “flipper”!



## The Ultimate Stress Test for Your Business...

It’s called the “Hit by a Bus” Stress Test... and in order to build a top notch business you MUST ultimately pass it...If you (or any key individual inside your company) were hit by a bus (or if you prefer a softer version of this test, imagine you or any key person in your company choosing to live in a monastery with no phone or email for 5 years) would you still have a business? What would happen to your business?

For most business owners the answer is shocking - if they got hit by a bus, their business would fold. That means that there is NOTHING for their family... there is nothing for their employees... there is nothing for their customers...for all your efforts, there is absolutely NOTHING! Did I get your attention with that? Everything you've worked so hard for could literally disappear in a moment.

## The Solution...

So what do you do about it? You build a business that is more than you. This means you build a business that is systems driven, with a strong management team and a clear plan to leverage technology.

## QUOTE OF THE MONTH

*The only place SUCCESS comes before WORK is in the dictionary.*

## If You're Going to Buy Investment Property, Do it Now

It looks like the majority of U.S. housing markets have bottomed. So, if you've been thinking about buying investment property, this may be the time to make your move.

When the National Association of Homebuilders released its NAHB Index for October last week, it showed a drop of one point in homebuilders' view of the market, from 19 to 18.

**The good news:** The index is at double its level from last spring – when it bottomed out at nine – meaning homebuilders see an improving market.

**The bad news:** The index is based so that a reading of 50 is the “neutral market” view. That means there's a long way to go.

30-year mortgage rates are still close to their all-time low, currently around 5.1%. But rates probably won't remain that low for long. Building inflationary pressures and the huge U.S. budget deficit will combine to eventually push interest rates higher.

Even if house prices drop by another 10% in some markets (except in the very worst areas, I wouldn't expect to see anymore than that), you still may end up saving more on financing costs by buying now than you would by waiting for any further declines.

Housing arithmetic may be complicated at times, but one thing is for sure: 7% of \$90,000 is more than 5.1% of \$100,000!

The S&P/Case-Shiller composite home price index rose nicely in July, with the 20-city index rising 1.5%, after a 1.3% bump the previous month. That's a decent indication that the major markets have bottomed out.

In states like **Florida**, **California** and **Nevada** – where prices have dropped over 40% – there are likely to be a large number of foreclosures and vacant properties left over from the housing bubble. Therefore, in those markets, the excess supply will take longer to absorb.

Similarly, even with the government "bailout" of the automobile industry, you should avoid investing in markets like Detroit, even though prices there are lower than they were in 1995. However, in cities like **Dallas** and **Atlanta**, where home prices did not rise much during the bubble – and haven't dropped that much since – investing makes a lot of sense. These markets rest on a firm economic foundation and you can expect to see solid growth.

Any predication beyond 2009 is cloudy. On the one hand, a slow economic recovery should seriously induce investors to buy investment property. And with inflation apparently on the upswing, the price of property can be expected to increase, as well.

On the other hand, if inflation really takes off as many predict it will, the U.S. Federal Reserve may have no choice but to raise interest rates. And since housing is the most interest-rate-sensitive sector of consumer spending, we may see a delay or stall in any housing market recovery along with higher mortgage rates.

If you've got the money, buy investment property. You won't find a better time to invest!

## Selling "As-Is" Can Mean Many Different Things....



You hear it all the time from sellers, "I'm selling my house as-is". Well, Mr. Seller, what if the buyer accepts the as-is provision, but the appraiser says the front porch handrail needs to be replaced? What if the buyer's mortgage company won't lend on the property unless there is a clear termite and moisture inspection and your home needs a rotted board replaced in order to get a clearance? Do you REALLY want to kill an entire sale over a relatively inexpensive repair?

In most cases, if you truly MUST sell strictly "as-is", your buyer pool will be limited to cash buyers, rehab loan buyers and private investor funded buyers.

If you want to keep your buyer pool as large as possible, consider being more flexible so you can work with VA, FHA and conventional buyers. To limit your liability for repairs, you can cap the amount you are willing to spend; just keep in mind that if the buyer can't come up with additional funds for necessary repairs, you could lose the deal.

Also, consider the "as-is" connotation. The first thing that comes to mind is, "What's wrong with it?" "What is the seller hiding?". That's just not a good way to start a transaction.



### **THANK YOU TO LAST MONTH'S GUEST SPEAKER:**

Thank you to Fremont Police Chief Tim Wiersma, who spoke about drugs, block watch - he encouraged landlords to tell their tenants about it, unusual calls, loud bars in residential neighborhoods, the problems caused by smokers being forced to smoke outside of bars, local prostitutes, local chronic homeless/derelicts, new computers for the cruisers, and the Fremont Police Department's website update. It was all very interesting and informative - a few chuckles along with good questions asked by members.

## 2009 S.C.A.R.E.I.A. Board Members

President: Harry Aspacher  
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419-334-9586

Newsletter: Mary Methner

Programs: Cindy Crispen &  
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.

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