

RSVP FOR THE NEXT "12 BASICS TO MANAGING A RENTAL" SEMINAR

Saturday, Sept. 7th 10:00 AM – 12:00 PM

39111 PASEO PADRE PKWY., FREMONT

YOU'LL LEARN ABOUT:

- Rehab basics that will save you money
- Advertising tips
- Rental pricing tips
- Turnovers with minimal vacancy
- Best lease (we'll provide ours)
- Tenant handbook (we'll provide ours)
- Using proper forms (we'll provide ours)
- Three profit centers that can add thousands in gross rents
- Fair housing traps
- All possible tax deductions
- East Bay vendors/handyman
- Tenant insurance
- East Bay rental laws

\$59

Includes best residential lease, our tenant handbook and all required forms

CONTINENTAL BREAKFAST SERVED

Presented by Mike Connolly BRE#: 1856908



RSVP BY TEXTING OR CALLING MIKE AT 510-996-3238

www.eastbaypmc.com



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- REASONS FOR INVESTING IN RENTAL HOMES
- FIVE REASONS EAST BAY LANDLORDS GET SUED (AND HOW TO AVOID IT)

A "MUST-READ" FOR EAST BAY LANDLORDS

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HELPING EAST BAY LANDLORDS TO EITHER MANAGE OR SELL



LANDLORD EAST BAY

August/Sept. 2019

THERE'S NO DOUBT...WE'RE SEEING A PULLBACK IN EAST BAY HOME PRICES:

City	June 2018 Avg. Home Sale Price	June 2019 Avg. Home Sale Price	Last 12 Months
Fremont	\$1,340,000	\$1,150,000	-14%
Union City	\$1,050,000	\$900,000	-14%
Newark	\$1,000,000	\$927,000	-7%
Pleasanton	\$1,320,000	\$1,290,000	-2%
Hayward	\$750,000	\$705,000	-6%
Castro Valley	\$870,000	\$870,000	—

Source: East Bay Association of Realtors

Any rental property needs to have a big "sweet spot" that combines cap rate, appreciation, and low risk. See below:



Come to our September 14th seminar to hear about rentals with a great "sweet spot".

8 TIPS ON CHARGING THE RIGHT MONTHLY RENT AMOUNT

Here are eight tips on getting the rental price right:

1. Perform a rental analysis at Rentrange.com. It will cost you \$20. This is by far the best place to start, as the analysis will give you the median rental price based on 10 rental homes similar to yours in the neighborhood currently on Zillow. If you'd like, call or text me (Mike at 510-996-3238) and I will take a couple of minutes to perform the analysis for you at no charge.
2. If you're looking at comps on Zillow, subtract 5-10% as those are all "asking" not "actual" rents.
3. You must adjust your rental price based on your homes condition. Most homes for rent are in "slightly above average" to "good" condition. If your home is in "excellent" condition, adjust up \$200-300. If its in "average" condition adjust down \$200-300.
4. I like to price a home \$100 below market (about 3%). That's because my tenants all have 700+ credit scores, great income and great rental history. They deserve a break for their good standing. In addition, they'll stay longer (reduced vacancy) and cause less headaches (less maintenance). Don't squeeze the tenant.
5. If you are not getting 2-3 inquiries per day off of Zillow than you're priced too high. Drop it \$100.
6. Don't listen to your friends or neighbors. They will always suggest a rental price that's too high.
7. Have your rental price end in \$90 (I.E. \$2,990 instead of \$3000) for the psychological factor and price filters.
8. After 10 days of little or no action, drop it by \$100. Every day it's vacant is like throwing \$100 in lost rent out the window!

TWO UPCOMING LANDLORD SEMINARS IN SEPTEMBER

SHOULD I HOLD, SELL OR EXCHANGE MY RENTAL HOME IN 2019/2020

Saturday, Sept. 14, 2019, 10-12 Noon

- Where we are in the East Bay 2019 real estate cycle
- The pros and cons of selling in 2019
- Pros and cons of residential vs commercial
- How a 1031 can be your best friend
- Finding California rental properties with a 6% cap rate or higher

Taught by Tom and Mike Connolly of Landlord Realty
RSVP call or text 510-996-3238

FREE

THE TWELVE BASICS OF MANAGING A RENTAL HOME

Saturday, Sept. 7, 2019, 10-12 Noon

- Rehab basics
- 3 ways to make more rental profit
- Advertising tips
- Screening for the A+ tenant
- Using Proper forms
- Lease essentials
- East Bay rental laws
- Taking all potential tax deductions
- Rental outlook for 2019, 2020

Taught by Mike Connolly
RSVP call or text 510-996-3238

\$59
Includes:
• our lease
• handbook
• proper forms

SEMINAR LOCATION
39111 Paseo Padre Pkwy., Fremont

RSVP FOR THE NEXT FREE "SHOULD I HOLD, SELL OR EXCHANGE" SEMINAR

Saturday, Sept. 14th 10:00 am – 12:00 pm

39111 PASEO PADRE PKWY., FREMONT

YOU'LL LEARN ABOUT:

1. Where we are in the 2019/2020 East Bay real estate cycle
2. Determining your rental's cap rate
3. The pros and cons of selling in 2019/2020
4. The benefits of a 1031 exchange
5. Comparing commercial rentals to residential
6. Finding California rental properties with a 6-8% cap rate
7. Passive real estate investing
8. How to get the maximum selling price

FREE CONTINENTAL BREAKFAST SERVED

Presented by East Bay Brokers Mike and Tom Connolly of Landlord Realty



RSVP NOW BY TEXTING OR CALLING MIKE AT 510-996-3238

www.landlordret.com

HOW DOES YOUR CURRENT EAST BAY RENTAL HOME COMPARE TO OTHER RENTALS OUTSIDE THE BAY AREA?

NO	TYPE OF RENTAL	LOCATION	CURRENT 2019 VALUE	MONTHLY GROSS RENT	CAP RATE	APPRECIATION FROM 2017 TO 2018	RISK FACTOR 1 BEING THE LOWEST, 5 BEING THE HIGHEST	GROSS RENT OVER 10 YEARS
1	Single family	East Bay	\$900,000	\$3,000	2.2%	3%	1.5	\$360,000
2	Two duplexes	Sacramento	\$900,000	\$6,400	4.5%	7%	2.5	\$768,000
3	Retail Strip Center	Fresno	\$900,000	\$8,200	6%	6%	3	\$984,000
4	8 single family homes	Kansas City	\$900,000	\$8,000	6%	9%	2	\$960,000
5	5 Single family homes (new construction)	Central Florida	\$900,000	\$8,000	6%	9%	2	\$960,000
6	Triplex (6 beds, 3 baths)	San Leandro	\$900,000	\$5,400	4%	3%	3	\$648,000

"Live where you want to live but invest where the numbers make sense."

9 Reasons For Investing In Rental Homes

1. Appreciates 5% per year (national avg.)
2. Often less work than other rental types
3. Residential vacancies are less volatile
4. Less down payment required than commercial
5. When you buy a home it's from an anxious seller. When you buy a commercial property, it's often from a seasoned investor.
6. A well located home often fares better during a recession than multi-family or commercial.
7. A houses value is not dependent on whether it's rented or not.
8. You can still be diversified by owning a variety of homes in various markets.
9. You're already familiar with being a landlord of a rental home.

From "Building Wealth One House At A Time" By John Schwab



LANDLORD REALTY
"Helping Landlords Sell For The Maximum Price"
Call Tom NOW 510.656.7653
BRE#01422975
www.landlordret.com

Five Reasons East Bay Landlords Get Sued (And How To Avoid It)

Let's face it, one of the fears in the back or front of every landlord's mind is the thought of getting sued. Let me give you the five most common lawsuits I've seen against landlords. Hopefully you can avoid getting into trouble yourself.

1) NOT KNOWING AND FOLLOWING YOUR CITY'S RENTAL LAWS — Almost every East Bay city has its own rental ordinances that need to be followed. What I have found is that apartment owners in a given city are up to date on new rental legislation because they get direct mailings from the City, but owners of rental homes do not. City housing departments simply do not identify and inform landlords of rental homes and 2-4 unit properties when it comes to rental ordinances. For instance, did you know...

FREMONT — has rent mediation language that must be in the rent increase letter. If not, the increase is considered invalid.

UNION CITY — has "just cause" eviction as of 2017. You must give a specific reason when you decide not to renew a lease.

HAYWARD — a landlord can only raise the rent 5% a year max... but can bank the 5% for future years.

Google your city's rental ordinances. Understand them, follow them. Call me/us if have any questions because we are familiar with all of them (Mike 510-996-3238).

2) SECURITY DEPOSIT RETURNS — this is when a tenant moves out of your property and you need to calculate and return the tenant's security deposit. Here are the basics:

- Must be damage, not wear and tear
- Itemize the deductions
- Provide invoices for anything over \$125
- Provide good faith estimates if you do not have an invoice
- Must be mailed within 21 days of tenant move-out

When you have a dispute...split the difference. Nobody's happy, but it beats small claims court.

3) MAINTENANCE/HEALTH ISSUES — I have been called by many self-managing landlords who simply have let their home slip from good condition to average, or even below average condition. Reasons range from disputes with the tenant, inability to get access, or just plain neglect. I've seen mold from one end of the wall to the other. I've seen raw sewage in crawlspaces that have been running for weeks. These are lawsuits waiting to happen! Take maintenance and repair requests seriously. You need to address repairs quickly and properly. In addition, you need to be thoroughly inspecting your home on a "once a year" basis. If your rent is too low, your tenant is going to often keep maintenance issues from you. They're going to try to block you from inspecting the home. They don't want repairs made because they don't want their rent to increase. But this neglect can often lead to habitability or health issues. You don't want any maintenance issues to potentially affect your tenant from a health standpoint.

4) ILLEGAL LEASE — I have seen a variety of leases from landlords (downloaded off the internet) that do not comply with California rental laws. The problem is that there is no standardized lease in California. So, generic leases with lease terms like payment of rent, late fees, maintenance, right to enter, visiting the property, showing the property often do not match up with the laws in California. Go to our website www.eastbaypmc.com to view our lease. It is not only California compliant but easily readable for all parties.

5) VIOLATION OF QUIET ENJOYMENT/PRIVACY — there's a concept called "quiet enjoyment" where you must give your tenant the right to enjoy the property. Yes, it's your home, but you can't just drop in on them. You have to give them 24-hour notice. This is a big deal for landlords who sometimes come to the property when they shouldn't. They barge in to make a fix or an improvement without approval from the tenant. Even our yearly maintenance inspection has to be written into the lease, otherwise it becomes a grey area in terms of violating the tenant's right to quiet enjoyment.

If you have any questions, please call me, Mike Connolly at 510.996.3238.



By The Numbers

5.4%

Avg. annual appreciation of a U.S. home over the last 50 years

6.1%

Avg. annual appreciation of a California home over the last 50 years

2+1

Rule of thumb for maximum number of occupants...2 per bedroom plus 1

30%

The percentage of U.S. landlords who allow a pet

48%

The percentage of the renters who own a pet

2.24%

The cap rate (return on investment) of the average East Bay rental home

174

The number of landlords who attended our June landlord seminars



EAST BAY PROPERTY MANAGEMENT
Call Mike NOW to discuss managing your rental
510.996.3238