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# PERSONAL REAL ESTATE INVESTOR<sup>®</sup> MAGAZINE

BUILDING WEALTH THROUGH PROPERTY INVESTMENT

Avoid Shortcuts that Cut Rental Income

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# INVEST-igate

New Markets, Vendors, Warnings and Investor Redemption

## LISTEN TO THE DONALD'S DAD!

Fred Trump — The Donald's father — claimed he made his best returns investing in less desirable neighborhoods where other investors often hesitated to go. "It is therefore no coincidence that lottery machines do not make money in wealthy neighborhoods," says Chris Carlino, founder and CEO of Trenton's Rental Management & Investor's Services. "Therefore good rent rates and rent to investment cost ratios are found in rental grade neighborhoods."

"A property manager must own rentals to be a successful investment property manager," says Carlino. "Not just one or two properties, but a substantial portfolio to understand the ups and downs, the good and the bad of what property management means and why a savvy property manager is essential."

Trenton's Rental Management & Investor's Services came into existence because there was an absence of folks who understood urgency and focus as it applies to rental investments. Carlino's experience was that most property managers managed houses as a passive structure, not an active investment asset.

As an investor, Carlino had been investing in Trenton, New Jersey (and other states) because of the favorable rent ratios in the northeast corridor. "Trenton has a unique geographic location as transportation hub so renters can work in better paying jobs as far away as New York or Philadelphia. It is in the top five U.S. rental investment cities based on fundamentals. But the missing part was a reliable property manager. We began our company out of self defense because of frustration with the existing services."

Carlino believes you can invest anywhere in the country and be successful if you have a good Realtor® who is versed in investment properties that can be bought unseen, and a quality property management company. "Many of our investors have never seen their properties," says Carlino. "And they own up to 20 properties. In my case I have not seen many of my properties in Trenton but we know who our tenants are." Trenton's Rental Management & Investor's Services is the single largest residential property manager in Trenton who will take a \$3,000 burn out from a bank and manage redevelopment through the certificate of occupancy and tenanting.

"There is nothing we will not do in residential real estate for investors in Mercer County (Trenton, NJ) short of anything illegal or ill-advised," says Carlino.

[www.trentonsrentalmgmt.com](http://www.trentonsrentalmgmt.com), 609-392-0123

## THE PROOF IS IN THE (LOCAL) PUDDING

"Media reports on the state of the housing market can confuse even those who regularly follow the real estate industry," says Len-y Layland of Invest Orlando Realty. "The truth is, we are still pulling out of the Great Recession and like any market, fluctuations usually bring out the pundits telling us either everything is looking up, or expelling more doom and gloom." For an investor to justify investing the proof is in the local numbers.

In Orlando the new home sales rate (less than 5 percent of total home sales volume) is down more than 20 percent from 2010. Blame it on gas prices (urban sprawl), the end of housing credit, and a sluggish economy. Existing homes are selling, many as foreclosures and short sales, but that's what the market has to offer at the best price for investors. It's a matter of supply and demand. Locally prices have stabilized and are not in freefall as some pundits report (Case-Shiller's index of 20 cities).

"The bottom line is soon the deals will have all but disappeared and housing will return to a normal marketplace," Layland says.

Take a look at the housing statistics compiled by the Orlando Regional Realtor Association where the trends speak volumes.

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