

**Exceptional Investment,
American Exceptionalism 9**

**Is Infill the New
“In” Investment? 16**

PERSONAL REAL ESTATE INVESTOR MAGAZINE[®]

BUILDING WEALTH THROUGH PROPERTY INVESTMENT

Graziosi's \$100 Million Business Lesson:

“Customers First”

America's Top Real Estate Educator Bares All

Capital Cities

El Paso, TX

Williston, ND

**The Envelope Please...
Finding Tenants Online**

January/February 2012

Price \$5.95 US \$6.95 CAN



Available on
your iPad, Mac, PC

Official Publishing Partner



MASTER INVESTOR

Jay Hinrichs — True Wholesale Houses



SECOND ANNUAL REAL ESTATE INVESTOR EXPO

January 28 to 29, 2012 in Richardson (Dallas), Texas

Personal Real Estate Investor Magazine attended the inaugural REI expo event in 2011. We were impressed that event organizers decided to join with the other real estate investment groups and educators in the Dallas Metroplex, and Texas in general, to "expand the pie," and not compete for the "largest slice of pie." This event is on track to become one of the most important real estate investment events in the nation.

We support them as they support the recognition of individual real estate investment as an industry.

The event will include two full days of seminars, classes, and workshops, with five or more 90-minute concurrent tracks for an attendee to choose from. They cover introductory and in-depth sessions that are "sales free."

"All of the speakers are practicing investors and not just educators," says Tim Herriage, one of the founders of REIExpo. "This ensures we produce real practitioners not just education promoters."

There is an extensive trade show area and ample time to see it all. An all-access pass for two days costs \$150, including two lunches and hospitality events.

For more, go to www.REIExpo.com

CORRECTION

An article in the November/December 2011 edition of Personal Real Estate Investor Magazine, "Capital Cities: Omaha," contained an error. Warren Buffet owns Berkshire Hathaway, not Union Pacific or Peter Kiewit Sons, Inc. PREI regrets the error.

NORTHEASTERN PROFIT NICHE

Trenton, Camden, and Newark, New Jersey are investor heavens, according to Chris Carlino, founder and CEO of Trenton's Rental Management & Investor's Services. Those cities have good rent rates, reasonable prices on short sales and favorable rent-to-investment cost ratios in rental grade neighborhoods.

However, there are two downsides to investing in these areas. One is predictable renovation management and the other is property taxes. It appears that each county or township assesses and collects its own taxes. This has led to inequities because they use computer models rather than on-site assessments.

Carlino has successfully appealed property taxes on his own account as well as for his investors. "I have never seen a market like this. In Trenton and nearby markets the banks are offering occupants up to \$20,000 to get out of the house. Banks are continuing to offer incentives to encourage short sales so investor prices are significantly below market. Taxes should be too," Carlino says.

Trenton's Rental Management & Investor's Services recently purchased two Exit Realty offices in Mercer and Monmouth counties with Marlboro Township included. "These markets have phenomenal short sale and strong rental occupancy potential. If you know what you are doing you can make and save clients a ton of money. As a real estate agent you can make money on the buy, sell or rental," says Carlino.

"We can still buy row houses for \$15,000 to \$30,000 that may generate about \$1,000 a month in rent," says Carlino. "This stock is costly to replace. An average rehab costs between \$3,000 and \$7,000 to get a city Certificate of Occupancy. Even after hundreds of renovations we get two to three bids from different contractors. Do they agree on scope, solution and pricing? Roofs, heating and utility access are the unknowns. A roof rip-off needs permits and a dumpster for \$5,000. Sometimes a patch may be better. We purchase 'as is' and we do not know if a heating system works or needs a \$3,000 to \$4,500 replacement. Maybe utility services have not been winterized, or there is a cracked street pipe needing replacement. The permits, inspections and backhoe begin at \$2,000 to \$3,000 so we do not want to get stuck with a contractor looking to make money in a slow week."

As the largest property manager in Mercer County, with more single-family dwellings in his personal portfolio than any of his clients, Carlino does the volume to get best prices on just about everything.

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

www.trentonsrentalmgmt.com
609-392-0123

Exit Blue Water Realty
Serving all of New Jersey
www.exitbluewaterrealty.com
888-717-EXIT (3948)