

THE REAL DEAL[®]



NHREIA

New Hampshire Real Estate
Investors Association

VOLUME 5, ISSUE 3

MARCH 2010



NHREIA teams up with lobbyist Matt Murphy!



NHREIA is excited to team up with lobbyist Matthew Murphy, of Whitefield & Burke, a strategic public affairs and political consulting firm.

Please join us as we work with Matt to provide education, support and when needed—a voice against the legislative activity directed at real estate investing.

Matthew Murphy offers expertise in various political and legislative arenas. He has an extensive background working with New Hampshire taxpayer groups and as a grassroots advocate. He has consulted for several candidates at local, state and federal levels.

Matt Murphy's latest weekly update:

Last week, SB 333 was given a public hearing and a continuance until March 18th in order for committee members to have an opportunity to review the amendment presented. Two other bills that we were watching were given public hearings — at executive session on Wednesday,

SB 483, relating to 1031 exchanges and SB 497 regarding reasonable compensation, which is good news for LLC owners as this will end the targeting of LLC's by the Department of Revenue. Also, Governor Lynch is now vocally supporting repeal of the LLC Tax.

News from the last week:

SB 333: relative to foreclosure consultants

Bill Status: Public Hearing scheduled to reconvene, Thursday, March 18th at 1:30 PM with Senate, Commerce, Labor, and Consumer Protection Committee

NHREIA supports this bill as amended and submitted this bill for consideration last year.

SB 483: relative to the interpretation of Internal Revenue Code Section 1031 as it relates to taxation under the business profits tax

Amendment: Makes bill effective upon passage instead of January 2011.

Committee Recommendation: Ought to Pass with Amendment, Vote 7-0

NHREIA supports Committee Recommendation

House Bills voted on last week:

HB 1395: relative to workforce housing requirements

Bill Status: Passed with Amendment

HB 1618: exempting certain federally tax-exempt transactions from the business profits tax

Bill Status: Referred for Interim Study

HB 1345: allowing assessors to request rental and lease information for commercial and industrial properties in order to determine market value

Bill Status: Moved to March 10th Floor Vote

HB 1234: requires the seller of shorefront property to disclose to the purchaser the rights and responsibilities of shorefront ownership

Bill Status: Moved to March 10th Floor Vote

House Bills scheduled for vote this week:

HB 1486: prohibiting the mandating of fire sprinkler systems in certain dwellings

Bill Status: Floor vote

2/10/2010—committee recommendation of Ought to Pass with Amendment

NHREIA supports Committee finding

HB 1345: allowing assessors to request rental and lease information for commercial and industrial properties in order to determine market value

NHREIA supports Committee suggestion for interim study

Senate Bills scheduled for Floor Votes this week:

SB 354-FN: authorizing liens for unpaid building code violations and requiring landlord agents for restricted rental property

Committee Recommendation: Ought to Pass, Vote 3-1

NHREIA has not taken a position on this bill; however, the NH Property Owners Association is opposing this bill

SB 483-FN-A: relative to the interpretation of Internal Revenue Code Section 1031 as it relates to taxation under the business profits tax

Cont'd on page 4



Message from the President

By NHREIA President John McGrath

Spring is one of my favorite times of the year. It's great to see the snow melting and be able to get out and look at real estate and put deals together.

A book I am reading this month is "Rich Dad's Conspiracy of the Rich." In the book he talks about going back to the basics as far as real

estate investing. He differentiates between buying for Cash Flow and buying for Capital Gains. He is partial to investing for Cash Flow as an I.

This month we are privileged to have Kevin Lacasse discuss the subject of buying multi-unit properties. Robert Kiyosaki is great at looking at the

macro approach but Kevin has a great presentation that breaks it down on a micro approach. Kevin is also from here in New Hampshire and co-founder of New Hampshire Real Estate Investors Association, who is willing to share the principles with you that have made him successful.

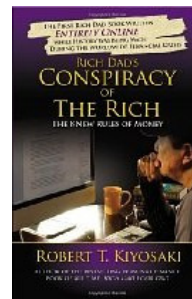
Rob Hansen has also done a great job with his group utilizing the Andy Heller "Buy Low, Rent Smart, Sell High" program. He is going to share with us about the outing this past week. We look forward to seeing each and every one of you at this month's meeting.

John McGrath
JMcGrath@mortgagemasterinc.com



March Book-of-the-Month!

March's NHREIA Book of the Month is *Rich Dads Conspiracy of the Rich: The 8 New Rules of Money* by Richard Kiyosaki.



You can order *Conspiracy of the Rich* and other NHREIA favorites through the store on our website.



How to Have 17 or More Buyers Competing for Your House ... Instead of knocking on Your Door, One-at-a-time.

A Round Robin Auction puts you in control because you ...

- set the reserve
- set the terms
- set the date
- control your time (sell your house in 2 days)
- reduce holding expenses
- optimize advertising with concentrated hi-impact exposure
- build excitement
- move buyers to act quickly
- maximize your return

To see if your property would be a good candidate for auction Call today for a FREE consultation.

Bert Cox, Auctioneer
NH Lic # 4016
MA Lic #2718
816 Elm St., #157
Manchester, NH 03101
1-888-922-4500
603-225-0097

Curnow Construction

A complete start to finish contracting company

Specializing in residential remodeling projects

Providing construction estimates, building inspections, COC inspections and compliance

curnowconstruction@gmail.com

Jeffrey Walker of Equity Trust will discuss how to use your IRA or 401(k) to invest in real estate, In addition to tax-free profits, self-directed IRAs provide large tax deductions, asset protection and estate planning benefits.

6:30 PM, April 14, 2010
Best Western Executive Court
13500 South Willow Street
Manchester, NH
Free for members; only \$20 for non-members



11 Ways to Determine Rent for an Upcoming Vacancy

By Jeffrey Taylor, "Mr. Landlord"

1.) If the vacating tenant has been a long-term tenant, and you had a good relationship, *simply ask him*. I bet over the years he's followed the neighborhood and knows from friends and fellow renters. He can tell you if he thinks you should charge more or less. Feedback from your vacating residents should be ONE piece of the info you assemble to determine.

2.) The quickest way to figure out the price is to put your tenant "shopping" hat on and start looking. I observe area rentals (signs, paper, etc.), see how they are priced, and watch to see how long they stay vacant. Many times, I'll even stop by to get up close to see condition etc. In every case, one that is priced right and sits for very long has "issues."

3.) Another resource is a property manager with local rentals (and a website) and who know what she's doing. They make the most money by pricing at the top of market and usually have little interest in discounting unless a property sits vacant for too long. **I usually price mine 2% to 5% below their prices.**

The caveat with property managers is that some have owners that force them to

overprice. That happens fairly often, but is usually pretty obvious.

4.) Be careful not to use an apartment as a comp for a single family home (or visa versa). Instead, I'd try to find another single family home in the same neighborhood as your comp.

5.) Maybe, there aren't any single family homes on the market to serve as comps. But, were there any in the past few months or year? Is there a way you could track those down by reviewing old newspapers or more importantly--your own notes on what homes have rented for?

6.) Check comps on www.craigslist.org

7.) Do you feel that your current long-term tenant was paying the market rate when he moved in? I believe that a general guide to rental increase should be 3% to 5% per year. Use this amount as a starting point. (This rule of thumb may not apply in cities experiencing a large number of lay-offs.)

8.) Take a property manager to lunch. Maybe if you said the right things in the right way over lunch, a property manager could give you her opinion--and maybe even back it up with some comps on properties she manages.

9.) A trick I have used is to always set the rent a little too high. If the phone does not ring with decent quality renters, I quickly lower it \$50 or \$75, or so. If the phone starts ringing then, you can be pretty sure that you have the right amount.

If you find someone terrific and they tell you they would love your house but can only pay \$50 less than what you're asking, you can always say yes. Be flexible and listen for market feedback.

10.) The key for me is **not to wait until you get notice** to vacate to begin your pricing research. Go through the rental ads from good sources weekly. That way you'll be on top of things when the time comes.

11.) Don't be overly concerned with the best rent amount. More importantly, keep turnover to a minimum. Lost time is more valuable than a slightly higher rental amount. This money can never be recouped. One lost month can cost more than leaving the rent too low.

Advertising, curb appeal, repairs, even some painting can all be done during the current lease. It should only take a day or two maximum for cleaning and painting once

they leave.

Play up the return of their deposit for super cleanliness at move-out. *Remind your current tenant their lease ends August 31, not September 1.* Your new lease should start September 1.

Bonus Tip: How to Build Value When Showing Rentals

When showing properties to prospective tenants, it's important that you build value in the eyes of the prospect. Three ways you can build value are:

- 1.) Building interest or excitement in the property,
- 2.) Building trust in you, the landlord or manager, and
- 3.) Building a connection between the prospect and the property.

If you focus on each of these points, you WILL rent your property faster.

Jeffrey E. Taylor, C.P.L. is CEO of Mr. Landlord, Inc., a national property management consulting firm - coaching over 50,000 landlords annually. Jeffrey Taylor is the author of a dozen publications, books, and reports on various aspects of rental property management.

Join the Associated REIA's of the Northeast!



NHREIA has teamed up with 7 other REIA groups in the Northeast and created the Associated REIA's of the Northeast. You can join 8 REIAs with one membership!

In addition to NHREIA meetings, you could also attend meetings at:

BostonAREIA.com (Boston 1st Tuesday & Waltham 3rd Thursday)

CTREIA.com (Cromwell, CT 3rd Monday)

MassRealEstate.net (Peabody, MA 4th Tuesday)

MassREIA.com (Worcester, MA 3rd Wed. & Springfield 1st Thurs.)

NEREIA.org (Chelmsford, MA 1st Wednesday)

REINGUSA.com (Nashua, NH 2nd Monday)

SouthShoreREIA.com (Bourne, MA 1st Wednesday)

Associated REIAs Individual Membership: \$199/year

Associated REIAs Joint Membership: \$249/year

Join the Associated REIAs through NHREIA—we are

the only non-profit in the group! **Plus**, you get exclusive NHREIA benefits:

NH Comps **WOW!**

10% Discount for a Real-Data subscription. Get statewide foreclosure information, schedules of upcoming auctions and sales and parcel data.

To join, visit www.nhria.com

Gosselin Property Maintenance and Handyman Service

Peter Gosselin

www.petethefixitguy.com
603-548-5272
equitysharing@comcast.net

fully insured ♦ free estimates ♦ on call 24/7

Legislative Update . . . Cont'd from page 1

Committee Recommendation:
Ought to Pass, Vote 7-0
NHREIA supports Committee finding

SB 497-FN-A: changing the business profits tax deduction for reasonable compensation for partnerships, limited liability companies, and sole proprietorships and modify-

ing the interest and dividends tax statute to follow the definitions of interest and dividends used in the United States Internal Revenue Code
Committee Recommendation:
Ought to Pass, Vote 7-0
NHREIA supports Committee finding



100 Elm Street #3498
Manchester, NH 03105
603-318-1330
nhreia@gmail.com
www.nhria.com

Meetings are held on the 2nd Wednesday of each month at 6:30 p.m. at the Best Western Executive Court, 13500 South Willow St., Manchester, NH.

NHREIA does NOT render legal, accounting or other professional advice. It is your own responsibility to seek professional advice for any specific transaction or investment from those licensed to render such advice. If you require specific legal, tax or accounting advice, seek the advice of a qualified professional.



\$ Investor Financing \$
Hard Money

Non-owner Occupied Flips/Rehabs
Commercial Acquisition • Multi - family


EVERY DEAL IS DIFFERENT - TALK TO US!!

Ann Bellamy, Buy Now, LLC 603-801-2247
annbellamy@gmail.com www.BuyNowHardMoney.com

Hampson Risk Management LLC

Specializing in Property & Casualty insurance services for residential and commercial landlords and property investors.

24/7 Availability—peace of mind knowing you can contact me via cellphone anytime a crisis arises.



Consulting services, including management of bidding process, available for large commercial accounts (>\$50,000 total premium).

David Hampson • 603-502-6730
davidh@averyinsurance.net • www.averyinsurance.net