

Ugly Ducklings



After some work



And a little more work



And yet more work



The Goals & the Reality:

- Turn something bad into something good
- Make it comfortable, attractive & efficient
- Buy below market and plan on holding
- But, plans must flex to fit changing reality
- Cash must work no matter what happens
(need to have different exit strategies)
- Have a plan and measure as you go
- Education is key, but action is important

Property Summary 427 Cayuga St. Salinas

Description: This is a five bed, three bath, single family home with a one car garage. It was built in 1944. House is 2494 square feet. Lot size is 6419 square feet.



Purchase price \$235,000

Rehab costs approx \$95,000

After repair value based on recent sales: \$366,000 - Range \$285,000 to 394,000

Historical value, ten years: High 8-06 \$803,000 - Low 5-09 \$313,000

Rental income/month \$2400

Effective rate of return 6.79%

Property Summary 1231 Olympia Ave. Seaside

Description: This is a three bed, two bath, single family home with a one car garage. It was built in 1950. House is 1311 square feet. Lot size is 3750 square feet.



Purchase price \$230,000

Rehab costs approx \$35,000

After repair value based on recent sales: \$296,000 - Range \$227,000 to \$339,000

Historical value, ten years: High 1-06 \$757,000 - Low 4-10 \$234,000

Rental income/month \$1940

Effective rate of return 7.42%

One Approach...

- Old landlord rule of thumb: Get 1% per month.
- Be different. Avoid “normal” homes.
- Nice houses get nice rent & have more value.
- Allow creativity in funding the buying and fixing
- Assemble a great team to help you & work 'em
- Learn an area well vs working all over county
- Keep it as simple as you can manage

A few web resources

- <http://www.redfin.com/home>
- <http://www.finestexpert.com/>
- <http://www.zillow.com/>
- <http://www.rentometer.com/>
- <https://www.crimereports.com/>
- <http://publicrecords.onlinesearches.com/>
- <http://geo.craigslist.org/iso/us/ca>
- <http://www.google.com/earth/index.html>
- <http://www.landlording.com/>
- <http://www.reiclub.com/>
- <http://www.greenearthequities.com/>

Things to do

- Spend time at the sites mentioned
- Join local REI club
- Find funding (many paths to walk down)
- Find great deals
- Assemble team
- Use big grain of salt
- Take action