

The Home Edition

Holiday Issue 2005

Who's That Knocking At My Door? Investing To Rent!

By Elaine Voncannon, ABR, SRES, REALTOR

Investing to rent can create the financial and real estate success you have been searching for, but it takes hard work, thoughtful preparation and practical knowledge. As a landlord you must be creative, fearless and intuitive. In the Tidewater area approximately one out of every five homebuyers is making an investment as well, whether it's in a second home, rental unit or a condominium for a child attending college.

In all of these circumstances you must look realistically into the future about finances, home maintenance and upkeep.

Choose Your Location Carefully

The first consideration when buying real estate for rental property is what area or region will work best. Research the area of your choice thoroughly. Check the local papers and learn about the types of rentals advertised and the average monthly rents. Talk to several real estate professionals, including property managers, and find out the average length of time a rental unit stays on the market before tenants move in. These professionals will also have insight into which locations are more desirable and what types of rentals are the hottest.

For many first time investors a smaller property is the best way to begin and it is very beneficial to hire a trustworthy and competent property manager. Read my article " Property Management: The Good The Bad And The Ugly" to learn more. Once you are a seasoned landlord you can expand your vision to include larger properties. If you are buying a condominium or townhouse be certain to review the Home Owner's Association (HOA) rules in regards to rentals with your real estate agent. The HOA often has limitations on the percentage of homes that can be used as investment rentals.

Mortgages and Rents

Once you have researched and chosen the perfect area think clearly and carefully about the type of mortgage you are qualified for. In order to purchase real estate with the intention of renting you must be certain the rents you charge cover the mortgage. Know the current rental trends and think of how your rental property will hold up in comparison. If a property's rent is advertised above the average the property may not rent and become stale. Once stale, potential renters often have the impression something is wrong with the property.

Remember, if you purchase a property that was a rental in the past and put 5 to 10 percent down the mortgage may be too high. Investing more money, as a down payment, will lower the mortgage. As a landlord you want to have a positive cash flow, it is essential to make some profit each month, even if the profit fluctuates. Ask the current owner to review the rental history of the real estate with you. When you purchase property with more than one rental unit the mortgage you qualify for is based on the rent of the previous three years. As a buyer and new landlord the rent you charge is based on the current leases you inherit. These leases remain in affect until their renewal date.

Investing In The Future

Always buy rental investment property with the idea of re-selling in mind. When you invest in rental property you need approximately three or four months mortgage payments in reserve to cover repairs and to procure new tenants if necessary. Plan for the cost of advertising and the time of showing the rental if you are not using a property manager or real estate agent. Think realistically how much work, money and time you must invest. Always fix smaller problems, as they occur, to avoid more expensive repairs in the future.





Add Plants that Compliment your Winter Landscape

By David Beaulieu

What makes a plant a winner for winter landscapes?

Are conifers the sole contestants? Which landscaping plants are automatically disqualified? Which shrubs are best for attracting wild birds? Answering such questions should help generate landscaping ideas for dealing with that Scrooge of the seasonal landscapes, horticulturally speaking -- the winter landscape. Our goal is to turn a drab winter landscape into a winter scene worth painting!

While evergreen shrubs and conifer trees such as pine, hemlock and spruce undeniably add visual interest to winter landscapes, so do many other plants. About the only plants that are disqualified right at the outset from our gardening competition are those that lack any appreciable height: no matter how pretty a plant may be, it will add no visual interest to the winter landscape if it lies buried all winter, dwarfed by a blanket of snow.

Based on this premise, let's explore ideas to enhance the winter landscape. And let's keep in mind all the while the fact that many landscaping enthusiasts are also bird watchers; so that a plant's ability to attract wild birds will be a factor in the ranking.

A winning plant for winter landscapes will have one or more of the following characteristics:

- Contains colorful berries that attract birds for bird watching
- Readily catches snow in its branches
- Exhibits a delicate structure
- Is clad in a bark that is colorful or that has an unusual texture
- Bears evergreen foliage
- Has an interesting branching pattern



Basing my ranking on these characteristics, and letting conifers take a back seat (because their value to winter landscapes goes without saying), the following is my top 10 list of plants for adding visual interest in winter:

- evergreen holly
- red osier dogwood
- plume grass
- bayberry
- cranberrybush viburnum
- winterberry holly
- birch
- barberry
- Viking black chokeberry
- winged euonymus

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Renovations and upgrades can also increase the return on your investment. To learn more about the types of renovations and upgrades that can increase your profitability read my article "Renovations and Upgrades: Bring It To The Bank". Maintenance of rental properties is incredibly important. If the property is distressed, later you will not sell for top dollar and get the highest return from your real estate investment. Real estate investment requires trusted, professional real estate advisors and planning for the future. These tools help you reach your investment goals and you can bring your real estate investment success to the bank!

From Nana’s Kitchen

Christmas Chocolate Bundt Cake

- 1 pkg. chocolate cake mix (any kind)
- 1 (4 oz.) pkg. instant chocolate pudding
- 1 c. sour cream
- 4 eggs
- 1/2 c. oil
- 1/2 c. water
- 1 (12 oz.) pkg. Nestle chocolate chips

Mix all ingredients except chocolate chips in large mixing bowl. Mix for 4 minutes. Add chocolate chips. Mix well. Pour batter in greased Bundt pan and bake at 350 degrees for 50 minutes. Remove from oven and let sit for 5 minutes. Remove from pan. Sprinkle powdered sugar on top if desired. Garnish with holly or peppermints

