

Small Investors Priced Out

Over the last several years small residential real estate investors have enjoyed the ability to purchase a home and rent it out for less than the PITI payments. The ability to enjoy significant cash flow without a large down payment is a real estate dream for the smaller investor. It may be time to wake up to the alarm clock because prices are on the rise. Both rental inventory and resale inventory is tight at the moment so rents remain high. High local rental rates is good news for investors cash flow but higher acquisition costs this summer will likely bring and end to the instant cash flow scenario that we have enjoyed since 2009.

Any person looking for an opportunity to purchase an investment property may want to pull the trigger now while positive cash flow is still possible. Clean rentable three bedroom homes in the local Clark County market that sold for \$125,000 to \$140,000 last year are getting multiple offers and bid up into the \$170's.

Real estate can be a great wealth builder for small time investors and those who are just starting out can mitigate some of the risk by having the unit generate more income than expenses. Since real market appreciation appears to be back in vogue the investor can enjoy both a positive cash flow and reasonable asset appreciation. This is one of those rare windows of golden opportunity. These windows do not remain open for long.

Median price up, Multiple offers up

Clark County had 333 detached SF units sold in March with a median price that hit \$233,000 well above March 2012. Sales volume is strong but a tad down off the pace in the fall and I believe that is largely attributable to the lack of inventory.

Sellers should start coming out as the values move up giving them equity they can use to upgrade or even downsize their residence.

Homes are being bid up with multiple offers. If it's priced right the buyers come in mass. Many buyers still do not understand that the market has in fact shifted towards a sellers market. The scenario depicted at right is becoming the norm not the exception.



Mortgage Rates and Trends



The national mortgage rate average dipped ever so slightly over the last month. Rates remain at record low values.

The prices on homes are continuing to rise due to a combination of low rates and tight inventory creating high demand for move in ready properties.

The historical average for mortgage rates is in the high sixes so these are great rates :)



Call Mike Roy today for a quote. Mike is a VA/FHA expert and offers conventional products as well.

360-253-6668

Pinnacle MB MORTGAGEBANKERS



Available Now

The book covers real estate and securities investments in this troubled and turbulent economy. The book is targeted at middle America. Available at Barnes and Noble, Borders, Amazon and www.rodsager.com/

DON'T PANIC!
 Now with 2013 Supplement: Your Portfolio A Month's Guide to Investment
Rod Sager