



The Foreclosure Crisis: In it for the long Haul



Think the foreclosure crisis is nearing an end?

Think again. Despite some recent reports that foreclosure rates are declining, most analysts believe that the crisis will not be ending any time soon.

According to the [chief economist](#) for the California Association of Realtors, the crisis will likely last for another three to five years. It will take that long for the California real estate market to eliminate its backlog of defaulting homes that are dragging down housing prices.

What's the holdup?

The data coming in from the market suggest that the foreclosure problem is not going away — partly because foreclosures are still happening but also because

there's such a large inventory of available homes.

This glut of available properties is caused by loan defaults and by suppressed sales from homeowners who are "under water" on their mortgages and can't afford to sell.

The U.S. foreclosure rate increased in the third quarter of 2011. [RealtyTrac](#), an online marketplace for foreclosed properties, reported that there were 610,337 foreclosure filings in the quarter, an increase of less than 1 percent from the previous quarter. That increase may seem small, but it is important because it broke the trend of three consecutive quarterly decreases.

The continuing foreclosure filings are fueling a growing backlog of properties. This backlog, along with staff reductions, has caused an increase in the length of time it takes to process a foreclosure. According to RealtyTrac, during the third quarter, it took an average of 336 days to complete the foreclosure process. That's up from an average of 318 days during the second quarter.

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Legal Q&A's



- Q:** Should we change the locks between tenants?
- A:** For security of the new tenant/owner, the locks should be changed each time there is a vacancy.
- Q:** Does the owner need a separate insurance policy if they already have a homeowners policy?
- A:** Landlords should have a Landlord / Tenant insurance policy that includes malicious intent and loss of rents. This will help with the costs should the tenant destroy the property.
- Q:** Can I enter the property anytime I want to?
- A:** You must post a 24 hour notice to enter a tenant occupied property. You can't just show up unannounced and walk in.
- Q:** What happens if the tenant pays a partial rent after a 3 day notice was served?
- A:** By accepting the partial rent it voids the 3 day notice and a new 3 day will have to be served and the process started over again.
- Q:** Does the tenant's security deposit belong to the tenant or to the owner?
- A:** The security deposit is the tenant's until such time that they vacate the home. The security deposit is to be held in a non-interest bearing trust account until the tenant moves out. Then the monies can be used for repairs if needed and justifiable.

Management One is not an attorney. This is for information purposes only. See your attorney for details.

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Home Rental Hot Sheet (verified)

The Information and Data listed here is verified data. The rent rates that these properties rented for were with quality tenants under Management One's strict guidelines. This is information you can count on and feel comfortable talking like an expert to your clients with.



This is a 4 Bedroom and 3 bathroom 2257 square foot home. Open kitchen with tile counters. Family room with fireplace. Community pool and spa, near park and schools.**Casa Encantador rented for \$1500 in 18 DOM**



This is a 5 bedroom and 3 bathroom 3349 square foot home located in Perris. Large kitchen with range, dishwasher and overhead microwave. Low maintenance landscaping...**Adderstone rented for \$1650 in 3 DOM**



This is a 3 bedroom and 2 bathroom home 2230 square foot home sits on a 1 acre lot. Formal living and dining rooms. Covered patio in the rear yard with Pool and Spa....**White Sand Trail rented for \$1725 in 40 DOM**



A lovely 3 bedroom 2 bath 1300 sq. ft home with open kitchen and spacious floor plan with living and dining room and fireplace! Enjoy full master ste with full bath with back patio access! Nice back yard with covered patio!...**Pan Am rented for \$1150 in 8 DOM**



A lovely 3 bedroom 2 bath 1200 sq feet home features new carpet and paint. Family room with fireplace, master bedroom, patio in rear yard. Near schools and freeway....**Ericson rented for \$1095 in 92 DOM**



This is an awesome 4 br 2 bath 1500 sq. ft single story home! With lovely open kitchen and family room with fireplace! Nice large back yard to enjoy the summer with a BBQ! Call today to set up appointment. Close to shopping and schools! ...**Topaz rented for \$1475 in 29 DOM**



This beautiful 3 bedroom, 2 bath 1500 sq ft home features a lovely kitchen with an island, tile counters, family room with entertainment alcove and fireplace, formal living and dining rooms, master bedroom with access to the patio....**Conestoga rented for \$1795 in 7 DOM**



This is a nice 3br 2.5 bath with lovely open kitchen and spacious floor plan and formal dining room and living room with fireplace! Full master suite with full bath and private balcony! Enjoy the nice back yard with covered patio!.....**Arthur Cir rented for \$1650 in 40 DOM**



This is a 4 bedroom and 3 bathroom home. Tiled entry and kitchen. Brand new carpet and new paint throughout. Formal living and dining rooms. Kitchen with breakfast bar, granite counter tops and stainless steel appliances. **Knox rented for \$1875 in 25 DOM**



This is a 3 bedroom and 1.5 bathroom home located in Riverside. All White cabinets in kitchen along with all appliances. New carpet throughout. Brick fireplace in the family room....**Allwood rented for \$1250 in 10 DOM**

What's In It For You, The Agent?



Make \$150 For Each Owner Referral

Management One pays \$150 on every property, for which an owner signs a new Management One contract, after you become a preferred agent.

Make \$100 For Each Tenant Referral

Management One pays \$100 on every property, for which a tenant signs a new Management One lease. You just call us with the name and number, you don't have to show the property to them, we will. Just give us the name and we will register them, with you as the preferred agent.

FREE Rental Comps for you AND your Client's Properties

Find out what the property should really rent for before you make the offer on the property to buy for you client. Get ahead of the curve with Management One's resources. We tell you realistically what it would rent for, how long it will take to rent and the best areas to buy rental properties in.

Guaranteed 4% Commission For Tenant Purchase

If the tenant we place ever decides to buy the property, he/she is renting from Management One, you are guaranteed a minimum of a **4% commission** by contract, (We receive nothing in the sale.)

Your Referrals Are Protected

We protect agents in writing, on any owner and property they refer to us. If the owner wants to buy additional properties, or sell the rental home you referred us, we will send them back to you so you can make the commission. We will give you a contract to **BACK THIS IN WRITING**.

You Will Sell More Homes

Management One's property management services enable you to sell more homes, since you will now have a source you can depend on, to rent out properties for owners who want to buy. We get the job done fast, we rent a home every **4 1/2 hours at Management One**.

Just like when you are looking for a cup of coffee, if you are looking at the cost, you might as well go to your local convenience store. However, if you are looking for taste, quality and service you probably would want to go to Starbucks. When you are shopping management companies, the same applies. Management One is not like your average management company, so do not make the mistake of using a management company based on the lowest price. Yes, we are the Quality in Property Management and while we are not the most inexpensive in town, we are the best. Remember that good management is the key to any business, if you do not have it, eventually you will be out of business, especially in property management.

Contact Conrad Noah

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What does this mean for you?....



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Part of the bigger problem

The struggling economy and high unemployment rates also contribute to the foreclosure problem. More people are finding it difficult to keep up with their mortgage payments.

And don't look to the government to solve the crisis. Not only is it reluctant to throw money at the problem, but its program to reduce loan defaults through mortgage adjustments has been a dismal failure. Twenty percent of homeowners whose loans were modified under the program defaulted again within a year, reported the U.S. Comptroller of the Currency, a division of the U.S. Treasury Department.

What does this mean for you?

The foreclosure crisis does have a bright side for investors and real estate professionals. It's called opportunity.

The huge number of foreclosed properties, lower real estate prices and reduced mortgage rates, makes this a great time to invest in rental properties. And August's consumer price index showed a 0.4 percent rise in rent levels, after a 0.3 percent rise in July.

Not surprisingly, the home ownership rate has declined in the last five years. People need to live somewhere, so this decline also contributes to a strong rental market. And investors who take advantage of this market help get rid of the backlog of foreclosed properties.

For real estate professionals and investors, the ongoing foreclosure crisis isn't the end of the road; instead, it's a chance to realize a new opportunity that can provide ongoing, steady, predictable income.

Upcoming Events:

Management One will be hosting a seminar on March 16th to launch it's REIC Real Estate Investment Club program. If you are interested in learning more about this program for you or your clients, please contact Conrad today. More details will be announced.

Conrad's Corner

We are beginning to see a growing interest from investors who are looking at the Inland Empire. Some of these are local, some are from other states and others from foreign countries. With the price of homes and the current loan rates, it is no wonder they are interested. However, in order to make an informed decision they also need to know the proper rent rate a prospective investment home can generate.

I want to extend to you an invitation to consult with me first. When you and your client are looking at possible investment candidates, let me know the address and amenities of the property and I will provide you with a Comparative Rental Analysis that you can show your client. The last thing an investor wants is a negatively performing investment because they thought it would rent for more but the market does not support that price and they could have calculated a better purchase price with the proper knowledge.

Office Locations/Website

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