

Buy and Hold Fund Purchased \$4 Million Worth of Homes in January

The Buy and Hold Fund had another strong month of acquisitions in January. We ended up purchasing **around \$4 million in homes which brought us to almost 600 doors under management.** Our goal for 2020 is to have a total of 1,177 doors under management. It's a lofty goal, but **we are off to a good start.**

Financing Lined up for Investors Who Want Their Name on the Title

For those of you interested in buying properties outright and having your name on the title, we have great news. While we used to only offer this for 1031 Exchange investors, we are now opening it up to cash, IRA, and 401(k) investors. Regardless of your method of investment, the outcome is the same. **We will master lease the properties back from you and pay you a guaranteed fixed monthly rent.** We manage and pay for everything, without ever bothering you.

You can customize this investment to fit what you're looking for. You have the option to leverage your properties with financing, which will result in significantly increased cash flow every month. It's a little more work upfront, but if you are looking

for a greater return, this may interest you. We have financing sources lined up for you and will assist you throughout the process to make it as easy as possible.

Financing will also help those 1031 Exchanges that don't have at least 50% equity in them. Previously, we would loan up to 50% of a 1031 Exchange so if the investor didn't have the other 50% in equity, it was a no go. **Now we can finance up to 65% to 75% loan-to-value,** depending on the lending source.

Opening Brokerages in Three More Cities

We are opening our real estate brokerages in Akron/Canton, Toledo, and Birmingham so we can fully take over property management in those cities. We own 45 homes in Toledo. We really like the market but had to stop buying a while ago because it is just the same old story with our 3rd party property manager. They do an okay job but never treat the property or situation like an owner would. The quality of tenant screening and the condition of the properties is always far below the service we want to provide. They also have no sense of urgency to get turnover properties leased back up as quickly as possible.

Part of the problem with 3rd party property

managers is that they can make more money on endless repairs and rehabs than just operating the rental. Normally, they put a 20% mark-up on the job which could mean \$500 to over a \$1,000 for them when they only are getting paid \$75 a month for managing the property. That is what the honest property managers do. The dishonest managers will get you for much more than that on repairs, rehabs, etc.

Once our real estate brokerages are up and running in those cities, we will fully take over the property management with our own internal team and then start to buy more homes in those areas again.

Gardnerville Home Still for Sale, North Dakota Trailers Rented, and 3 Lease Options Getting Prepped for Sale

For an ROI Strategies update, the house in Gardnerville is up for sale at a \$699,000 price tag. **We have had several showings** but no bites on it as of writing this update.

We have had great success keeping the trailers in North Dakota continuously rented. The rent is half what it was during the boom, but it is still a nice profit center for ROI every month. What really helped is automating the application process

where prospective tenants apply on their mobile phone and upload all the required docs just by taking pictures of them. This has increased the number of applications yet reduced the workload on our team as the poor-quality tenants self-disqualify during the process.

ROI currently has three lease options in Las Vegas where the buyers could not get their finances in order. You may remember we give them 4 years to work on whatever was preventing them from getting normal financing, but some just can't pull it off, so at this point the deal is over and we are selling the properties instead. All three properties need some rehab to get ready for sale, and **we are fortunate to have a very extraordinary person representing us down there.** He has been an invaluable team member in Las Vegas since the beginning, and a good portion of our success over the years is the result of his efforts, expertise, and professionalism. Following the rehab work we are **projecting a nice net profit for ROI on two of the properties and expect to break even on the third.**

Until next time,



Steve Sixberry

Greg Hughes