

THE

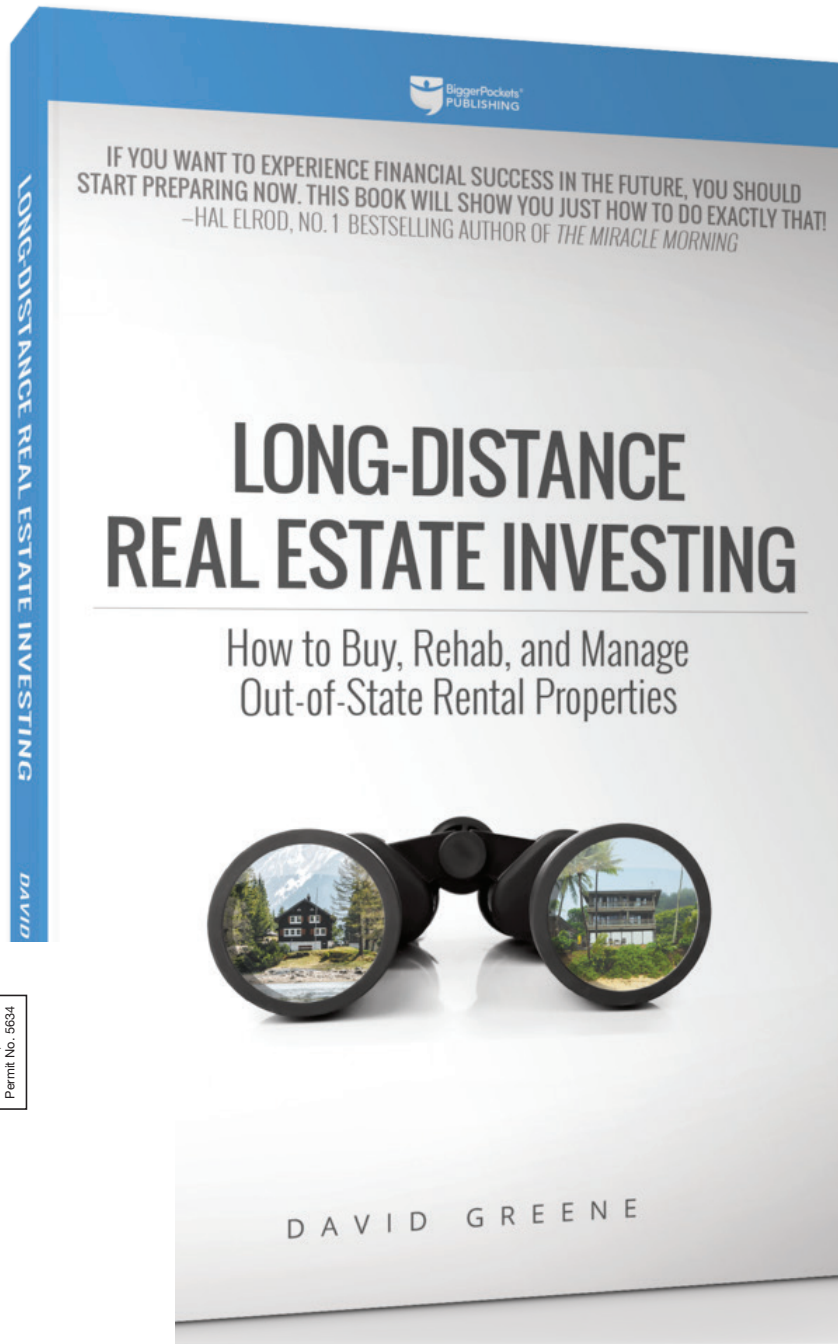
Diversified



INVESTOR

A Publication of Diversified Real Estate Investor Group

August 2018



Learn how to
**Buy, Rehab &
Refinance Properties
Long Distance**

Join us for an
EXCLUSIVE VIDEO



IN THIS ISSUE:

- NO MAIN MEETING IN AUGUST AT NORTH HILLS CC
- IN LIEU OF MEETING EXCLUSIVE DIG VIDEO WITH AUTHOR DAVID GREENE ON "LONG DISTANCE REAL ESTATE INVESTING". DETAILS ON PG. 6
- TAX BREAKS FOR INVESTING IN LOW-INCOME "OPPORTUNITY ZONES" PG. 20



PSRST-STD
U.S. POSTAGE
PAID
Phila, PA
Permit No. 5634

HMB

HARDMONEYBANKERS.COM

Private Real Estate Lending

- Equity Based Private Lending
- 100% Acquisition & Construction Financing
- Loans up to 65% of the After Repaired Value
- Fast Closings & 24 Hour Approvals
- Lending on investment residential and commercial properties

 **215.839.3271**

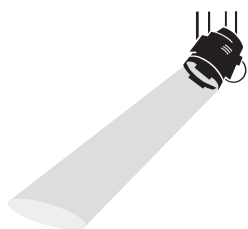
ian@hardmoneybankers.com

www.hardmoneybankers.com

In This Issue >>



EXCLUSIVE VIDEO with
6 | David Greene, Author
of "Long Distance
Real Estate Investing"



9 | MEMBER
SPOTLIGHT



19 | Dear
Dr. DIG



20 | Legislative
News

7 | A Challenge to DIG Members

9 | Prepare Now For Slower
Growth, Consumer Headwinds

11 | Upcoming Events

13 | DIG Subgroups

17 | Steals and Deals

21 | UPDATED: Online Home Value
Estimates Are NOT Appraisals

26 | Unique Tenant Tricks

Meet The Team >>

Association Directors

| | |
|----------------------|------------------|
| President | Frank Nestore |
| Vice-President | Jon Owens |
| Treasurer | Raymond Lemire |
| Secretary | Marc Sherby |
| Executive Director | Stephanie Pappas |
| Office Administrator | Elaine Kochanski |

DIG Office Hours
Mon - Friday 9am - Noon
1250 Bethlehem Pike, Ste. #391
Hatfield, PA 19440
Phone: 215-712-2525
Email: info@digononline.org

Visit us at:
www.digononline.org
www.diganswerline.org

Diversified Real Estate Investor Group is the leading regional association for Real Estate Investors in the Metropolitan Philadelphia/Delaware Valley Area. DIG is a National REIA Chapter whose area includes the PA counties of Berks, Bucks, Chester, Delaware, Lehigh, Montgomery, Philadelphia and surrounding counties in South Jersey and Delaware.

We have been serving this area since 1978.

Committee Members

| | |
|-------------------------|------------------|
| Advertising/Marketplace | Elaine Kochanski |
| Vendors/Benefits | Marc Sherby |
| Education/Programs | Don Beck |
| Facilities/AV/CD Sales | Jon Owens |
| Membership | Stephanie Pappas |
| Technology | Scott Redilla |
| PROA Representative | Michael Mumma |
| Speakers | Raymond Lemire |
| | Kathy Gilmore |
| Subgroup Coordinator | Marian Maier |
| Volunteer Coordinator | Marian Maier |



DIG Disclaimer:

Diversified Investor Group recognizes that many opportunities are presented to its members and guests. As an individual, it is your responsibility to investigate, and verify, the validity of these opportunities, and consult with a professional, such as your Attorney or Accountant, before investing, as it is possible to lose money investing in real estate. DIG neither sponsors nor recommends any offering made to or by its membership or vendors. Diversified Investor Group is not responsible or liable for the performance or offering or the accuracy of any information presented.

Monthly Meeting >>

What Happens at a DIG Meeting?

General Meeting: 6:00 – 9:00 PM

Genius Bar: 6:00 PM

Come to the meeting and step up to the Genius Bar to get your questions answered on the spot. Hosted by two DIG members that can answer your questions or direct you to the person or place for the answers.

Orientation: 6:00 PM

Are you new to DIG and the real estate investing world? Are you looking for some direction on what you need to do to get started? Do you want to learn all about what DIG has to offer and get your investing career on the right track? This is the place for you! Orientation will start at 6:00 pm, and at 20 minute intervals until 7pm. At your orientation, you will receive a brief overview of DIG and all it has to offer, and an opportunity to ask questions from some of DIG's Investors!

Round Groups: 6:00 – 7:00 PM

Real Estate Law, Getting Started, and various other topics, such as Landlording, Foreclosures, Rehabs, Shore Rentals, Note Buying, and many other real estate topics in a Q & A format moderated by a DIG member expert.

Open Forum: 7:00 – 7:30 PM

Steals and Deals: 7:00 – 7:30 PM

This is YOUR opportunity as a DIG member to share your deal in front of the room. Fill in the form with the information and it will be announced in front of the group and posted at the meeting for all to copy the information as well as to have it posted to the website after the meeting. Visit the website under STEALS AND DEALS to download the form and submit to executivedirector@digonline.org or fill in the form at the meeting to have your deal presented. **Only DIG members may submit forms.**

No General Meeting this Month, *See Page 6 for Details on the Exclusive Video*



Date

*August 24 –
September 10*



Place

digonline.org

AUGUST EVENT! >>



EXCLUSIVE VIDEO with David Greene, Author of "Long Distance Real Estate Investing"

NOTE: There will be NO AUGUST MEETING – but be sure to go to digonline.org for this Exciting, and Timely Exclusive Video available From 8/24 – 9/10, with David Greene! (even if you're on vacation, you don't want to miss this video!)

Are you finding it harder and harder to land deals in our market because of the shortage of inventory, and increase in investor competition? Are you surrounded by properties that are too expensive to cash flow and you don't want to feel pressured into buying the wrong deal? Well David Greene, author of **"Long Distance Real Estate Investing: How to Buy, Rehab, and Manage Out of State Rental Property"** understands your dilemma and has the solution! David lives in the San Francisco Bay Area where it doesn't make sense to buy cash flowing rental property.

In lieu of an August Meeting, David will be recording an exciting video on ways to build a solid system to buy property in other markets, rehab them, (or

flip them) refinance them, then use that capital to go on to buy more. David will teach you how to put together a team of the right people to help you manage the process as well as how to build systems to ensure you are successful. You won't want to miss this unique opportunity to learn from someone who has over **30 rental properties in 4 different states and manages them all from one location! WOW!**

P.S. Even if you're on vacation, you can still listen to it from your vacation spot and hear David talk about putting a team together to invest out of state - this is very timely for our market!

This video will be available on our website from 8/24 to 9/10.

SHAWLAW

THE ONLY NAME YOU NEED TO KNOW FOR REAL ESTATE!

SALES AGREEMENTS
OPTION CONTRACTS
LEASE PURCHASE AGREEMENTS
PURCHASE MONEY MORTGAGE DOCS
"SUBJECT TO" DOCS
LLC/CORPORATE FORMATIONS
LL/T PROBLEMS
TITLE INSURANCE/SETTLEMENTS
DOUBLE CLOSINGS
BANKRUPTCY
COLLECTIONS

ONE STOP SHOPPING

LAW OFFICES OF BRUCE SHAW PC
215 657 2377
WWW.SHAWLAWS.COM

A Challenge to DIG Members

By Don Beck

I would like to make a challenge to all new DIG members, members just getting started and also to our veteran members.

For the new members, I challenge you to attend our monthly meetings and set a goal to meet at least five people at each meeting. Have cards to pass out and get cards from your new friends. Write on the back their specialty or areas they are investing. You never know where your next partner or mentor might come from. Also spend time on the answer line learning from fellow DIG members. Force yourself to find a good real estate book, a motivational CD series, a RE newsletter besides DIG's to improve your real estate knowledge.

For members who have made the investment plunge and realize the learning curve still needs to improve, I challenge you to also meet five new people at each DIG meetings. Find out where they bought, how they structured the deal and just let the conversation flow. If they have a specialty area such as foreclosures, rehabbing, buying notes, doing sheriff sales, or landlording, ask questions to expand your knowledge base on whatever their specialty is about.

For our advanced members, I am willing to bet most of you have risen to your present level of investing because you did all the things I just mentioned PLUS one more. You have learned that giving back your knowledge is one of the most satisfying things you can do. My guess is years ago on your way to the top, you had DIG members who helped in your climb upward. You took the RE 101 classes taught by fellow DIG members and now some of you are those instructors. Now that you have been successful you are completing the circle and giving back to the newbies and DIG can't thank you enough for continue to give back.

I want to throw out another challenge to my advanced member friends. Call Elaine and volunteer to do a round group discussion in your area of expertise. If that's not an option then walk around a meetings looking for people with red name tags signifying they are first time guests. Introduce yourself, find

out as much about them as you can while explaining the benefits of our great organization and share your knowledge this way.

DIG has been around for 40 years for a few reasons. We have had strong boards that watched the money, were willing to commit their time and effort for free to make the group grow. It's dedicated members over the years who volunteer at the meetings, as subgroups leaders and those that answer questions on the answer line. We have clicked for so many years as a top real estate investment group in the country because the overall objective from the start has been to share knowledge with members so they can improve their lives through the vehicle called real estate. As long as we can continue to find meeting places to hold the number of members attending each months meeting I think we will be around for a long time.

I think the great basketball coach John Wooden sums it up the best. Knowledge is nothing without sharing it.

ALWAYS

SAVE 25% BIGGER

At BigCentric On Identical Appliance Sets

4 Piece Stainless Steel Kitchen Appliance Set

| |  |  |  |
|---|--|---|---|
|  | \$1856 | \$2696 | \$2700 |
|  | \$2008 | \$2566 | \$2540 |

Just Compare - The Numbers Speak For Themselves!

- ☒ Free local delivery to the greater Philly area
- ☒ Free standard haul away of old appliances
- ☒ Free standard parts with every order
- ☒ Free 30 day storage
- ☒ Save an additional 6-8% with **no sales tax**





APPLIANCE & MATTRESS

(302) 304-1010
www.bigcentric.com
151 Edgemoor Rd, Wilmington, DE
M-F 10 - 7, Sat 10 - 5, Sun Appt. Only

Comparison based on public advertised prices for the same products on the same date at the time of research and includes rebates. Information is representative only. Limitations apply to delivery and parts offers. Contact us for details.

Call Me!

**Specializing in
most areas of
Bucks and
Montgomery
Counties**

HomeStarr[★] Realty

Stephanie Pappas

850 Easton Road

Warrington, PA 18976

215-355-5565— office

215-272-4577— cell (preferred)



Put my years of Real Estate experience to work for you! I have been a realtor since 1992 and have been through all kinds of market cycles.

**REHAB CONSULTING— Walkthrough and advice on
your rehab Purchase!!! Call for pricing!
Ask me about My DIG DISCOUNT
on all listings for DIG members**

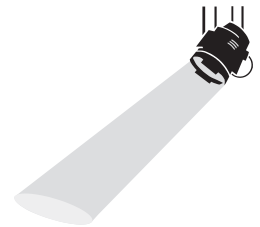
Newsletter Advertising

Do you have a product or service you would like to advertise to the DIG members? Why not advertise in our newsletter!

| | <u>Members</u> | <u>Non-Members</u> |
|---|--|--------------------|
| Business Card (3 ½"W x 2"H) | | |
| 6 months | \$ 90.00 | \$ 180.00 |
| 12 months | \$ 165.00 | \$ 240.00 |
| ¼ Page (4"W x 4"H) | | |
| 6 months | \$ 180.00 | \$ 270.00 |
| 12 months | \$ 325.00 | \$ 440.00 |
| ½ Page (8"W x 4"H) | | |
| 6 months | \$ 360.00 | \$ 450.00 |
| 12 months | \$ 640.00 | \$ 790.00 |
| Inside Full Page (6"W x 8"H) | | |
| 6 months | \$ 750.00 | \$ 840.00 |
| 12 months | \$1,300.00 | \$1,540.00 |
| Inside Front/Back Cover (8.5"W x 11"H) | | |
| 6 months | \$ 950.00 | \$1,050.00 |
| 12 months | \$1,700.00 | \$2,000.00 |
| Outside Back Cover (8.5"W x 11"H) | | |
| 6 months | \$1,100.00 | \$1,200.00 |
| 12 months | \$2,000.00 | \$2,300.00 |
| Flyer Insert (8 ½"W x 11"H) | \$300.00 per issue, 3 month minimum. Insert must be supplied by Advertiser. | |

What better way to reach hundreds of active real estate investors each month!

MEMBER SPOTLIGHT >>



We're Living Our Dream

A profile of Long-Time DIG Members

John and Sandi Stouffer are good examples that sticking with real estate goals for many years can and will pay off. To be exact it's been 42 years they have been investing with many of those years spent as full time music teachers. 56 years between them to be exact.

They have been DIG members for 38 of our 40 years and this year will attend their 20th National REIA cruise. John started out by taking real estate classes at Temple and Penn State while teaching. They decided not to do rehabs, tax sales, foreclosures, short sales or flips. Their strategy was to buy and hold in good locations. They would find properties that could be bought with as little as \$1,000 including closing cost (usually when they assumed a VA mortgage or someone needed a quick sale) They have done all their investing with less than \$50,000 of their own money. Over decades their investments have grown to become a multi million dollar nest egg.

The first goal was to buy one property a year for 10 years. This goal was met with two quads, a five-plex, duplex and six houses in working class neighborhoods. They sold off some of these using 1031 exchanges to buy bigger properties in Wayne, West Chester, Media, Swarthmore and Springfield. To date they have done twenty one 1031 exchanges to slowly work their way into larger properties from the increased values.

In 2006 they sold six properties and did 1031's into Tenant in Common properties with two business suite hotels outside Atlanta, an office/warehouse in New York, a new retail center outside

Houston, two mid-rise office buildings in Harrisburg and two apartment complexes in Ohio. The proformas started with 6-8% cash on cash and are now up to 10% cash on cash. They like the check in the bank each month with no active management, no repairs and no tenants to deal with.

Their latest interest is to sell off more properties and roll the proceeds into "gift annuities" that pay more quarterly (as long as they live) than the real estate pays. They are also using some of the positive cash flow to fully fund their children's Roth IRA's and setting up Iowa State 529 plans for the five grandkids' college tuitions.

They highly recommend setting up properties in a Living Trust so your children will inherit the property with a stepped up value. When they decide to sell, it will wipe out many years of capital gains taxes that would not happen if not structured properly.

They have no employees. John still does all repairs at 80 years old and Sandi handles the book keeping and computer work. Their goal is to never retire, but continue developing new and challenging projects for their family and different charities.

John faithfully attends DIG meetings so look him up. He loves talking real estate so go tap his brain with our questions.

Remember the three "C" of life. You made a "choice" to attend the DIG meeting. What John and others can teach you will give you the incentive to take a "chance" on a deal which will make a "change" in your life and net worth by following through on your goals.

Finance >>



Prepare Now For Slower Growth, Consumer Headwinds

A Traffic Jam of Uncertainty Lies Ahead

By Debora Aydelotte, July 19, 2018

When consumers feel good about their financial future, it tends to be reflected in the housing

market. For that reason, it's hard not to see good things in the recent Consumer Sentiment and Consumer Confidence indices, two key barometers used to gauge the direction of the economy. Yet

(Continued on page 16)



Stonehedge Funding, LLC
We Lend Confidence!

\$\$\$\$Local Hard Money Lender\$\$\$\$
Direct lender with over 28 years of experience!
Do you have a good deal, but need Cash?
Contact Stonehedge Funding, LLC TODAY!

Specializing exclusively in investor purchase and rehab financing.

** Fast Approvals * 65-70% ARV * 3-6 mos. No Payments*
** Desktop appraisals * Rapid Funding*
** Loans to LLC's & Entities * Local Market Expertise*

Interested in doing multiple deals in a year then Stonehedge Funding, LLC is for you!
Deal directly with the creative and flexible decision maker!

For Common Sense Decision Making and Great Service, Please call:

Linda Tosto at (610) 873-6022

LT@StoneHedgeFunding.com

www.StoneHedgeFunding.com



DIG Members
Receive A
Discount!

Proud Members Of:



Delaware County
Apartment Association

Proud Members Of:



Delaware
Apartment Association

www.keystonefloorproducts.com

Total Flooring Rehab Specialists!

Full Service Floor Company For Any Need: Apartment Complexes, Commercial Real Estate
Corporate Offices, Builder/Developer, Residential Housing
Professional, Courteous Sales & Installation, Account Management By Industry Experts!

2969 Samuel Drive Bensalem, PA 19020

PA: 215-639-6300 TRI-STATE: 800-523-5230 FAX: 215-639-0135

E-Mail: contract@keystonefloorproducts.com

24-48 Hour Installation Available!

Proudly Serving The Tri-State Area For Over 60 Years!

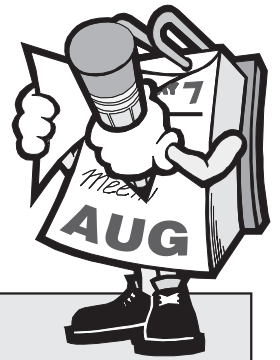


Pre Demolition Sales
A major east coast recycling operation.
www.predemolitionsales.com

Kevin Tobin
Owner
ktobinrealtor@gmail.com

1 610 389 4994 cell
1 610 240 0365

Upcoming Events >>



2018

**August 24 –
September 10**

**EXCLUSIVE VIDEO
ON HOW TO BUY, REHAB
AND MANAGE OUT OF
STATE PROPERTIES**

September 15

**DIG U
FORECLOSURES &
SHERIFF SALES**

September 16

**DIG U
AGREEMENTS OF SALE**

September 22

**DIG U
ASSET PROTECTION /
FINANCING**

September 23

**DIG U
WHOLESALE**

September 27

**DAN ZITOFISKY PRESENTING
CREATING LONG TERM
PASSIVE WEALTH**

October 6

**DAN ZITOFISKY
ALL-DAY WORKSHOP**

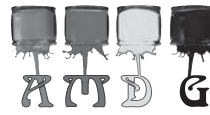
DO BUSINESS WITH YOUR FELLOW DIG MEMBERS!



Tiffany Moore
Pro Account Representative

5325 Nottingham Drive
Suite 120
Nottingham, Maryland 21236

(443) 519-8354
Fax (877) 959-8218
Tiffany_M_Moore@homedepot.com
www.homedepot.com



PARENT COMPANY OF
PRINT 'N COPY
&
GRAPHIC IMAGES

Graphics
INC.

- Offset & Raised Printing
- Full Color Printing
- Layout & Design
- Xerox Hi-Speed Copying
- Complete Mailing Services

10300 Drummond Road
Philadelphia, PA 19154
215.728.8600
Fax 215.342.8133
printncopy.com



TenantReports.com
INSTANT TENANT SCREENING SERVICES

Instant Comprehensive Tenant Screening Services 24/7 **Online**

- ✓ Credit Reports (Experian/Equifax/TransUnion)
- ✓ State & Nationwide Criminal Checks
- ✓ State & Nationwide Eviction Reports
- ✓ Income Verifications
- ✓ And More...

Lawrence A. Brennan

ph 855.244.2400

fax 855.244.2401

TenantReports.com™

Larry@TenantReports.com

PENN
CAPITAL **PC**

Have you considered investing in Large Apartments?

www.penncapitalgroup.com

investors@penncapitalgroup.com

(267) 225-7611

LAW OFFICE OF

BONNIE G. OSTROFSKY, P.C.

1417 BETHLEHEM PIKE
FLOURTOWN, PA 19031-1904
(215) 233-5344

CONCENTRATING IN:

- ELDER LAW
- REAL ESTATE LAW
- BUSINESS LAW

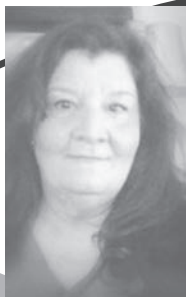
• ESTATE PLANNING, WILLS & TRUSTS

FAX (215) 233-1797

E-MAIL BGO@USA.NET

HTTP://BGOLAW.COM

YOUR AD COULD APPEAR HERE
CALL ELAINE
215-712-2525



Good Deals Find the Money!

Evie Hirschmann

Certified Independent Private Money Broker

Evie@heritagefunding.net

267.203.8834

Hatfield Township, PA

19440

www.heritagefunding.net

The Industry's Best Tool for
Investors and Landlords

SCREEN-LEASE-ONLINE PAY

REIA Members Enjoy a Lifetime
Membership for Only .95 Cents!



An Investigative Screening Company

1-877-922-2547 www.RENTPERFECT.com

SCAN CODE OR
CONTACT YOUR
CHAPTER FOR
THE DISCOUNT:



DIVERSE TECHNICAL LINES, INC.

Employee Benefit Consultants

AGENTS FOR ASSOCIATION AND
CHAMBER OF COMMERCE GROUP INSURANCE PLANS

TRADITIONAL, PPO, POS AND HMO MEDICAL PLANS
PRESCRIPTION PLANS • DENTAL PLANS
GROUP LIFE AND DISABILITY PLANS

2 RED BARN MALL • 120 S. YORK ROAD
HATBORO, PA 19040

(215) 674-9400 • (800) 734-9400

1-2-3 lending

Karen Fischer
Karen@123lending.net

215.794.2665 office

215.534.3480 cell

www.123lending.net

Monthly Meetings (Subgroups are for MEMBERS only)

Bucks & Montgomery County

BuxMont Breakfast Subgroup

Meets the 2nd Thursday at 8:30am in Line Lexington.
Contact Dina Yannich, rentals@yournewhomeagent.com

Rehabbers Subgroup

Meets the 3rd Wednesday at 9:00am in Montgomeryville.
Contact Don Rotanz don@buxmonthomebuyers.com

Vacation Rental Subgroup

Meets the 3rd Wednesday in odd numbered months at 6:30pm in Horsham.
Contact Susan/Larry Cerrito SMCerrito@comcast.net

Lower Bucks County Subgroup

Meets 4th Tuesday of the month at 6:30 PM in Trevoze.
RSVP Garrymiller1@yahoo.com

Central Bucks Subgroup

Meets the 1st Monday at 6:30pm in Warminster.
Contact Mardi Harrison mardi@funding4flippers.com
Closed July and August

Creative Real Estate Investors Group

Meets the 1st Wednesday at 9:00am in Dublin.
Contact Don Rotanz don@buxmonthomebuyers.com

Eastern Montco Sub Group

2nd Tuesday of the month except for July and August at 630pm in Hatboro. Robin Laufer, Hatboro443@yahoo.com

Delaware County

Delaware County Subgroup

Meets the 1st Wednesday at 6:30pm in Havertown.
Contact Daniel Harvey dmhinvest@gmail.com No July/August

Chester & Lehigh County

Chester County Subgroup

CLOSED Temporarily.
Looking for a new leader

Chester/Montgomery Subgroup

Meets the 2nd Wednesday at 7:00pm in Oaks.
Contact Steve Babiak sbabiak2183@gmail.com
No meetings July and August

Lehigh Valley Subgroup

This group is CLOSED and looking for a new leader
Interested? Email membership@digonline.org

Philadelphia

Philadelphia Subgroup

Meets the 3rd Tuesday at 7:00pm in Philadelphia.
Contact Joe Thomas jestprise@aol.com

Phil-Mont Sub Group

2nd Monday of the Month 6:30 PM to 8:30 PM in Conshohocken. Contact Austin Jones atjones42@gmail.com

Philadelphia/Lower Bucks Commercial Subgroup

Meets the 1st Tuesday at 6:30pm in Philadelphia.
Contact Joe Scorese jscorese@firsttrust.com
Closed July and August

Phila Breakfast Subgroup

Meets every Friday at 8:00 am in South Philadelphia.
Contact Joe Scorese jscorese@firsttrust.com

Philly Riverwards Subgroup with HAPCO

Meets the 3rd Wednesday of the Month at 6:30-8:30PM in Philadelphia.
Contact Joe Scorese jscorese@firsttrust.com

South Philly Rehabber's Subgroup

Meets the 4th Monday at 6:30 pm in Philadelphia.
Contact Joe Scorese jscorese@firsttrust.com

University City Subgroup

Meets the 3rd Monday at 6:30-8:30pm in Philadelphia.
Contact Pex Arellano or Joe Scorese parellano@cbpref.com
jscorese@firsttrust.com

New Jersey

We are in need of Co Leaders for some of the Philadelphia sub groups. If you would like to assist with this, please email Stephanie @executivedirector@digonline.org

Members, for more information and exact locations please contact the leader or go to digonline.org

NEW GROUPS WELCOME

Want a great way to network? Join a subgroup near you! This is a great way to meet new people and talk about issues that pertain to your area of investing. No group in your area? Why not start one! If you are interested in starting a new group send an email to subgroups@digonline.org.



DIG VENDOR SPOTLIGHT

Please patronize our DIG vendors for the best in service and pricing.



Phone (610) 873-6022

Fax (610) 873-6026

STONEHEDGE FUNDING, LLC

The Alternative Financing Source for Real Estate Investors

JAMES M. BENNETT
President

P.O. Box 460, Uwchland, PA 19480-0460
www.stonehedgefunding.com



Tiffany Moore
Pro Account Representative

5325 Nottingham Drive
Suite 120
Nottingham, Maryland 21236

(443) 519-8354
Fax (877) 959-8218
Tiffany_M_Moore@homedepot.com
www.homedepot.com

**NEW VENDORS
WANTED
ADVERTISE HERE!**

**NEW VENDORS
WANTED
ADVERTISE HERE!**

JOHN J. HEPNER

(215) 672-7150

HEPNER & ASSOCIATES
Accountants

Small Businesses &
Taxes & Real Estate

PO Box 1163
Willow Grove, PA 19090



ANTHONY GONZALES
Broker, General Manager

Cell: (610) 466-5446
Office: (610) 664-3254
Email: Anthony.Gonzales@newwestern.com

1 Belmont Ave., Ste. 610
Bala Cynwyd, PA 19004

www.NewWestern.com



CamaPlan
Personalized Self Directed IRA Planning

Ryan Fischer
Account Executive
rfischer@camaplan.com

p 866.559.4430 | f 973.302.8622
www.camaplan.com



Certified Public Accountants
Management Advisors
State and Local Tax Consultants

RAYMOND P. MINICH, CPA MS

204 N West Street
Suite 103
Doylestown, PA 18901

Office: (267) 247-7601
Fax: (267) 247-7603
Email: rpm@RPMinich.com



INVEST IN REAL ESTATE THE EASY WAY. HANDS FREE AND HASSLE FREE
www.RealEstateTheEasyWay.com

(855) 653-8201

**NEW VENDORS
WANTED
ADVERTISE HERE!**



Adam Rothberg
Account Executive

125 E. Elm Street
Suite 210
Conshohocken, PA 19428

Direct: 215.866.0070
Cell: 610.761.3790
Fax: 215.509.2355 (BELL)
arothberg@bbfpa.com
www.bbfpa.com



KitchenSearch.com

Alex Ankudovich

(215) 253-5800 ext.101 office
(215) 600-1307 fax
alex@kitchensearch.com
www.KitchenSearch.com

1296 Adams Rd., Unit 210
Bensalem PA 19020

**FOUNDATION
SUPPORTWORKS**
by BQ Basement Systems

Charles Schofield
Commercial Marketing Manager



800-339-2070 • Fax 215-233-5527 • Cell 215-778-2069
525 Bethlehem Pike • Erdenheim, PA 19038
cschofield@BQBasementSystems.com • www.BQBasementSystems.com



Private Money Lending In Eastern PA And New Jersey

215.839.3271

ian@hardmoneybankers.com
www.hardmoneybankers.com

**NEW VENDORS
WANTED
ADVERTISE HERE!**



**MONTGOMERY
TILE & DESIGN**
...from current to closeout

Sheryl Lester
sheryl@montgomerytiledesign.com

Hours:
M, W, F - 8am - 5pm
Tu, Th - 8am - 7pm
Sat - 8am - 2pm • Sun - Closed
213 Keystone Drive
Montgomeryville, PA 18936

267-462-4857 or 4858

Fax 215-367-5898

montgomerytiledesign.com

Auction.com
Renee Girifalco
1 Mauchly
Irvine, CA 92618
215-694-1506
rgirifalco.PTA@auction.com

WHERE
REAL ESTATE
IS MOVING

auCTION
.com



Steven Seymour
Broker/Owner

307 N Walnut St
West Chester, PA 19380
Call: (484) 880-1236
Office: (484) 800-1777
steven@vralliance.com
www.VRAlliance.com



DIG VENDOR SPOTLIGHT



BAUM, SMITH & CLEMENS, LLP
CERTIFIED PUBLIC ACCOUNTANTS and BUSINESS ADVISORS

David R. Goettelman, CPA
Senior Account Manager

2128 North Broad Street
Lansdale, PA 19446
Phone: 215-368-5755 ext 138
Fax: 215-368-7038
Email: daveg@bsccpas.com
Website: www.bsccpas.com

Member of
CPA AMERICA
INTERNATIONAL
Member of PCPS/The AICPA
Alliance for CPA Firms

List on the MLS for \$289

**simple
choice**
realty.com

DIG members get a \$50 discount
Use coupon code - DIG

TCS MANAGEMENT

KEEPING IT SIMPLE. DOING IT RIGHT

Joseph Puggi
New Client Originator

O: 215.383.1439 x108 M: 215.370.6909
joseph@tcsmtg.com • www.TCSMGT.com
2001 Hamilton Street, Suite 227, Philadelphia, PA 19130

**NEW VENDORS
WANTED
ADVERTISE HERE!**

1031 CORP.



Ellie Trovato
Business Development Manager

100 Springhouse Drive
Suite 203
Collegeville, PA 19426

1.800.828.1031
610.792.4880 ext. 215
Mobile: 484.798.9430
Fax: 610.489.4366
ellie@1031CORP.com
www.1031CORP.com

Award-Winning Professional Home Staging

Victoria Guillot
**STAGE
COACH**

Victoria Guillot
267-221-1569

StageCoachServices.com
victoria@stagecoachservices.com



RUSHFORTH ENGINEERING

Structural inspections and recommendations
for residential and commercial buildings

Alan Rushforth, PE
610-520-1968 Office
215-620-6345 Cell

AlanRushforth@comcast.net www.RushforthEngineering.com

rentwellTM
LEASE • MANAGE • MAINTAIN

Alin Bilc, Team Leader

abilc@rentwell.com
Direct: 484.474.0146

630 Parkway Drive
Broomall, PA 19008
Office: 877.473.6821

**NEW VENDORS
WANTED
ADVERTISE HERE!**

LendingOne

JASON FORMAN
Business Development Manager

(561) 717-2860
jforman@lendingone.com
LendingOne.com

901 Yamato Road
Suite 150
Boca Raton, FL 33431

**NEW VENDORS
WANTED
ADVERTISE HERE!**

PPR
Share. Build. Preserve.

PPRNoteCo.com

200 Berwyn Park, Suite 210
920 Cassatt Road
Berwyn, PA 19312

Absolve Contracting LLC
Plumbing HVAC Remodeling

Joe Duda
Master Plumber
484-636-7741
josephdudajr@yahoo.com



GERHARD'S
APPLIANCES • MATTRESSES

Charles E. Gerhard IV

"The Finest in Appliances & Service"

GLENSIDE
290 Keswick Avenue
Glenside, PA 19038

Tel 215-884-8650 ext. 130
charles@gerhardsappliance.com
www.gerhardsappliance.com

CRAZY OPTIONS TRADER.com
CRAZY REAL ESTATE INVESTOR.com
Learn to Make Money Like Crazy!
Call Me!
I'll Be Glad to Show You How!
Larry Steinhouse
215-378-9190



"Increasing Your Investment Income....Securely"

Secured
INVESTMENT LENDING
Company NMLS #398266

Trey Aulls
CEO, NMLS #241733
483 Montgomery Place
Altamonte Springs, FL 32714
Office: 407-878-2830, Ext. 231
Cell: 352-678-7464
Fax: 407-878-2831
Toll Free: 855-485-9032

Trey@SecuredInvestmentLending.com
www.SecuredInvestmentLending.com

LET US FUND YOUR NEXT RENOVATION

**EXTERIOR
DESIGN
& DEVELOPMENT**
CHAD SOLAR
President

Cell: (215) 760-4634
Office: (215) 947-7100
Toll Free: (888) 606-1950
chad@exteriordd.com
PO Box 903
Huntingdon Valley, PA 19006
www.exteriordd.com

**WELCOME
TO OUR NEWEST
VENDOR!**

Prepare Now For Slower Growth, Consumer Headwinds cont.

while the view from the windshield of the economy seems clear, the traffic maps show a good deal of congestion and uncertainty ahead.

Further, the U.S. economy grew by 2.9% in the fourth quarter of 2017, a faster pace than the originally forecasted 2.6%, but slowed somewhat during the first quarter of 2018 to 2.3%. On the surface, these numbers are bright when compared to growth elsewhere in the world. But when we look more deeply at how consumers feel about the economy; the picture starts to dim.

In June, the U.S. Consumer Confidence rate remained near an 18-year high at 126.4, where it has been hovering for some time. The consumer sentiment index, reported by the **University of Michigan**, dipped only slightly in July to 97.1% and has remained favorably steady over the past months. However, high-income earners and low-income earners don't seem to share the same outlook.

Recent gains in consumer sentiment have been driven by households with incomes in the bottom third, which saw double digit increases, while the rate for households with incomes in the top third actually fell. One explanation is that low- and mid-income earners are feeling a bigger impact from the recent tax reform and one-time take home bonuses, and they are buoyed in their optimism by an unemployment rate and interest rates that are remaining low—for now.

High-earners, on the other hand, see things differently. This group is more likely to be focused on long-term investments. And right now, a volatile stock market, the prospect of higher interest rates and a possible trade war paint a much less rosy picture of the future.

Sometime this year, these two groups are going to meet. For the lower earners, the short term high of tax relief will wear off, and higher rates and potential inflation will start to impact their decisions to borrow money. As we near the mid-term elections, we can expect a barrage of negative political coverage both locally and nationally. To be

certain, much of the attacks will be centered on the economy, and the mood of the nation will dip.

Currently, the sentiment in the housing industry is one of frustration. Low inventory and increasing prices are hurting affordability, and the 1.6% wage growth in June isn't keeping up with the increase in housing costs. This is especially troubling for low- and mid-income earners, as it prohibits upward mobility. Except for the internal dismantling of the federal agencies like the **Consumer Financial Protection Bureau**, further efforts to deregulate the industry will grind to a halt by August or September as we enter the mid-term election season.

Looking ahead to 2019, we only see more uncertainty. Some economists are projecting a flat consumer spending rate and flat unemployment next year, but a faster increase in rates under Fed Chairman Jerome Powell. Another potentially huge factor on the economy is the onset and outcome of the trade war with China, Canada and other nations, which will impact businesses and consumers.

The housing industry is traditionally seen as the machine that drives overall economic growth in the U.S., but that machine is starting to wear down. For the remainder of 2018, the housing industry will be plagued by low inventory, the Fed likely increasing interest rates and a challenging labor market. Home purchases and home equity lines will continue to lead production, with refinancing continuing its dramatic retreat into 2019.

All things considered, the consumer outlook may be peaking. We are looking at a U.S. economy that is in the late stages of expansion and is moving toward inflation management and even a potential recession in late 2019 and 2020. The uncertainty of U.S. regulatory changes will continue to create spastic volatility in our market, which will complicate near-term and long-term management decisions. As industry participants, we need to recognize what is happening and think strategically about how to manage through a market affected by a broader set of triggers.

DIG Member Gives Back!

Long time DIG member Bill Kratz gives away a FREE 1 year membership to the winner of a drawing!

Bill donated this gift as a way to give back for all DIG has done to make him Successful!

Congratulations to the winner Timothy Wongus!



STEALS and DEALS >>

Properties for Sale

| | | | | |
|----------------------------|--------------------|--------------|--|--------------|
| 1542 N. 15th Street | Philadelphia | \$2.8 | Temple U. Campus; 6 unit w/ store front | 267-825-0978 |
| 564 Park Road | Fleetwood, PA | \$ 70,000 | 3BR/2BA single; www.cheapfixerupper.com | 215-767-7197 |
| 2356 S. Howard Street | Allentown | \$ 85,000 | 4BR/1BA single; www.cheapfixerupper.com | 215-767-7197 |
| 74 Steel Avenue | Coatesville | \$ 70,000 | 3BR/1.5BA twin; www.cheapfixerupper.com | 215-767-7197 |
| 6817 Rodney Street | West Oak Lane | \$ 65,000 | 3BR/1BA ; some rehab needed; rent or flip | 484-324-8680 |
| 2916 W. Clementine Street | Strawberry Mansion | \$ 15,000 | 3BR/1BA shell; needs complete renovation | 484-324-8680 |
| 10 unit apartment building | Lansdale | \$980,000 | Great cash flow; rents below market | 267-221-2441 |
| 84 E. Columbus Avenue | Pittston, PA | \$ 35,000 | Duplex; Two 1 BR; Rent range \$500 - \$550 each | 717-587-0440 |
| 800 East 9th Street | Ocean City, NJ | \$599,000 | 4BR/3BA; beach block, ocean views; 2 car garage | 610-733-7690 |
| Portfolio sale | Philadelphia | \$250,000 | 4 Section 8 turn key properties | 215-718-7141 |
| 637 Old Elm Street | Conshohocken | \$165,000 | Wholesale flip; \$320K ARV; financing available | 267-374-7726 |
| 2622 N. Chadwick Street | Philadelphia | \$ 25,000 | 3BR/1BA total gut; N. Philly; Attorney rep. seller | 610-659-5926 |
| 342 Windermere | Drexel Hill | \$133,000 | 4BR/2.5BA; Finish rehab; \$265K ARV | 610-389-0115 |
| 809 Cloverly | Jenkintown | \$175,000 | REO; needs rehab; sold "as is" | 484-614-1747 |
| 3050 Gaul Street | Port Richmond | \$ 80,000 | 3BR/1BA row; needs structural repair & full rehab | 609-923-1743 |
| 50 Linden Avenue | Lansdowne | \$ 65,000 | 3BR/2BA needs some rehab; \$179K-199K ARV | 267-875-3641 |
| | Darby | \$ 20,000 | 3BR/1BA needs full rehab; 1044 SF | 484-557-6659 |
| 225 E. Wildwood Ave. #405 | Wildwood, NJ | \$120,000ob | 1BR/1BA turnkey seasonal condo; partial finan. | 215-939-6364 |
| 3144 D Street | Philadelphia | \$ 38,000 | 3BR/1BA ready for rehab | 215-429-4888 |
| 228 E. Marshall Street | Norristown | \$ 47,500 | 3BR/1BA , garage; 20-30K rehab; financing avail. | 267-716-3001 |
| 3905 Dennison | Drexel Hill | \$ 79,000 | 1BR/1BA duplex; \$1275/mo. rent; 9.8% cap rate | 267-808-0574 |
| 2227 Hobson Street | Philadelphia | \$ 24,200obo | 3BR/1BA; needs new flooring, paint, kit. & bath | 267-405-2279 |
| 26XX Muhlfeld Street | Philadelphia | \$ 99,995 | 2 3BR homes; good cond.; \$1990./mo. total rent | 610-246-7246 |
| 738 N. Hazel Street | Allentown | \$ 94,000 | 12 garages w/ roll up steel doors; \$95/mo rent each | 215-350-3632 |
| 119/121 E. Anna Street | Whitesboro, NJ | \$ 50,000 | 2 adjacent lots; no house; Cape May County | 267-825-0978 |
| 106 Main Street | Darby | \$ 35,000 | 5BR/2BA; Full rehab @\$35K; ARV \$125K | 610-716-1330 |
| 1305 Rainer Road | Brookhaven | \$ 60,000 | 3BR/2.5BA; row house with basement & garage | 484-467-3533 |

VACATION RENTALS

| | | | |
|-------------------------------|------------------------|---|----------------------|
| Myrtle Beach, SC | Call for rates | 2BR/2BA ocean view condo on the beach; sleeps 6 | 267-496-5246 Lynette |
| Duck, NC | \$855-2900 | 4 BR/3BA; sleeps 10; www.elanvacations.com; The Grey Goose | 252-491-8787 Dawn |
| Orlando, FL Timeshare | 1BR/\$199; 2BR/\$299 | Mystic Dunes Resort & Golf; Sunday checkin; 1/22-4/9; 5 nights | 215-534-1610 Frank |
| Sarasota, FL | \$ 695-795/wk. | Relax on #1 beach in US; 2BR+; see it at www.goSiesta.com | 215-344-1100 Jeremy |
| Bonita Springs, FL | Call for rates | 2BR/2BA condo, beach, pool, views, WIFI | 614-975-6428 Jen |
| Ocean City, NJ | \$1000-2000/wk. | New 4BR/2BA condo w/ elevator, www.homeaway.com #227402 | 215-237-1977 Keith |
| N. Wildwood, NJ | \$ 450-1700/wk. | www.vrbo.com/159300, 3BR/3BA beachblock, sleeps 8, pool, view | 610-388-2757 Dave |
| Ocean City, NJ | \$995-3595/wk. | www.nicerentalhomes.com; 4BR/3BA beachblock; sleeps 10; 9th St | 610-473-9981 Susan |
| Orlando/Kissimmee, FL | \$750-1200/wk. | 3BR/2BA home close to Disney, pool & WIFI (call for others) | 610-570-4125 Sandy |
| Margate, NJ | \$1000-5500/mo. | 1BR/1BA oceanfront complex condo, sleeps 4, WIFI, pool, parking | 610-570-4125 Sandy |
| Lake Wallenpaupak, Poconos | \$ 625/wk. - \$350/we. | 3BR/1.5BA, sleeps 8, 20 min. from Tanglewood Ski Resort | 267-242-2712 Olga |
| Ocean City, NJ | \$ 800-\$1750/wk. | 3BR, 2nd fl., beach blk., weeks avail August & September | 215-364-1970 Lynn |
| Wildwood, NJ | \$1400-1950/wk. | 4BR/3BA condo w/pool, 1.5 blks. to beach (call for others) | 267-254-3507 Bill |
| N. Wildwood, NJ | \$1800-4495/wk. | www.nicerentalhomes.com; 4BR/3BA fabulous ocean front; pool | 610-473-9981 Susan |
| Ocean City, NJ | \$ 550-850/wk. | 1BR luxury condo, 1 blk from beach & boards (call for other 2-4 BR) | 215-672-7150 John |
| Ventnor, NJ | Call for rates | Ocean front/boardwalk/ocean, sleeps 4 | 732-619-6594 Raymond |
| Cape May, NJ | \$2300-4500/wk. | 1 blk from beach, very large homes, sleeps 17 | Landlord@writeme.com |
| Key West, FL | \$2650-4500/wk. | 4BR/3BA, private compound, sleeps 8 | 215-266-2575 Ron |
| Key West, FL | \$2400-3900/wk. | 3BR/2BA, private pool, sleeps 8 | 215-266-2575 Ron |
| Ocean Club, Atlantic City, NJ | \$22K/season | 2BR plus den, 2.1 BA, front view of ocean, 18th floor | 215-237-3147 Morris |
| Wildwood Crest, NJ | Call for rates | Condo w/pool, sleeps up to 6, on the beach (call for others) | 215-431-4689 Walt |

Steals and Deals is a fine opportunity for DIG members who have real estate to sell. DIG does not charge a commission or fee. You deal directly with the buyer. Fax listings to the DIG office at 215-933-6933. You can also email the ad to marketplace@digonline.org. Even if your property is currently listed with a real estate broker, the exposure to over 1100 serious investors each month can be a better sales opportunity.

Ads update once per month.



How many landlords does it take to change a lightbulb?

One. But if you want to change anything else, it takes a lot more of us.

HAPCO fights for your interests every day. JOIN US!

We're the Homeowners Association of Philadelphia and we're the voice of residential property owners and investors like you. In city and state government, in the courts, in negotiations with tenants' groups and others, we stand up for your rights and advance your interests.

But we need your support. Your membership will not only get you a stronger voice, it'll get you practical benefits like member discounts and our low-cost eviction service.

Here's what HAPCO has done for you lately:

Worked with PGW to ensure you're not held responsible for your tenants' unpaid gas bills. PGW's landlord cooperation program, which HAPCO helped develop, allows landlords to avoid having liens placed on their properties if tenants fail to pay for gas service.

Pushed for limits on City Council's lead paint testing law. HAPCO stood up for landlords against a proposed city law that would require lead paint testing with every tenant change. We helped to hammer out a compromise that calls for testing only when the new tenants include small children.

Helped develop a Rental Suitability Certification that doesn't overburden landlords.

City Council's original rental suitability law was onerous. HAPCO led the fight to change it, helping to eliminate unnecessary requirements and expenses.

Helped maintain your right to speak before City Council. When a bill was introduced to take away the right of citizens to speak at city council meetings, HAPCO joined others to defeat the measure so that landlords would always have the right to be heard.

As a member, you'll also get access to information and strategies to help improve your business. Get the perks, get the advice, get a stronger voice.

1120 Buttonwood St. #A, Philadelphia, PA 19123
(215) 684-1684 www.hapcoassoc.com



Covering Entire Delaware Valley Area

rentwell™

LEASE • MANAGE • MAINTAIN

LEASING SERVICES

- ✓ Quality Resident Screening
- ✓ Proprietary Rental Surveys
- ✓ Professional Advertising & Marketing
- ✓ Unlimited Showing Appointments
- ✓ Detailed Applicant Screening

MANAGEMENT SERVICES

- ✓ Providing Peace of Mind & Value
- ✓ Maximum Return on Investment
- ✓ Convenient Online Owner Access
- ✓ Quality Resident Relations
- ✓ 24/7 Emergency Services
- ✓ Full Accounting & Financial Reporting

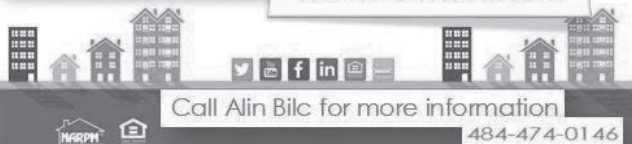
MAINTENANCE SERVICES

- ✓ On-Boarding Property Evaluations
- ✓ Supervision of Contractors and Vendors
- ✓ Online Work Order System
- ✓ Proprietary Rental Lock System
- ✓ Property Condition Reporting

RentWell is focused.

**We only Lease, Manage and Maintain.
No sales which keeps us 100% focused
on your investment.**

www.rentwell.com



HELP EXCLUSIVE LEGAL PLAN

(H.E.L.P.)©

Serving Real Estate Owners Since 1993

When you need a real estate attorney call us, free of charge, and we will discuss your problem with you. If legal services are needed, our rates for DIG members are reasonable.

We also practice in Civil Litigation, Wills, Estates and Trusts, Corporate Law, Business Transactions and Asset Protection.

H.E.L.P. is just a telephone call away®

LAW & ASSOCIATES, L.L.C.

One Penn Center

1617 J.F.K. Boulevard - Suite 1055

Philadelphia, PA 19103

Telephone: (215) 751-0500

Fax: (215) 751-0700

Tmlaw50@verizon.net

Dear Dr. DIG: >>



Q. A tenant vacated one of my units 35 days ago. They were excellent tenants and I hated to see them leave after three years. I was just getting around to returning their security deposit when I received a notice from the local district justice that I am being sued for double the security deposit plus interest on the security deposit I held. Can they win this case? A. Unfortunately for you, they have a very strong case. The Pennsylvania Landlord Tenant Act states a landlord must return a tenants security deposit within 30 days of vacating (after termination of the lease) or the tenant can sue for double the amount of the security. If the tenant had only asked for the security due, you would not be able to sue for damages to the property. Since they have filed for double the security deposit the law allows you to counter sue for damages.

A. Interest on security deposits start on the first day of the third year. Since they were tenants for three years they are entitled to one year of interest. If the security deposit was kept in a passbook savings account earning 5 1/2% interest you may keep 1% as a management fee and must pay them 4 1/2%. If the security deposit was less than \$100 then no interest is due.

Dear Dr. DIG:

Q. I purchased an investment property and inherited the tenants. After one vacated found a hole in a wall and another hole in a door. There were also stains on the carpet and two tiles missing from the kitchen floor. I repaired and replaced all items and subtracted it from the security deposit. The tenants are now taking me to court because they said the items I subtracted from the security deposit were that way when they moved in. Do they have a case or will my word that they were not that way when I bought the house be enough for me to win the case?

A. It has been my experience that District Justice's in circumstances as you have described will side with the tenants for two reasons. #1 - It is your word against theirs as to who caused the damages so the tenants will get the nod here, #2 - If you can not produce an inspection sheet signed by the tenants when they moved (given to you by the seller) or when you purchased the property and had them sign, the nod will also go to the tenant. The moral to this story is ALWAYS have tenants sign an inspection sheet even if you inherit them from the seller without one.

Dear Dr. DIG,

Q. We finally found an investment property in a

neighborhood we know and feel will appreciate in value over the years. Our problem is when we work a property analysis sheet, the price would have to be about 20% less to give us a positive cash flow. When we showed our realtor our numbers he said he would be embarrassed to present such a ridiculously low offer. The realtor admits the rents are low and tells us to offer more and increase the rents as soon as we purchase the property. Should we go for the low price offer or listen to the realtor and give them a higher price knowing we can raise rents immediately?

A. I would be willing to bet your realtor does not own any investment properties! I don't know of any investor who would encourage you to pay more than what it is worth "because you can increase rents after the purchase". That mentality is the worse way to buy properties. One of the best ways to buy properties is to find sellers whose rents have fallen well below market rents. Negotiate the price based off the rents not what a similar unit sold for down the street. Let's assume the property "down the street" is similar but has \$200 a month more income than his property. Using the formula that \$1.00 increases the value of the property \$100, the realtors property should be listed for \$10,000 less than the one down the

(Continued on next page)



Time Out For LAUGHS CORNER

Real Estate investing can be stressful at times, whether you're an agent, buyer or seller so enjoy these fun facts, figures and interesting anecdotes to keep it light.



"We do have a property in your price range, but we need a time machine to go back and visit it!"

Dear Dr. DIG: >>

Dear Dr. DIG: cont.

street. Don't let this novice realtor push you toward the higher price (and larger commission for him) and then raise the rents. Show the realtor and seller why your offer is what it is (rents don't justify the price) and negotiate from there. Let's presume the rents are \$200/month low and they can be raised within the first few months of ownership. The property could be put back on the market for \$20,000 more and give the new owner the same rate of return as yours.

Dear Dr. DIG:

Q. Recently I saw an ad in my local newspaper for an investment property that said the owner would consider some financing. When I called, the deal was buyer would put 5% down and the seller would carry back 20% on a second mortgage at

no interest with a balloon payment in 24 months. This whole arrangement was contingent on a full price offer. I inspected the property and found it in excellent condition and my research of comparable sales in the area show his price commensurate with the area. Should I consider this offer?

A. The situation looks dangerous. Buying the property at full market value with a two year balloon does not give the property much chance to increase in value. If you considered a refinance or a second mortgage in two years the bank will require 20% equity in the property which will not leave enough money (if any) to pay off the balloon. Unless you can get the seller to give a two year extension option on the balloon my recommendation would be to say no and move on.

Legislative News >>

Opportunity Zone Tax Breaks Tantalize Real Estate Investors

Developers Are Lining Up To Get In On Tax Breaks For Investments In Low-Income "Opportunity Zones"

By Jeremiah Jensen, July 18, 2018

Investors and developers are racing to get a piece of the pie in opportunity zones.

According to the Wall Street Journal, from developers to nonprofits, everyone is grabbing for the tax breaks offered for investments in low-income neighborhoods, or "opportunity zones."

These zones were created as part of the tax overhaul and allowed governors to designate up to 25% of their state's low-income Census tracts as tax-favored opportunity zones where investors can defer taxes by taking capital gains from other investments and reinvesting them in these areas.

"This is the biggest initiative of this type by the federal government with the least debate, the least staff support, the least research and still the least clarity," Los Angeles Mayor Eric Garcetti told WSJ.

"It hasn't really been fleshed out and that's exciting for me," he added.

The hope is to generate economic energy in these areas, and with as little oversight as there is,

investors are excitedly gearing up to deploy capital in opportunity zones.

Many of the interested parties are raising funds to construct affordable housing projects in these areas where previously projects did not make financial sense.

According to Ross Baird, president of Village Capital Group, a venture capital firm in Washington D.C., these tax breaks are geared toward real estate investment, but his firm is exploring other ways to use the program.

This program is expected to cost the government \$7.7 billion between 2018 and 2022, and \$1.6 billion over 10 years as deferred taxes are paid, according to the Joint Committee on Taxation.

There are some concerns that the investments may be lopsided, skewing toward the lowest risk developments when the communities need higher risk developments to thrive, but generally, optimism is high as cities anticipate new economic vigor and investors see new opportunities in hitherto inaccessible areas.

Source: Wall Street Journal





UPDATED: Online Home Value Estimates Are NOT Appraisals

By Karen Belita, Data Scientist on July 3, 2018

Posted in [Appraisal & Valuation](#), [Being a REALTOR®](#), [Economic Updates](#)

This blog was originally published on June 29, 2017. It has since been updated to reflect new data.

Consumers who are seriously in the home buying and home selling market should be mindful of a variety of competing home price estimators. Solely relying on just one price estimate is likely to skew the views of what a particular property will actually transact for. When it comes to online home value estimates, however, the number one caveat for consumers is that these estimates are not a substitute for formal appraisals, comparative market analyses, and the in-depth expertise of real estate professionals. Nonetheless, it is important to know the different sources of Automated Valuation Models or AVMs and home value estimates available online, so that members can help clients and potential clients understand these estimates in their proper context.

Where are these home value estimates coming from? The prevalence of technology can give anyone more access to a broad spectrum of information on the internet. In real estate, access to property details and values is easier due partly to low-cost immense computing power. AVMs spit out a price for a property based on computer algorithms and calculations that take different sets of property data and look for patterns and relationships between property value and the input data. There are websites that will have a home value estimate available by just searching an address, while others may provide an estimate only upon request.

The most popular sources of home value estimates online are those that use AVMs. These estimates have varying levels of accuracies and may not take into account the unique qualities of a home, a neighborhood, and local markets. The main sources of AVM estimates are:

- Realtors Property Resource® (RPR®): RPR® has two home value estimates, their AVM estimate and the Realtors Valuation Model® (RVM®)

estimate. The difference between the two is that RVM® uses the same data as the AVM plus Multiple Listing Service (MLS) Data. Both AVM and RVM® show the accuracy level of the estimate by giving estimate ranges and confidence scores. This resource is available for REALTORS® only and allows a significant amount of expert customization, making it a useful tool for members, especially when working with well-researched clients.

- REALTOR.com®: Realtor.com® uses tax assessment records, recent sale prices of comparable properties, and other factors to estimate home values. This estimate is free and publicly available.
- Redfin: Redfin is a web-based real estate brokerage that gives the Redfin estimate for the property, which is based on market, neighborhood, and home-specific data, including MLS data on recently sold homes. Redfin cites that their estimates for properties currently on the market are more accurate than

(Continued on page 25)



APPLIANCE & MATTRESS

25% BIGGER Savings On Packages vs.



FREE
Delivery + Removal*



NO
Sales Tax



FREE
Standard Parts*



FREE
30 Day Storage*

SAVE Time & Money Big at Bigcentric.com

(302) 304-1010

sales@bigcentric.com

151 Edgemoor Rd, Wilmington DE

M-F 10:00 - 7:00

Sat 10:00 - 5:00

Sun Appt. Only

*Contact Us For Details

Still Floundering Trying to Catch a Profitable Deal?

The **4-4-2 Rehab Coaching Program** will show you step-by-step how to buy, rent, sell or wholesale a profitable deal in just a few short weeks at an incredibly affordable price.

What Is the 4-4-2 Rehab Coaching Program?

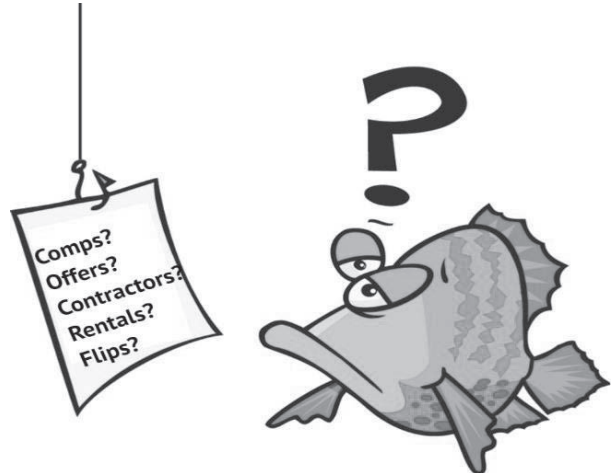
- ❖ 4 one-on-one coaching sessions
- ❖ 4 weeks to find your deal
- ❖ 2 coaches to guide you through your rehab

No other Coaching Program

- ❖ Goes on-site with you to estimate repairs & close the deal.
- ❖ Works side-by-side with you throughout your rehab.
- ❖ Shares their list of local resources, vendors and forms

No other Coach

- ❖ Has **15 yrs. experience** as a marketer, rehabber, designer, realtor & "Certified Business Coach"



Time & Money-Saving Investor Services

Funding & Partnering

- ❖ *Found a great deal but don't have the money or experience to take it on alone? Kathy will work with you as your financial partner and coach*



Let Kathy Design & Sell Your Next Rehab!

- ❖ *Professionally Design the property space and layout*
- ❖ *Select finishing materials and color schemes*
- ❖ *Decorating and staging for your finished rehab*
- ❖ *Complete Realtor listing services to sell your beautiful rehab!*



HOLY CARP!!

**Before you REEL in your next DEAL...
...Contact Kathy!**

www.RealLifeCoachingSite.com

Phone: 267-449-0147

Email: yourphillycoach@yahoo.com

Staying Up to Date >>

Home Depot Rewards



**Want to save time and money
on paint and materials?**

PAINT

DIG has negotiated a deal with Home Depot that will give you 20% off an array of high quality paints.

All Behr, Glidden and Kilz paint, primer, stain and

Water proofer purchases are eligible.

You need to use your registered pro xtra phone number

at the time that your purchase is made

(once registered with Home Depot)

to get the 20% discount. Its a volume

discount, which all members will contribute towards.

HAMPTON BAY CABINET "D.I.G." EXCLUSIVE

Purchase and Delivery Options

Full and Half Truck loads deliver direct to job site

Competitive Quote Process

Factory Representatives available to answer questions

Hampton Bay Designer Series Cabinet Line

Broad Selection of Frameless Cabinets supports

step-up kitchen designs

Design Connect at The Home Depot

Ability to create 2020 designs for PRO customers

REBATE

Automatic 2% rebate on all Home Depot purchases

Once all purchasing platforms are registered in your

Home Depot Pro Xtra Account

In addition to this, you receive partnership

from all home depot vendors and the

DIG Pro Account Home Depot Representative

| CUMULATIVE SPEND | FUEL REWARDS SAVINGS EARNED** |
|------------------|-------------------------------|
| \$100 | 10¢/GAL |
| \$500 | 50¢/GAL |
| \$1,000 | \$1.00/GAL |
| \$2,000 | \$2.00/GAL |
| \$3,000 | \$3.00/GAL |
| \$4,000 | \$4.00/GAL |

Still Have Questions About Your Account?

Contact Tiffany Moore, Account Representative

Phone-443-519-8358

Email- TIFFANY_M_MOORE@homedepot.com

Contact your local Home Depot about HD products

Online Marketplace

DIG has a "Marketplace forum hosted on it's new Forum www.diganswerline.org for exchanging information about deals, selling leftover rehab materials, finding tenants, promoting properites, publicizing your rehabs for sale, ect.

The Marketplace allows participants to send/recieve non-commercial marketing-related messages to those who are intersted. The DIG Marketplace is realtime, and the updates are manages by the individual seller. This allows very quick responses to the opportunities that are posted.

Sign up by going to: www.diganswerline.org

Once you are registered, submit your properties, ect., on the Marketplace forum. You can also post by emailing your ad to Marketplace@diganswerline.org

We hope to see you there!

Member Resources

Missed a meeting and want to find out what the Speaker talked about? Looked at your notes, and you just know you missed an important point?

DIG has the solution.



Every DIG meeting is recorded.



Meeting recordings are available for download on the DIG website at the DIG Store in the Member Links tab.

GUEST POLICY

Anyone who has never attended a general membership meeting is cordially invited to come to their first meeting as a guest of DIG. After this guest meeting, we invite you to join for a Full Year Member (12 months). Any return visits to a meeting by a Non-Member require a \$25.00 guest fee to be paid.



An Investigative Screening Company

FREE, MOBILE FRIENDLY TENANT SCREENING AND LEASE MANAGEMENT TOOLS

Rent Perfect Provides 4 simple yet powerful tools, backed by Private Investigators, to make screening and managing your ideal tenants easier than ever!

With Rent Perfect, screening and managing tenants couldn't be easier. When a potential renter says "I'll take it" to one of your properties, you simply collect their email address. We'll send them an online application, which they can complete immediately via any computer, tablet, or smart phone. Applicants pay the \$35 fee directly to us, and you get instant access to your applicant's report, including:

- Criminal Record
- Past Evictions
- Credit History
- Government Watchlist
- Sex Offender Registries

In addition to this immediate report, our team of live investigators will check real-time data in jurisdictions that don't show up on instant reports, so you can be sure the profile you're getting is accurate and up-to-date.

Once you have found the right renter, just forward them a copy of our state-specific lease, which they can sign electronically. Then, let Rent Perfect help you get insurance and collect rent quickly and affordably over the Internet...

1

ELECTRONIC INVITATION

INVITE

SCREEN

LEASE

COLLECT

Get your applicant's email address and we'll handle the rest of the process. They can fill out an online form in minutes!

2

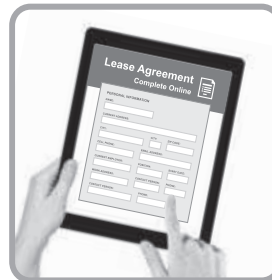
BACKGROUND SCREENING



Make informed decisions when approving tenants with our mobile-friendly screening tools. Know who you're really renting to before they move in.

3

LEASE AGREEMENT



Use our automated system to generate state-specific lease agreements online. With seamless tenant communications and automatic notifications, it doesn't get any easier!

4

COLLECT PAYMENT



Give your tenants the convenience of online payment options. Collect security deposits, issue refunds, and schedule rent reminder/auto-pay agreements online.



1-877-922-2547 • www.RENTPERFECT.com

**GO DIRECTLY TO THE REIA
REGISTRATION PAGE BY
SCANNING THIS QR CODE:**

If you do not have a QR Code Scanner on your phone, text the word REIA to 31-31-31 or contact your local REIA for the link.



UPDATED: Online Home Value Estimates Are NOT Appraisals cont.

estimates for off-market properties. This estimate is free and publicly available.

- **HouseCanary:** HouseCanary has two main services: valuations and forecasting. Their estimates use property level data from public records and the MLS. Their accuracy will vary across markets depending on the availability of data. This estimate is available with subscription to their services.
- **Homes.com:** Homes.com's estimate mainly uses public records. They test and benchmark the accuracy of their estimates. This estimate is free and publicly available.
- **Zillow:** Zillow has the Zestimate, which is their home value estimate for properties and is computed using public and user-submitted data. Their estimates have different accuracy levels depending on the data of the property and location. This estimate is free and publicly available.
- **Eppraisal.com:** Eppraisal.com uses property records, home sales data, and local market data for their estimates. Their accuracy depends on the accuracy and completeness of public data. This estimate is free and publicly available.
- **Trulia:** The estimate from Trulia is likely to be very similar to Zillow's zestimate since it is part of the same Zillow Group. Having a separate Trulia price estimate is more a marketing gimmick to give the impression to consumers that there is more competition, though it is just the same company trying to establish a greater

market power, hence the ability to extract a higher fee from real estate professionals.

There are also websites that provide home value estimates by request only or estimates using user inputs: ForSaleByOwner.com, GuaranteedSale.com, HomeFacts.com, HomeLight.com, HomeValues.com, SmartAlto.com, ValuemyHouse.com, and ZipRealty.com. Some banking and financial institutions, such as Chase Bank, Bank of America, the Federal Housing Finance Agency, Fifth Third Bank, and PennyMac, also provide estimates to accompany their other financial services. Some real estate agents and brokerages also share their estimators through their websites. Again, it is important to know that these estimates have varying levels of accuracies. These sites may or may not use Automated Valuation Models, but can be another source of property and home value data that anyone can access. Additionally, there are also data companies, such as Attom Data Solutions and CoreLogic, that market propriety AVMs.

As technologies advance and more data becomes available, the number of sites that provide home value estimates may grow. With the knowledge of where to find home value estimates online, it is important to note that these home value estimates are not interchangeable with formal appraisals, comparative market analyses, and they cannot be used as a basis for a loan. Most of these sites, if not all, reiterate the importance of consulting the expertise of real estate professionals to receive an in-depth and in-person analysis of the property and the local market.



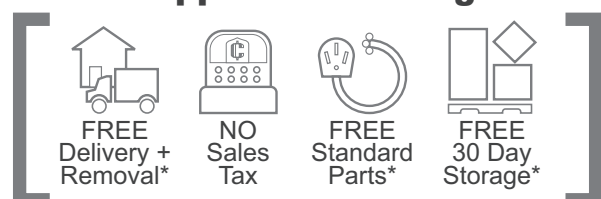
**APPLIANCE
& MATTRESS**

Robert Drendall
Thaddeus Reed
Jae Rhee
Stephen Rhee

151 Edgemoor Road
Wilmington, DE 19809
T. 302.304.1010
F. 302.288.9244
sales@bigcentric.com

Mon-Fri: 10-7, Sat: 10-5, Sun: Appt. Only

25% BIGGER Savings on Appliance Packages



* Contact us for details



Unique Tenant Tricks

By Andy Hull

As most of us know, it is a very, very small percentage of tenants who make life both miserable and interesting for us. I keep telling myself the only reason I continue to specialize in property management law is that I hear something new everyday. Nothing is every black and white, or if it is, there is always a “new twist” given by a creative mind. With this in mind, I wanted to pass on some of the more unique defenses tenants have come up with in court to defend their cases. Believe it or not, these have all happened to me!

1. “The old switch-er-oo of apartment numbers.” You evict a tenant from apartment number one. The tenant then finds a vacant unit (say unit No. 2) and switches the numbers so that when the Constable comes out to evict him, he finds the apartment vacant.
2. “My case is canceled.” The tenant calls the court the day of his eviction and tells the Clerk he or she is the attorney’s secretary and to cancel their case. The attorney appears in court and is told by the Clerk, “Your office called and cancelled case so and so.” The attorney then dismisses the case only to find out his office never called in the first place.
3. “The fake money order.” The tenant buys money orders and writes the apartment name on them, photocopies them and then cashes them in where they originally were purchased. The tenant then shows the judge copies of the money orders to prove they paid their rent.
4. “The altered rent receipt.” The tenant takes their rent receipt that shows they paid \$200.00 and changes it to \$588.00.
5. “what notice?” The tenant says, “I was never served a 7-day Notice.” This is most often used when they see no manager in court and it’s their word against the attorney.
6. They don’t ever do repairs.” The tenant says they refused to pay rent because the landlord won’t make repairs to their apartment. If pressed as to where their rent money is, the tenant usually had other “unexpected” expenses come up that they had to use their rent on.
7. “I paid cash and didn’t get a receipt.” This excuse is self-explanatory. Oh, if all our tenants were so honest and trusting.
8. “I have to be in another place at the time of my eviction hearing.” for instance, the tenant had to be in another court on a different matter, but when that court was called there was no record of the tenant being on that court’s calendar. Or, we had a death in the family and must attend a funeral. However, when asked, the tenants’ children state their parents are at work and they know nothing of any funeral.
9. “Ripley’s believe it or not” or “I know who shot J.F.K.” this actually happened. When the judge inquired as to whether the tenant owed October, November and December rent, the reply was “I don’t know, I went on a trip in October and left the rent money with my husband.” :Where is your husband?”, asked the Judge. “He’s dead.” “What happened?” “He was washing the dishes and the back door fell off the hinges and cut his legs off at the knees.” “Are you saying he died from the landlord’s failure to make repairs?” “Oh, no, he died from a drug overdose but before he died he told me he paid the rent.”
10. “Beaten at your own game.” Tenant appears in court with a copy of The Rental Blue Book I helped write for the Arizona Multi-housing Association, and using the book, wins his case. Afterward, the tenant requests I autograph his book. The insert reads “My most embarrassing moment as an attorney, Andy Hull.”

After all of the above, consider the following example:

William “Bull” Schmidt rents an apartment at the Toy Let Bowl Apartments. The managers, Al Viss and Press Lee, bring Bull to court for non-payment of rent. Bull’s defense is the ceiling fan fell, hitting him in the head and forcing him to miss work. Al Viss and Press Lee convince Judge grace land that not only has Bull been unemployed since he moved in, his apartment never had a ceiling fan. Bull angrily storms out of the court room and Judge Grace Land is heard to comment, “I guess the Schmidt just hit the fan!”

Reprint from Arizona Apartment News



CamaPlan

Personalized Self Directed IRA Planning

Invest Confidently in Your IRA

Learn the secrets to unlocking your IRA.

- Control your future
- Invest in non-traditional assets using your IRA
- Invest in real estate, precious metals, and private placements in your IRA



Open a Self-Directed IRA/401K with CamaPlan

Let us teach how.
Register Today at the Cama Academy

- www.CamaPlan.com/cama-academy

Call us | (866) 559-4430
Email us | events@camaplan.com

CamaPlan
512 E. Township Line Road
5 Valley Square, Suite 200
Blue Bell, PA 19422

THOSE PROPERTY INSURANCE BILLS THAT KEEP COMING MONTH AFTER MONTH?

TOSS THEM.

**We'll consolidate all your properties
on one policy with one simple bill.**

And perhaps save you a nice chunk of cash too.

We can do it no matter how many properties you have or when your policies end. You won't get that with other insurers.

If you're with Allstate, Erie, Nationwide, Foremost or most other carriers, we can give you the same or better coverage for less. Even if your current carrier charges a premium for early cancellation.

We'll do all the paperwork and see the transfer through, too. It's hassle-free, whether your properties are single units, multi-units, mixed use or apartment buildings. Naturally, all of our carriers are rated "Excellent" by AM Best. And no one knows the area better.

Give us a call — Phila: 215.829.1776 | W. Pa.: 412.823.1776.
Month after month, you'll be glad you did.



LIBERTY INSURANCE BROKERS *A Division of Brown & Brown Insurance*

125 E. Elm Street, Suite 210 | Conshohocken, PA 19428

F 215.509.BELL (2355) | TrustLibertyInsurance.com

Insuring Pennsylvania's tenant-occupied housing since 1982.

