

“Buy Today, Profit Tomorrow”

www.OmahaRealEstateInvesting.com

Over 60 Years Experience with One Goal:
 “To Help You Generate Wealth”

Does the Stock Market Have You Worried? Are You Diversified Enough?

By Fred Tichauer, Associate Broker with Keller Williams Realty, Omaha

The stock market has seen an unbelievable tumble in the past few months and if you are one of those that had money invested in the market I am sure you are deeply concerned about what to do about the losses right?

As difficult as it may be to get excited about investing your hard earned money in anything right now, I would encourage you to think of investing some of your money in Real Estate.

There couldn't be a better time than right now to get in the "game" or add to your portfolio. We are in one of the most exciting times I can ever recall in my 35 plus years of being an investor because of the opportunity to buy at huge discounts. As an example, I am aware of someone that purchased a property for \$36,500 a couple of months ago, put in approx. \$7,000 in remodeling costs and it recently appraised at \$90,000 (equity position of \$46,500). This is an example of what this market can offer the savvy investor day in and

day out.

We are often asked the question if we think prices will get lower, and our answer is we don't know, but what we do know is that there is no reason to wait or speculate further as a deal is a deal. The above example should be a good indicator of what this market can offer you.

Depending on your comfort zone and how much debt you want to take on, one can find single dwellings, duplexes, small/large size apartments etc, on the Multiple Listing Service in all price ranges and at huge discounts on any given day that would make excellent rentals.

In our opinion, Real Estate has met and will always meet the test of time over the long haul. For the most part, Real Estate is not as volatile as the stock market and it offers a much greater opportunity to generate wealth as well as tax benefits. I have never known anyone that has lost a majority of their wealth in Real Estate, yet I can't say that about the stock market.



Many of our clients that have made a lot of money in Real Estate purchased at rock bottom prices (made their money when they bought) and are simply holding on. The time is now, so are you going to jump in the game or sit on the sidelines?

Our population in the Metro Omaha area will continue to grow, so good housing/rentals should always be in strong demand. How many business opportunities do you know that will work for you 24/7, 365 days a year and someone else is making your mortgage payment?

So our answer is an affirmative YES, YES, YES - You can generate a lot of wealth in the metro area!



How to Build a Worthwhile Real Estate Portfolio

Those that have made a lot of money in the Real Estate Game and have a sizable net worth for the most part had a plan and direction. I don't believe they left things up to chance. These Action Steps should give you an idea of the road map that you can follow:

Step 1: Develop a business plan (Real Estate is a business whether you have 1 property or 100)

STEP 2: Make good practical decisions right from the start. Become a student of this "game" and learn as much as possible even before you make your first deal. Develop a working relationship with a realtor that has expertise and is also an investor.

STEP 3: Look for properties that are in

family friendly neighborhoods. The right property attracts the right tenants or buyers. Our suggestion is to find the worst property on the best block, since you can make many changes to a property but you can never change its location.

STEP 4: Develop a relationship with a local bank. We can give you some suggestions of banks that we work with ourselves.

STEP 5: Get comfortable with risk: How much financial risk are you willing to take on? As you know Real Estate deals with money, not necessarily your money but a majority of the time it will be borrowed from #4. Get comfortable with the financial numbers and concentrate on increasing property values.

STEP 6: If you currently do not own any

investment properties starting with a house or duplex is a great first step

STEP 7: Decide if you want to purchase a property that doesn't require much work (retail price) or if you want to purchase a property that needs work. This may include everything from exterior paint, updating the kitchen and baths, landscaping etc. Try to hire a contractor that can do most of the work. Nicely updated properties will merit a much higher rent and a better tenant. Find out if your remodeling will require a permit or not. See #3

STEP 8: Keep your personal expenses low. Reinvest any profits to increase your holdings.

STEP 9: Continue purchasing properties as you get more and more comfortable and you have the financial resources to do so.

STEP 10: Diversify your holdings. Rent only tenants that meet your criteria (credit check, criminal check, landlord verification, employment history)

Multi Unit Sales - January & February 2009



Information has not been verified, is not guaranteed, and is subject to change. Source of information Multiple Listing Service, Inc

Address	City	Days on Market	Selling Price	List Price	# of Units
1133 N D	Fremont	20	\$ 10,100	\$ 9,900	2
905-907 Ave F	Council Bluffs	10	\$ 28,000	\$ 27,500	2
1623 Missouri Ave	Omaha	131	\$ 55,000	\$ 55,000	2
818 Chicago Ave	Plattsmouth	62	\$ 100,000	\$ 125,000	3
3107 Mason St	Omaha	123	\$ 110,000	\$ 125,000	3
115 S 38th St	Omaha	0	\$ 120,000	\$ 125,000	5
2968 Dudley	Lincoln	68	\$ 120,000	\$ 129,900	2
8207 Grover	Omaha	141	\$ 200,000	\$ 220,000	4
330 N 35th St	Omaha	155	\$ 202,000	\$ 228,500	8

Hot Deals

In our efforts to assist our clients, all of us regularly study the market to find deals for our clients. Every week we post on our website the Deals of the Week, so we would encourage you to check out www.OmahaRealEstateInvesting.com. We are seeing values at 30-60% of what they sold for just a few short years ago. We are also noticing, especially in the last few weeks, that the foreclosure properties are being picked up at a much quicker pace. Properties that seem to have been on the market forever all of a sudden went to pending status. What does all this mean? Perhaps the concern that most of us have with our current economic situation and the downturn in the stock market leaves few attractive options left other than Real Estate. So if you are serious about getting in this game or picking good desirable properties you may have to pay more than you planned on. The following properties are worth taking a look at:

Address	MLS Number
5913 Spaulding	20902803
3164 Ida	20902028
4917 Grand	20822574
6122 Frederick	20822983
7112 S 177th	20823348



Are You Looking for Foreclosures in the Metro? Free List -No Gimmicks

If you are looking to buy foreclosures we can send you a complimentary list. On the Multiple Listing Service (2-7-09) we found 97 foreclosure listings priced from \$ 5,000 - \$ 600,000. There is no reason to pay for a service to get the same list that we can provide you for free.

Our team understands this market, we help a lot of clients buy foreclosures, we understand how things work and we have no gimmicks. We are extremely knowledgeable and understand this business. All of us are investors and our practical knowledge will be invaluable to you. We do not make any empty promises that we

cannot deliver. (No money down, no credit, poor credit etc,) is not going to cut it in today's climate. When was the last time you bought or knew of someone that bought a property that was worth owning with no cash down, poor credit, no credit? I am sure you can, but why would someone sell their property if it was worth owning and had a lot of potential? It makes no sense.

On the other hand, if you are credit worthy, have access to cash, line of credit, bridge loan, have a partner(s) that have funds etc., let the Omaha Real Estate Investing team be the key to help you accomplish your objective.

We can help you find terrific buys in all areas of the metro area if you are looking to purchase real estate the old fashioned way and are not looking for magic shortcuts or empty promises that will be difficult to deliver. There could not be a better time to add to your portfolio or start investing. We are seeing hundreds of terrific deals throughout the metro area on any given day listed on the Multiple Listing Service (MLS) that make excellent rentals and are selling at 30-60 % less than just a few year ago.

Request your free foreclosure list by going to our web site:

www.omaharealestateinvesting.com
and click on Foreclosure List.

Is Flipping Houses for Profit in the Metro/Omaha Area Back?

By Fred Tichauer, Associate Broker Keller Williams Realty

Great news - We believe that with the recent announcement of the \$8000 non-repayable tax credit for first time buyers we think that the 'flipping' business will once again open up and be quite lucrative for the savvy investor.

Why are we so passionate about our beliefs? The first time buyer will typically be looking for a home in the \$100K range, they will have little financial resources other than the down payment, will in all likelihood need the seller assistance for allowable costs and certainly will not have much money to do any updates or work required. So that is where you can come in and help that first time buyer to accomplish the American dream of home ownership. What a wonderful win-win opportunity for both parties!

If you have been sitting on the sidelines and rightly so, now may be the opportunity you've been waiting for to get back in the game.

The first time home buyer program is effective for purchases on or after January 1, 2009 and before December 1, 2009, so time is of the essence. There is no better time than the present to begin your "Flipping" venture in the Omaha/Metro area as there are hundreds of properties depending on geographical areas that make great "Flipping" candidates.

If you're dreaming of making money in real estate, it's time to stop dreaming and get to work, because making money in real estate doesn't have to be a dream. It can be done, and is being done by a lot of my clients, some that have been doing it for a very long time and some that have done it for the first time.

Flipping houses is one of the Real Estate strategies that many of my clients have used to make a living (short term) and others have used real estate as a wealth building tool (long term). Money is being made every day in the metro area, so don't listen to anyone

who tries to tell you that it can't be done.

There are few business opportunities that can make you as much money, with as little start-up cost, in as short a time, as investing in real estate and you can do it too. I work with many clients that "flip" in addition to "flipping" myself and it is not uncommon to be able to make \$5,000, \$10,000, \$30,000 or more by flipping houses after expenses.

For those that have their financial resources in place or have access to money I encourage you to find a Realtor that has the practical knowledge, meaning that they themselves have actually flipped, own investment properties and can provide you value and practical knowledge.

An established Realtor should be considered a powerful link in your overall plan. Many times they can determine the success or failure of the venture. They can be your best find and perhaps can make the difference between a profitable and meaningful experience or an experience that discourages you from ever trying it again.

Once you know that you are firmly committed to moving forward, establish a plan of action that includes at least these 3 aspects: research, details and steps.

The assumption is that those thinking about flipping will or should have some knowledge, skills, desire and or time to either do the work themselves or manage the project.

1. Research may include - Budget, due diligence, finances, contractor bids etc. The more up front research done will have a lot to do with the success or failure of the project. It is too late to do your research after the property has been purchased.

2. Details - When considering potential

properties to buy for a flip there are many details to consider such as what you actually plan on doing to upgrade the property and stay within your budget. I have seen some individuals that did not do enough remodeling and updates to materialize the profit they wanted or some that spent way too much on the project. Bottom line - take your time to make sure you have a workable road map.

3. Steps - Without a plan of attack from closing to closing in all likelihood the project will cost more and take longer than needed. The cost of financing the money is a bottom line issue. Every effort should be made to at least have a rough draft of your plan even before the offer is even made.

So there you have it, success lessons that should serve you well should you decide to begin the trail of flipping. You can do it.

For further information or for a confidential no obligation consultation, call the Keller Williams Realty Omaha Real Estate Investing Team of Fred Tichauer 402-679-3914, John Van Gelder 402-871-5596, Scott Houck 402-676-1008, Bryce Penke 402-578-9006, Shawn Prouse 402-305-1504.

We consider ourselves to be one of the most experienced teams in the metro area that specializes in investments and with us you can count on: Excellence, Trust, Commitment, Honesty, Integrity, Leadership, Expertise, Practical Knowledge, Results and over 60 years experience as investors.

Request your free foreclosure list by going to our web site:
www.omaharealestateinvesting.com
and click on Foreclosure List.

OUR MISSION IS SIMPLE: TO HELP OUR CLIENTS GENERATE WEALTH

Do you still have what it takes to be a successful Investor?

1. Are you still willing to take risks?
2. Is being an investor still a good fit for you?
3. Do you still have your financing in order or are you credit worthy?
4. Do you still like to deal with people?
5. Are you still good at record keeping?
6. Do you still have the time to devote to your real estate activity?
7. Are you still willing to do some of the repairs and maintenance yourself or willing to pay for someone to do it?
8. Are you still willing to manage the property yourself or hire a property manager?
9. Can you still afford vacancies? What about monthly losses if the rent is less than expenses?
10. Can you still juggle several tasks at the same time?
11. Would you be willing to evict a family with small children if they did not pay the rent?

If you cannot answer a majority of these question honestly with a YES, perhaps you should consider selling your investment. We have a lot of clients that we work with at any one time and are always looking for good rentals.



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www.OmahaRealEstateInvesting.com

“Buy Today, Profit Tomorrow”

Work with Omaha’s most knowledgeable investment property experts with over 60 years of experience



LEARN TO INVEST WITH CONFIDENCE

If you are thinking about investing in Real Estate, there is no better time than NOW!

As your Real Estate Wealth Advisors, we are here to help you will all of your Real Estate needs.

Let us be the keys to unlocking your investment potential.

- F** • FIND a promising property
- ANALYZE the profit potential
- R** • BUY at the right price
- FIX on time and on budget
- E** • RENT quickly to maximize profits
- BENEFITS of owning Real Estate
- E** • MYTHS of Real Estate



Join us following the seminar for a tour of 3 Omaha area investment properties!

DATE: March 14, 2009

TIME: 9:00 am - 12:00 pm

PLACE: Omaha Area Board of Realtors
11830 Nicholas Street
Omaha, NE 68154

It’s our mission to help our clients generate Wealth by Investing in Real Estate.

REGISTER TODAY AT:
www.OmahaRealEstateInvesting.com

Ten Tips for Landlords

Simple suggestions to help your landlord or property management business run smoothly.

1. **Screen tenants.**
Don't rent to anyone before checking credit history, references, and background. Haphazard screening and tenant selection too often results in problems -- a tenant who pays the rent late or not at all, trashes your place, or lets undesirable friends move in. Use a written rental application to properly screen your tenants.
2. **2. Get it in writing.**
Be sure to use a written lease or month-to-month rental agreement to document the important facts of your relationship with your tenants -- including when and how you handle tenant complaints and repair problems, notice you must give to enter a tenant's apartment, and the like.
3. **Handle security deposits properly.**
Establish a fair system of setting, collecting, holding, and returning security deposits. Inspect and document the condition of the rental unit before the tenant moves in, to avoid disputes over security deposits when the tenant moves out.
4. **Make repairs.**
Stay on top of maintenance and repair needs and make repairs when requested. If the property is not kept in good repair, you'll alienate good tenants, and tenants may gain the right to withhold rent, repair the problem and deduct the cost from the rent, sue for injuries caused by defective conditions, and/or move out without needing to give notice.
5. **Provide secure premises.**
Don't let your tenants and property be easy marks for a criminal. Assess your property's security and take reasonable steps to protect it. Often the best measures, such as proper lights and trimmed landscaping, are not that expensive.
6. **Provide notice before entering.**
Learn about your tenants' rights to privacy. Notify your tenants whenever you plan to enter their rental unit, and provide as much notice as possible, at least 24 hours or the minimum amount required by state law.
7. **Disclose environmental hazards.**
If there's a hazard such as lead or mold on the property, tell your tenants. Landlords are increasingly being held liable for tenant health problems resulting from exposure to environmental toxins in the rental premises.
8. **Oversee managers.**
Choose and supervise your property manager carefully. If a manager commits a crime or is incompetent, you may be held financially responsible. Do a thorough background check and clearly spell out the manager's duties to help prevent problems down the road.
9. **Obtain insurance.**
Purchase enough liability and other property insurance. A well designed insurance program can protect you from lawsuits by tenants for injuries or discrimination and from losses to your rental property caused by everything from fire and storms to burglary and vandalism.
10. **Resolve disputes.**
Try to resolve disputes with your tenants without lawyers and lawsuits. If you have a conflict with a tenant over rent, repairs, your access to the rental unit, noise, or some other issue that doesn't immediately warrant an eviction, meet with the tenant to see if the problem can be resolved informally. If that doesn't work, consider mediation by a neutral third party, often available at little or no cost from a publicly funded program.

If your dispute involves money, and all attempts to reach agreement fail, try small claims court, where you can represent yourself. Small claims court is good for collecting unpaid rent or seeking money for property damage after a tenant moves out and the security deposit is exhausted.

Collecting Rent Owed by a Tenant

Author: [E-renter](#)

If you have evicted a tenant for not paying rent the law allows you to collect the money owed you. Even years later.

But, before you can claim the rent, you need to get a court order or money judgment that gives you the right to do so.

When you filed the tenant eviction case in court, a judgment and order i.e. a document signed by the judge authorizing the local sheriff/officer to, if need be forcibly evict your tenant(s), had allowed you to regain possession of your rental property.

In order, to get a court to issue a money judgment against the tenant, two things are required:

1. Court papers must be personally served on the tenant.
2. The tenant is required to show up in court.

If eviction papers i.e. the court papers and not the notice to pay rent are posted on the door of the unit and/or mailed to the tenant, this generally means you did not get a money judgment from the court.

In this case, can I use Security Deposits by way of unpaid rent?

In case you took a security deposit from the tenant when he/she moved in, you are legally allowed to

apply the amount against anything the tenant owes you for back rent or by way of damages. However, it is necessary for you to comply with state law by notifying the tenant of your intent to use the deposit against the rent owed. And, if you returned the security deposit, despite having done so, legally you are still allowed to sue the tenant for actual rent owed and/or damages incurred to the unit.

In case the tenant vacated your property before the court hearing, and if you were not able to get a money judgment, you can initiate proceedings against the tenant in the local small claims court for rent owed or damages to your property. A simple process, you can handle it yourself without hiring a lawyer. File the claim before the end of the statute of limitations, which generally ranges from 3 to 6 years, depending on the state you live in.

With a money judgment in hand, you can collect rent owed against all non-exempt assets of the debtor. Certain assets, such as [retirement accounts](#) are exempt from credit collection. Also, states recognizing community property, allow assets of the debtor's spouse to be attached.

But, the easiest targets for credit collection are [bank accounts](#). A copy of a tenant's recent check allows you to file for a 'levy of execution' on their

bank accounts through the local sheriff. Note, making copies of tenants' checks each month is good practice as you know exactly where they bank.

If the tenant is employed, you can collect wages, but most states limit collection to 25% of the debtor's wages. Still, a steady paycheck allows you to [your money](#) back with interest. Getting a judgment transcript recorded in county records will ensure the tenant is not allowed to [buy a house](#) in that county without first paying off what is owed you. In case a tenant owns other [real estate](#) in his/her name, the judgment will create a lien on the property, as well.

If you do not know where your tenant has skipped to, start a debtor proceeding in court that will make him/her appear in court to answer questions regarding his/her assets. Failure to comply can result in a warrant for the debtor's arrest.

As a landlord, it is important for you to know the legalities of handling an eviction and getting rent owed you. If a landlord does not know the correct legal way of handling such eventualities, he/she may end up getting sued by the tenant, instead. Therefore, landlords, property managers, resident managers, etc. must keep themselves abreast of all pertinent landlord/tenant laws of their state.



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If your home is already listed with an agency, this is not meant as solicitation.
Each Keller Williams Realty Office is Independently Owned & Operated.

New Fannie Mae/Freddie Mac Lending Policy

I am sure you are aware that the new Fannie Mae/Freddie Mac policy that limits to four the number of real estate loans that can be held by a single person on the secondary market.

The rule, which took effect Dec. 1, prohibits an investor from obtaining even a fifth mortgage no matter how much money he puts down or how much income documentation he provides. It offers no exceptions for assets or history of success as a real estate investor.

Great news: We work with a number of local banks that are friendly to investors. Local banks have more flexibility as they keep the loan in house. If you are credit worthy and show a strong financial statement, the opportunity to add to your real estate portfolio is endless. Let us know if you need any help with local lending institutions.

