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Real Estate Investment: Owning a rental home is almost as lucrative as buying stock

Millions of Americans own rental homes. Some people got into this business by purchasing houses or condominiums specifically for this purpose, while others converted their former residences or decided to lease out inherited properties.

Single family homes in larger markets have generated returns of about 9 percent annually on average, according to a study which examined results from 1986 to 2014. That makes rental homes almost as potentially lucrative as stocks and considerably more so than bonds, deposit accounts and other conservative investment options. Single-family rental homes are worth an estimated \$2.3 trillion.

Approximately half of the overall returns came from rental income and half from the property appreciation. In other words, part of the return is the rental income while you own the property and the rest, any capital appreciation, when you sell.

Rental property investment strategy sheds light on rental homes as an investment category. Given the long decline in the nation's homeownership rate, from nearly 70 percent 10 to 12 years ago to 64 percent today, more Americans find themselves renting. About one-third of renters lease single family homes rather than apartments or condos.

The generated returns of 9 percent do not quite measure up to the stock market's long-term return. However, the risks are generally lower, or at least different, from those involving, or at least different from those involving stocks, bonds or other investments. Bonds have historically average returns of approximately 5 percent. For this reason, single-family rentals can provide a nice diversification element within a broader portfolio.

Got Contractors?

We do! Centurion Management Services is currently expanding our contractor's list to offer both owners and tenants faster service for repair calls.

We require our service providers/contractors to be bonded, licensed and insured. These requirements protect you and your property. While there are many 'handymen' out there, not all handymen meet our legal requirements.

If you have any questions regarding our contractor's list, please feel free to call Centurion.

Thinking of buying or selling? OUR FEE IS ONLY 2%! SAVE with Centurion. We can also help with general questions about real estate investing. Call us! We're Here to Help You!

Meet Tami Humphries

Tami has worked in the real estate property industry since 1996. From 1996-1998 Tami was a Realtor in Salt Lake City, Utah. In 1998, Tami moved to Vegas, worked as a real property title officer, and then in Property Management. Tami will soon be taking the licensing exam to once again be a licensed Realtor. Tami is a single mom of five kids and one adopted child, plus all the neighborhood kids that many to this day will call to say hi or ask for advice.

Tami's youngest just graduated from High School, so Tami says "I now I get to figure out me, not such an easy task to take on." Many compare Tami to "Abby" on NCIS, as their hair color and style are very similar. Tami enjoys reading and spending time with her only grandchild. Tami has played the viola since she was six years old, and has been a guest violinist twice with the Utah Symphony, playing the *Messiah*.

Welcome, Tami!

Two Rental Property Maintenance Myths

#1: Do-it-Yourself Repairs Always Save Money

Being able to take care of your own repairs around the house definitely comes in handy, and can be a great way to save a few bucks when managing a rental property. If you're a skilled handyman and can handle small repairs, basic plumbing tasks or appliance fixes, by all means save yourself from calling a local tradesman to make the convenience call.

Oftentimes, even if you can handle the rental property repair job yourself, does not mean you should. How much is your time worth? Even if you've got the time and energy to take care of the repair yourself, often it makes financial sense to let a dedicated professional handle the job. Even the most capable DIY landlords will find themselves in over their head if they try to handle every job.

Additionally, your tenants do not care if you are saving money by doing it yourself. If you cannot confidently complete the job quickly, conveniently, and correctly, you owe it to the tenant and yourself to find a qualified technician. Of the things within your control, one of the leading causes cited by tenants leaving a rental property when the lease is up, is because of bad experiences from poor maintenance. The money you might save doing it yourself is often just a delayed (and greater) loss. The same can typi-

cally be said about the cost of hiring a full-time property manager. Sometimes it's just a convenience, but many times the cost of hiring a professional property manager makes the most long-term financial sense as well.

#2: Tenants are Responsible for Maintenance & Repairs

Tenants not responsible for maintenance bills except in certain cases such as battery and light bulb replacement, maintenance and repairs are the physical and financial responsibility of the landlord. Yes, if the tenant throws a baseball through a window, they are responsible. But even then, the landlord should be notified and handle the repair, working with the tenant for the funds, or deducting from a security deposit.

Even preventative and regular maintenance tasks that traditionally are left to residents may be better handled by the landlord or property manager. For example, just because your tenants are certainly capable of regularly replacing smoke detector batteries and furnace filters does not mean they will remember to do so. If you are not replacing these items during a regularly scheduled inspection, providing new batteries and filters at regular intervals will encourage your residents to do so.

Centurion Family News



Many of you have probably spoken to or emailed Maddie in the Centurion office. She is an important part of the Centurion team. Madisyn Delaney-Reale and her husband Nicholas, are expecting their first child, a boy, in November.

Congratulations Maddie and Nick!

Are You Looking to Buy Additional Income Property in Las Vegas?

If you are looking to buy additional income properties in Las Vegas, please give us a call. With access to the Las Vegas MLS we can help you find the perfect property.

Additionally, many times our existing owners are looking to sell their income property due to unforeseen circumstances or illness.

Centurion can help you increase your portfolio and maximize your profits.

"Owning a variety of asset classes means that some part of your portfolio will be doing well when the cyclical turmoil arises. A broadly diversified portfolio includes large capitalization stocks, small cap, emerging markets, fixed income, real estate and commodities."

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