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The Rise of Single-Family Rentals

The single-family rental market is booming, and developers tapping into the segment's opportunities are thriving. Here's why.

The rental market is hot. Since 2006, the number of Americans living in rental properties has soared to nearly 37%, the largest amount since 1965. Over the same 10-year period ending in 2016, the number of households lived in by owners declined from 76.1 million to 75 million in the aftermath of the housing crisis, according to Census Bureau data.

One sector of rental housing has enjoyed a particularly dramatic rise in the past decade: Single-family for rent is the fastest-growing segment of the U.S. housing market, according to an analysis by the Urban Institute, which reports that growth in single-family rentals has outpaced the growth of both single-family for-sale and multi-family housing in recent years—and it's predicted to keep growing in the years ahead. According to the National Association of Home Builders (NAHB), 56% of the gains

in rental housing stock from 2005 to 2015 were due to single-family homes.

The demand for single-family rentals has prompted a number of income property investors to tap into the market with a new product: quality single-family rentals filled by niche renters with lifestyle needs that are unlike those of apartment renters.

Economic Factors Create Perfect Storm

Industry experts say the current economic climate has created a perfect storm for the single-family rental market's success. Student debt, a tight job market, and the inability to save for a down payment have kept a number of potential home buyers out of the market.

Credit markets are still extremely tight, and a lot of people don't have the right credit score. With

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DID YOU KNOW?

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!

It will be Sizzling Soon! Time for an A/C Tune-up!

\$99*

Centurion is offering our owners a air conditioning tune-up special for the low price of \$99. In Las Vegas, air conditioning units get a real workout. Be proactive and have your investment property's A/C unit checked out.

*does not include any repairs or parts

stricter lending terms than ever, some consumers aren't even potential participants in the market. These factors are eliminating people from homeownership. Without more alternative solutions to getting people into homeownership, whether that's a low-down payment mortgage or assistance programs, there is a ramp-up in rentership, which presents a great opportunity for income property owners to be able to grow with single-family rentals.

While many middle-class renters lack the money for a down payment, they do make enough to spend extra on a rental home.

Renters by Choice

Economics isn't all that drives consumers to rent instead of buy; some simply aren't interested in owning a home.

The dream of owning a home isn't as high of a priority on people's list going forward. Part of that is residual from the downturn, and part of that is that we're just a much more experience-driven society nowadays and are more portable. People don't live in their house for 30 years anymore, and they move much more for jobs, so this shift in the way people live their lives means that having the portability of a lease while still being able to enjoy the luxury of a home is

a perfect combination.

Downsizing baby boomers also are attracted to single-family rentals because they can live in a home similar to what they're used to without sinking retirement cash into a down payment.

Boomers may have lost their home in the downturn or don't want to purchase a new home but also don't want to rent in a high-rise building with stairs or street noise.

Multifamily Move-Up

Lifestyle changes, like having children and therefore needing more space, combined with soaring new-home costs in some markets have left some households at a crossroads—a one or two-bedroom apartment no longer provides the space they need for their growing family, but they may not have the financial means to purchase a home.

Single-family rentals are driven by this demographic wave that's the new part of housing demand, which is the millennials moving from their 20s to their 30s. Income property owners have to think about the kind of household that's going to be moving from a multifamily unit, and wants to move based on structure type, but may not have the means to complete a sale.

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.

The 3 Dos when Buying Investment Properties in Las Vegas

If you're interested in using real estate as a way to increase your personal capital, the available homes in Las Vegas can be sound investments. The combination of lower interest rates and the potential for the resale values of certain properties to grow over time sets the stage for investments that could work out in your favor.

1. Consider The Tax Benefits
2. Take Property Type Into Account
3. Be Aware of The Changing Economic Landscape

" How many millionaires do you know who have become wealthy by investing in savings accounts? I rest my case."

- Robert G. Allen