



## **Compliments of the Apartment Association of Tarrant County – Texas**

### **Buying & Selling**

*Written by David Wyatt*

An older friend of mine had an aging, worn-down, lazy bird-dog that he dearly loved, but could not take care of anymore. I offered to buy the dog and give it a good home. My friend steadfastly refused to part with his faithful twenty-year companion. He would not sell that dog “for all the tea in China, all the oil in west Texas, nor all the gold in Fort Knox.” I said “how about \$20?” He said “sold!”

All of us are a lot like my friend when it comes to our rental properties; we can get so attached to our properties that it is hard to sell them. The longer I am in the rental housing business, the more I realize that all my properties are for sale every day for the right price.

I particularly enjoy buying from or sell to other individual owners. I much prefer dealing directly with individuals rather than some corporate conglomerate. I enjoy doing business with the vast network of real estate entrepreneurs in the Dallas/Fort Worth metroplex.

Independent rental housing owners like us are a significant part of the United States real estate market. According to the 2000 Census, independent investors own 31.3 million rental housing units. People like you and me own 92 percent of all residential rental property in the United States. In fact, we own over 76 percent of the properties with fifty units or less; eleven percent of the condominiums; and nine percent of the manufactured housing.

I dug a bit deeper into the Census statistics and discovered that slightly over half of all rental properties are financed with a mortgage. Fixed-rate, amortized loans account for 70 percent of such debt instruments with adjustable, short-term, and owner-financed loans less popular. Beyond financing, these numbers tell me that many owners leverage their portfolio to acquire additional properties.

Now that 2006 is under-way, do you plan to be a buyer, seller, or watcher? Recently, interest rates have been a major factor when it comes to real estate purchases. For us, lower rates have been a double-edge sword: made it cheaper for us to buy more properties, but it also allowed more renters to become owners.

Whether you plan to increase or shrink your rental property portfolio in 2006, join your fellow real estate moguls (we own 92 percent) at 12:00 noon, on Wednesday, February 8, at Spring Creek BBQ on Airport Freeway in Bedford as we host our first annual buyers and sellers roundtable.

This event will give you an opportunity to showcase properties you own that are for sale, and to express interest in the type and location of properties you desire to buy. The format will be a roundtable discussion in which everyone in attendance will have an opportunity to market your property or express your desire to acquire additional property.

If you plan on maintaining your current assets in 2006, you will also have an opportunity to speak. We want all attendees to share with the group what your market expectations are for 2006. What you expect rents, occupancy, concessions, etc, to do in 2006. We want to know what geographic sub-markets throughout Tarrant County do you expect to be hot and which ones do you recommend to avoid.

The Texas Real Estate Commission (TREC) enforce the laws that regulate the buying, selling, and managing of real estate in Texas. To stay within TREC guidelines, the rules for this event are as follows:

- 1) You may only offer to sell properties that *you own*.
- 2) You can not acquire property for a third-party.

I encourage you to bring flyers, pictures, descriptions, etc. of your properties. If you have residents under lease contract, be sure to mention the lease terms and conditions. Bring lots of business cards or other contact information.

I am excited about this event. I look forward to learning what market segments you believe are prime and where not to put my money.