

TUESDAY OCTOBER 3, 2023

R.E.I.A.
Real Estate Investors Association
Wayne County



WEBSITE: reiawaynecounty.org
FACEBOOK: Wayne County REIA
Wayde Koehler, President
313 819-0919
MAILING: P.O. Box 5341
Dearborn, MI 48128

Happy Halloween!

October Meeting: Tuesday October 3rd

Leon's Family Dining, 23830 Michigan Ave., Dearborn (313) 563-3713

Members free or \$20 at door (Cash or Check only please)

Dinner & Networking 5:30 PM, Presentation 6:15PM

REIA of Wayne Presents:

New Court Procedures?

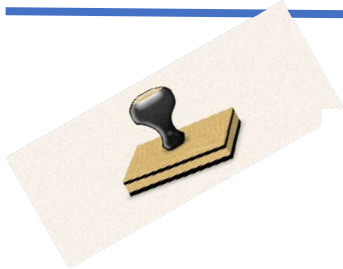
New Proposed Laws?

How can we avoid the pitfalls of the changes happening in Michigan? A review of what proposed new laws and new court rules really mean to you!

TUESDAY OCTOBER 3, 2023



Directors Board:
Tuesday October 10, 2023
at 6:00pm, at Leon's Family Dini
Members always welcome



From the President's desk



There are various bills floating around Lansing regarding fair tenant laws. Most seem bad and many landlords are upset., if these are made into laws, how are landlords supposed to select good tenants.

Application fee proposal- if you collect an application fee and do not rent to an applicant you must return the application fee. For the slimy landlords who collect multiple applications fees to make money with no intent of renting to most of the applicants, this law is aimed at stopping them. The workaround do not charge an application fee. Have the applicant pull their own credit report. If you did not collect any money there is no profit and nothing to return. FYI this is how I handle applications and fees.

The proposed law of no longer allowing landlords to do credit checks or criminal reports. Anyone who is hiring, giving loans, all police departments, FBI, CIA, they are allowed to pull credit and criminal history. If you work at a bank and your credit score drops too low you are fired.

The work around- every applicant must provide the last three years of rental history, proof of paid on time rent, proof of work, pay check stubs, proof of rent payments, copy of the lease. People who pay on time and show up for work probably have good credit and no criminal history

If you want to help fight these frivolous laws, please donate to our RPOA fund. All money is sent to PROA in Lansing where our lobbyist contacts the law makers to convince them these are bad laws. You did not know how few dollars it takes to persuade a politician that your point of view is the correct

Wayde Koehler
President

To Donate : Make the check payable to
Real Estate Investors Association of Wayne County
P.O. Box 5341
Dearborn, MI. 48128

***On the notes part of the check, write "RPOA fund", and make sure to include your name, telephone number, and address if not already at top of check**

GB Appliance Outlet

(Located on Fort St. just West of Southfield Rd.)

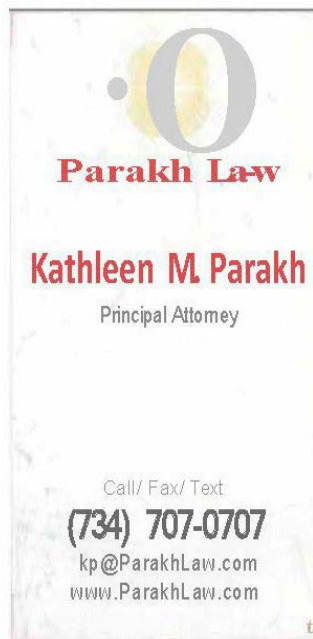
Fall Special

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Collection Attorneys



November is Election Time for the

Wayne REIA Board of Directors

Please Participate in the Planning and Direction of the Wayne REIA. By joining the Board.

New voices and ideas help make the association stronger and better. Please join the board. In order to run for a board seat, you must attend the September or October Board Meetings and Announce that You are Running for a Directors Seat

There are a few qualification requirements:

- You must have paid annual dues for at least 1 year.
- You must have daily phone and email access.
- You must be able to text message and utilize facebook.
- This is a working board. so you must be willing to contribute time and effort toward opportunities for the association's members.
- No experience necessity/



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Landlords Are Offering Concessions-Does This Mean the Rental Market is Softening?

Anna K. Cottrell
Bigger Pockets

Where do residential landlords stand as of the final quarter of 2023? Are there signs of a softening rental market, which would call for lower rents?

The answer, according to a recent rental market report from Redfin, will vary by region and the type of property you're renting out. As ever, context is king, and we'll dive a little deeper into what's really going on with the rental market(s) in a moment.

That said, the overall trend is indeed toward a softer rental market-so much so that some landlords are now offering concessions to attract tenants.

Why is the Rental Market Softening?

As every investor in the country knows, we are still riding the tail end of an extraordinary few years that saw unprecedented rental price hikes during the pandemic. Many of these sky-high rent increases were fueled by COVID-era renter and homebuyer migration patterns toward destinations such as Austin, Texas; Phoenix; and other metro areas that were seen as affordable alternatives to traditionally attractive destinations in coastal areas.

Fast-forward to 2023, and the rental landscape has shifted. The COVID-era boom in demand has largely cooled off over the past year. That's partially because renters' priorities are now very different, with economic uncertainty and inflation as the dominant concerns. Renters are now facing multiple challenges, including the end of student loan relief and a cooling job market. Also, a 28.9% year-over-year increase in available housing to renters, which is taking some of the competitive edge off the market, renters aren't quite feeling the availability squeeze in the same way as a couple of years ago.

Is all of this translating into huge drops in asking rent prices? Hardly. Nationwide, asking prices are still close to the record-high levels we were seeing last August. In fact, Redfin is reporting a tiny 0.1 % decrease (meaning \$2) from the August 2022 average of \$2,054 per month to \$2,052 per month in August 2023.

The Regional View: Southern Slump, Midwestern Success

If we zoom in a little more on what's going on within regional rental markets, the situation is slightly more complex. The COVID-era rental hot spots in the South and West of the country are showing the most visible cooling trends.

In the second quarter, rents in the West have decreased the most, by 1.1 % year over year. The South saw a more modest decline of 0.3%, but it's still a more substantial decrease than the national average. The Sun Belt cities that saw the highest rent increases during the COVID rental boom have

passed their peak. We are unlikely to see the crazy spikes in rental prices of over 12% that we were seeing even a year ago. The West, according to Redfin, may be experiencing a decline partly due to "layoffs in the tech sector," which accounts for a high proportion of jobs in West Coast metro areas. On the other hand, some areas of the country are seeing healthy rental price growth. The Midwest is a case in point: The region saw 4.6% year-over-year rent increases in August.

This is partly because this region swerved the COVID-based rental market frenzy seen in the South. Now that affordability is at the forefront of renter thinking, this region, as well as the Northeast, is in a stronger position to attract renters and command higher asking prices. More reasonable baseline asking prices have translated into more stable growth over time.

So, What Should a Landlord Do Right Now?

What should landlords take away from these trends? First, and always: Know your regional market and what your target renter's purchasing power is.

Second, take note of how landlords are currently coping with cooling rental market conditions. According to Redfin, they are increasingly offering one-off rental discounts instead of lowering rents per se. This means rents are effectively coming down in some areas, even though the declines don't show up in asking-rent data.

There is wisdom in this approach. Offering tenants the first two or three months rent-free is a highly attractive proposition to renters, particularly in their current mindset of looking for more affordable housing. At the same time, this tactic allows landlords to lock in good long-term tenants who eventually will make up for the concession over the duration of their tenancies.

Finally, landlords in higher-end markets need to be especially watchful in the current climate. The luxury end of the rental market is feeling the impact of the softening conditions already. As Jon Ziglar, CEO at Rent.com, told Redfin:

"Higher-end properties are beginning to see pressure in certain markets as a significant portion of new units coming online are in the higher-end and luxury segment. We are still seeing a lot of competition for more affordable units due to less new supply, as well as increased pressure on consumer wallets, limiting the ability to stretch for that higher-level experience."

If you are a landlord in the higher-end market, you may need to consider diversifying your portfolio to include more affordable properties. As a bare minimum, you should definitely consider the one-off concession tactic to make your property more attractive to tenants. Offering a higher-end property inclusive of utility bills and fully furnished can also increase its appeal.

Finally, landlords in areas that are seeing the fastest rental decreases will need to be vigilant, as they may need to adopt a more aggressive strategy that involves selling up a few months down the line.

U.S. Pending Home Sales Dropped 7.1 Percent in August

Residential News » [Washington D.C. Edition](#) | By [WPJ Staff](#) | October 2, 2023 7:22 AM ET

According to the National Association of Realtors, pending home sales slid 7.1% in August 2023. All four U.S. regions posted monthly losses and year-over-year declines in transactions.

"Mortgage rates have been rising above 7% since August, which has diminished the pool of home buyers," said Lawrence Yun, NAR chief economist. "Some would-be home buyers are taking a pause and readjusting their expectations about the location and type of home to better fit their budgets."

The Pending Home Sales Index - a forward-looking indicator of home sales based on contract signings - sank 7.1% to 71.8 in August. Year over year, pending transactions fell by 18.7%. An index of 100 is equal to the level of contract activity in 2001.

"It's clear that increased housing inventory and better interest rates are essential to revive the housing market," added Yun.

Pending Home Sales Regional Breakdown

The Northeast PHSI declined 0.9% from last month to 62.6, a reduction of 18.2% from August 2022. The Midwest index dropped 7.0% to 71.3 in August, down 19.1% from one year ago.

The South PHSI fell 9.1% to 86.5 in August, dipping 17.6% from the prior year. The West index retreated 7.7% in August to 56.3, sinking 21.4% from August 2022.

"The Federal Reserve must consider the sharply decelerating rent growth in its consideration of future monetary policy. There is no need to raise interest rates. "Moreover, the government shutdown will disrupt some home sales in the short run due to the lack of flood insurance or delays in government-backed mortgage issuance," said Yun.



Best Fall Treats:
Cider, Pumpkin
Spice Latte &
Doughnuts!!!

REIA Of Wayne

BOARD MEMBER INFORMATION

Name	Phone	Email
Wayde Koehler.....	313.819.0919.....	housemgt@comcast.net
Maria King.....	248.259.3268.....	kingm625@yahoo.com
Mike Sloan.....	313.618.5277.....	mikesloan19@gmail.com
Jeremy Paul.....	734.770.1455.....	pauljer9my@gmail.com
Jerry Kirschner.....	248.867.0744.....	gkirsch888@aol.com
Liz Walker.....	313.443.8505.....	beneficialinvestments@gmail.com
Steve Ehrman.....	248.390.0738.....	steve@andrewsdreamllc.com



Contractors:

(Note: REIA of Wayne does not support or make any recommendations regarding contractors. It is up to you to do your due diligence when hiring any contractor. This is for information purposes only.)

Painting

Diamond Painting.... 248 935-4514 Dante's
 Painting (Edmond)
 586 610-1812
 Sergio Guerrero..... 313 282-9119
 Kip the Painter 313 213-4603
 Edgar Plass..... 313 926-3814

Handyman

American Skilled Svc 313 264-9579
 Handyman Service Plus..... 313 242-7372

Lawn Service

J& A Lawn Service (Jason) 727 906-7958
 Classic Cuts (Liz) 313 989-8713

Locksmith

American Lock & Key..... 734 281-1454

Licensed Builder

Ideal Home Improvement.....734 624-3454
 (10% off to REIA members)

Window/Door Repair/Replace

Hunts Window and Doors.....313 318-1581

Appliance Repair

Keith Dvorkin 313 689-2446

Heating and Cooling:

Pollard Heating and Cooling. 313 551-4011
 Main Heating and Cooling.....248 650-8511
 Mega Rooter H & C.....313 254-3529
 Expert Heating and Cooling...734 672-1818

Plumbing

Waterwork Plumbing.....248 542-8022
 Bennies Plumbing.....313 388-5561
 Shaw's Plumbing 313 285-4361

Tub Reglaze

Surface Solutions.....734 455-0200
 TNT Refinishing..... 810 358-0744
 Michigan Tub Refinishing.....313 304-9639

Tree Trimming/Removal

Paul Harris-Tree Trimming.....734 775-6974
 Jaun's Tree Service.....301 804-7504

Roofing

Jeff Williams Roofing.....734 341-3843
 Kanga-Roof.....566 255-0308