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MORRISSEY MONEY MATTERS
The Property Management Firm
By George Morrissey Real Estate Broker / Property Manager
April 2018, updated Since 1981 Copyrighted PSI/GM

**WE HELP PEOPLE BUY AND SELL HOUSES TOO AND HAVE
FOR DECADES from \$40,000 to over \$800,000!**

MORRISSEY MONEY MATTERS RENTAL HOUSE NEWSLETTER

Las Vegas Rental Newsletter –Since 1981 – APRIL 2018 ISSUE, copyrighted George Morrissey/PSI
written by George Morrissey, Real Estate Broker, Investor, Tennis Player, Property Manager,
GRI, E-Pro Certified, Bachelor of Science in Finance, NARPM, UNLV Alumni, Alpha Kappa Psi

THE FIRM is a Full Service Real Estate Company •All Agents Are Realtors© in Good Standing + Members of the
MLS

We work with Buyers, Sellers, Tenants, Lease Options and Exchanges Concerning New or Resale Real Estate in Southern Nevada as well as with Referrals Across the Country. We also Specialize in Property Management. 9 - 5 PM Mon - Fri and by appointment No representation, warranty or guarantee to the accuracy, express or implied to this newsletter information is made. Any actions taken or not taken based on this information should only be considered after consulting with appropriate advisors. Written entirely by George Morrissey (this is not a "purchased" letter from a provider like many others have).

MORRISSEY MONEY MATTERS RENTAL HOUSE NEWSLETTER

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I subscribe to various newsletters that show me many variables about the local Las Vegas Market.

Morrissey Money Matters Newsletter April 2018 copyrighted PSI/gm

Here is some information from Lawyers Title an escrow company doing great business here in Southern Nevada – at www.LawyersTitleNV.com
Sent to me recently about appreciation.

**SO, THE TITLE OF THEIR INFORMATION WAS
PRICE APPRECIATION – SFR PRICED from Zero to \$399,999
For the period of March 2017 to March 2018 (one year)**

Notes on using this information

Realize this appreciation is for the zip code area only – meaning some houses appreciated more than others. Your results could be different.

This is a guide of how appreciation is going in Las Vegas. For the most part I feel most houses and condos DID go up in value no matter where they were.

The only zip code that had no appreciation (it went down 2% - two per cent – was 89118 which has the following borders

North Side is Tropicana

West Side is Rainbow

South Side is Warm Springs

East Side is I15 freeway.

This area has a lot of industrial spaces and businesses located there and has the “Tropicana detention basis” – which is used to catch runoff water from heavy rains and flooding. A lot of undeveloped land – for businesses is there too.

Zip Code below /// The percentage of appreciation for this time

<u>89166</u>	15%	- Far West a bit north
<u>89138</u>	9%	- Far West just below 89166
<u>89135</u>	6%	- Far West just below 89138
<u>89004</u>	0%	- Outlying west area– not developed much
<u>89124</u>	0%	- Outlying west area– not developed much
<u>89161</u>	0%	- Outlying west area– not developed much
<u>89179</u>	15%	- Southwest
<u>89178</u>	13%	- Southwest
<u>89148</u>	14%	- Southwest
<u>89119</u>	6%	- Southwest
<u>89147</u>	12%	- West
<u>89117</u>	8%	- West
<u>89145</u>	16%	- West
<u>89144</u>	12%	- West Central
<u>89134</u>	9%	- West
<u>89128</u>	12%	- West
<u>89129</u>	21%	- West a bit north
<u>89149</u>	16%	- West a bit north
<u>89143</u>	11%	- Northwest
<u>89131</u>	13%	- Northwest

89130	15%	- Northwest
89108	14%	- North central
89107	15%	- Central
89146	17%	- Central
89103	15%	- South Central
89118	-2%	- South Central (yes this is a Negative number)
89139	16%	- South
89141	13%	- South
89044	6%	- Very South
89183	15%	- South
89123	15%	- South
89119	3%	- Central
89169	15%	- Central
89109	0%	- Central
89102	14%	- Central
89146	17%	- Central
89085	7%	- North
89084	12%	- North
89031	19%	- North
89032	13%	- North Central
89106	10%	- North Central
89101	0%	- Central East
89030	19%	- North
89081	12%	- North East
89086	8%	- North East
89115	20%	- North East
89110	15%	- East
89142	14%	- East
89156	23%	- East Far
89122	10%	- Central East
89121	13%	- Central East
89120	12%	- South East
89014	14%	- South East
89074	13%	- South East
89012	6%	- South
89052	13%	- South
89044	6%	- South
89141	13%	- South
89139	16%	- Central
89002	9%	- South East
89015	11%	- South Far East
89011	11%	- South Far East

There is a different chart for those houses that are worth from \$400,000 to \$749,999. There were more negative numbers in zip codes as compared to the earlier chart.

The major zip codes for the \$400,000 to \$749,999 shows the following:

89149	8%	89131	-3%	89129	24%
89134	16%	89144	21%	89143	19%
89138	13%	891566	17%	89161	0%
89135	2%	89128	-6%	89145	9%
89117	-3%	89147	-5%	89148	-26%
89113	7%	89178	20%	89130	0%
89108	0%	89128	-6%	89108	0%
89130	0%	89084	16%	89031	0%
89032	0%	89108	0%	89107	0%
89146	-8%	89103	0%	89118	-13%
89139	-11%	89141	6%	89183	2%
89119	0%	89012	9%	89052	4%
89002	6%	89074	10%	89014	-1%
89120	26%	89121	1%	89169	0%
89104	0%	89110	-8%	89115	0%
89081	0%	89156	0%	89142	0%
89122	0%	89011	6%	89015	3%

Basically, all the data above shows us that “regular” house prices are appreciating at a good rate! And expensive houses “no so much”. Some areas are better than others. One must remember, that YOUR HOUSE or CONDO may have a different appreciation rate – than the one stated than “the rate” that is your same zip code.

We see houses going up for at least the next three years. My family is well placed with some property and we do not plan on selling anything right now.

I did attend a meeting recently here in Las Vegas with only “owners” of property management companies from across the United States. These companies only manage houses and condos so are well represented as the most knowledgeable group in this space. A real estate data cruncher who has been investing for decades and is also an economist gave the last presentation of the 3-day OWNER/BROKER retreat. He showed us that across the country there were approximately 2.1 Million houses NOT BUILT DURING THE FORECLOSURE YEARS. And now that the demand is here the country is SHORT for housing! Most know this! Most don’t know that some predict (and many feels this is going to happen no matter what) that 30% of the country is moving from the cold states to the warm states. So, Nevada is a warm state and will get the benefit of that movement among other things. Colder older “big” cities like Detroit and Chicago may have some anti-growing pains.

Currently about 12,000 people are moving to Las Vegas every month. 5,000 to 7,000 are moving away each month too. This gives Las Vegas a net growth EVERY MONTH of from 5,000 to 7,000! This causes a lot of demand! The “big casinos” have finished (and others) their research and here are some expansions – some have been repeated in case you missed it:

The OAKLAND RAIDERS NFL FOOTBALL TEAM is moving to Las Vegas! They are building a permanent new stadium just south of Mandalay Bay Casino! This is 100% supported by the local politicians, the NFL, the lenders, and anyone having to do with it. This WILL Happen! Read all about it at: <http://www.raiders.com/>

The NHL Hock team called the GOLDEN KNIGHTS is here for its first year ever as an expansion team! In case you aren't paying attention, they have qualified for the playoffs right now and are a winning team. In fact, they are the MOST winningest team ever for a first-year expansion team. They regularly sell out the 20,000 seat T Mobile Arena next to the Monte Carlo Hotel. This hotel is being rebranded as THE PARK HOTEL. The T MOBILE ARENA now has a robust schedule and I have also attended seeing ROGER WATERS, the VEGAS STRONG BENEFIT, BILLY JOEL and others at this venue. See who is coming next at: <http://www.t-mobilearena.com/>

They also expanded what used to be the Lance Burton Theatre (seating about 1,274) to now seat about 5,200 what is now known as THE PARK THEATRE. See their schedule at: <https://www.parkmgm.com/en/entertainment/park-theater.html>

STEVIE NICKS was the first performer to have a concert there. I personally have seen at this theatre, BOSTON, and BILL BURR. Great shows.

The VENETIAN HOTEL AND CASINO has plans with MSG (Madison Square Garden) to build a 17,000-seat indoor theatre just east of the Casino on some land they own and use for parking. They would build this so all seats face the stage in a U type configuration. They have also stated the outside roof would have one of the world's largest LED light display to advertise shows and other things as they see fit.

There are over 70 showrooms in Southern Nevada and its great fun to see the world's best in our backyard. And for the first year there is also a WNBA – Woman's National Basketball Association team here too called the ACES.

See their schedule at

<http://aces.wnba.com/schedule/#?season=2018&seasontype=02>

For those of you who have read this far... you may be pleased to know I am in a private ticket club and can take myself plus three others to one show per night here in Las Vegas with a choice from 5 to 15 shows a day FOR FREE! There are some restrictions such as I Must have some notice (at least 1-3 days). The shows available are NOT the A+ shows. So, I can NOT get tickets for any Cirque show, or headliner like Celine Dion, or one night only concerts. I may be able to help you know where and how to buy tickets with an opportunity of how to do so – but this is based on my availability. The shows I can get are performances such as Comedy Clubs, Magic Shows, Variety shows and the like. Sometimes a new show is having previews and just opened or it's a low cost show – like \$50 for a ticket – so I can get those free. It all depends so you must talk to me about this.

It's fun to try and spend some social time seeing the town, getting to know some of our old clients better and making new friends along the way too.

Some other rules about these tickets include - I must attend – so my schedule is important as I not available all the time. Once scheduled we cannot “skip” the show – as I could get fined or thrown out of the club. So, if this interests you, based on my availability let me know and maybe I can take your party of three to a show!

Back to the long-term idea. One can imagine if you end up gathering some assets and finally end up with only five (5) properties many good things could happen. We think property prices will double in 15 years. So, if those five were worth \$200,000 each or \$1,000,000 in total. Then when they double they will be worth \$2,000,000 and the owner will now have (at least) a million dollars of equity. The nice part of this strategy is that the tenants will be paying most of the expenses for you to own these assets! And most likely over time – rents will go up too! In 15 years we think rents will go up at least 60% to 70%. And of course, over time, your mortgage balance is going down – being paid by the tenants with rent!

Sure, someone must manage it – that's where we come in and why I got into the management business anyway – as my family had some rentals and needed some help. My dad got tired of dealing with tenants so he and my mom hired me! I slowly grew the business one property at a time to arrive with a portfolio of about 70 houses I was managing. My dad did NOT want to expand (which surprised me) so I quit his company and opened my own as a REAL ESTATE BROKER called PROPERTY RESOURCES. I managed 70 houses by myself, with no secretary and no help for about 7 years and DID EVERYTHING.

One should remember that there are over 12,000 Real Estate Agents/Realtors in Southern Nevada. Which all of them have a "boss" who must be a Licensed Real Estate Broker. I am a Real Estate Broker, and Realtor, not just an Agent and have been Licensed since 1981. All transactions by any Agent no matter what they are doing are overseen by a Broker and must go "through" that Real Estate Brokers hands.

The agents are all directed by their Brokers, and can only do certain things – Agents do NOT have full authority to change their fees, to offer services not authorized by their “boss” or to offer services other than what they are confined or required to do. Agents are usually limited and handcuffed regarding what they can or cannot do. A Broker has much more authority and power and knowledge to stay out of trouble, do a better job, be more detailed, and have more experience than an Agent – that's one reason why they are a Real Estate Broker. There are a few exceptions with Agents having a lot of experience. Robyne our office manager is one. She has a ton of real estate experience. Brokers can do what they want as they are their own boss for the most part. The Broker's license is “most” at risk so they may pay more attention to the details than an agent. Also have less flexibility than a Broker -especially if they are a newer agent and need more help to learn the business. Did you know that it is estimated that about 85% of all Licensed Real Estate Agents are “out of business” in less than 3 years? No? Well that just shows what a tough business this real estate game is. And if you are dealing with someone who HAS been in

business for a long time – you should heavily consider staying with them! Adding Robyne, myself and Bill’s experience to a measuring stick shows us that we have a COMBINED CENTURY OR MORE OF REAL ESTATE EXPERIENCE!!!

To become an Agent, one must have a minimum of a variety of hours of classes known as Continuing Education Credits and pass an Agents (not a Brokers) test. This can take from 30 to 90 days or more and gives them very little actual real estate related work experience. Since I have a degree in Finance with a concentration in Real Estate – from UNLV. I qualified to take this test without taking all the classes - but I took the classes anyway – as I am an education junkie having taken over 250 real estate and related seminars during my career and became a Licensed Stockbroker and Life Insurance Agent as well -as I am interested in how investments, taxes, and strategies work.

There are some designations one can get with longer seminars, tougher tests, and better information. I hold a few such as I hold the designations of:

E-Pro, (Electronic Professional regarding the Internet)

GRI (Graduate of the Realtors Institute). There are specialized groups that some belong to as well (see above the Logo).

Most Agents and Brokers (not all) are also Realtors. Agents who sell new houses and work for a builder directly and full time - may not be a Realtor (and don’t have to be for example).

There are about 950 Real Estate Brokers in Southern Nevada. It is much tougher to become a Real Estate Broker than to become a Real Estate Agent!

To become a Real Estate Broker some of those requirements are:

- A) A broker must pass a (tougher) specialized test to become a Real Estate Broker AFTER they passed the Real Estate Agent test (Note – I passed both at the same time, first time).
- B) To become a Broker an Agent must work full time for another Broker for a minimum of Two Years.
- C) To become a Full Time Broker, a Broker must then open his or her own office and change his license and be “the boss”.
- D) A Broker - to be accepted as a Broker - must have a minimum net worth (it goes up every so often) and enough liquid assets to pay ALL their office bills for one year - with NO INCOME - otherwise they cannot become a Real Estate Broker.
- E) A variety of convictions of crimes, not current in alimony or child support payments would also disqualify someone to become a Real Estate Broker.

A Real Estate Broker, has their license most “at risk” and is responsible for the business and how it runs. Sure, we put our three heads together – and why not with over 100 years of experience? To solve problems. Those three would be Robyne, myself and Bill. We three in this case run the business, oversees the operations, makes all the important decisions, has all the experience, strategy, and

guidance to share with their clients - and oversees all the other Agents - while still shouldering all the responsibility. Why would you want to work with anyone else but a full time Real Estate Broker team with over a Century of experience? Especially in the Property Management Space – as VERY FEW REALTORS OR AGENTS OR BROKERS OF ANY KIND HAVE BEEN MANAGING PROPERTY AS MUCH AS WE HAVE.

Some clients have asked to further explain what we do when we get paid a “leasing fee” to find a new tenant. Here are some of the MANY details we must “do” to have a successful turnover. So, some of the things we do when turnover occurs are:
Doing a walkthrough with or without the tenant to determine the condition of the property.

Take notes, and get bids for work that Is needed. Send bids to owners.

Shoot photos of the property for archiving and marketing. Show to owner.

Researching the market to see what properties are “asking” for rent, what actually “leased” for rent, and what “expired” and did not rent.

We must handle all the multitude of phone calls which saves owners time!

We must arrange to turn the utilities on (this takes time).

We add a lockbox to the property.

We must look up the school zones.

We must look up all the features, terms, and amenities of the property

And then “market” the property for rent.

We market the property to be on over 100 websites – this is called syndication.

We market the property in the MLS system so 12,000+ other realtors can see it and show it.

We talk to the owners, all the potential applicants and other agents.

We receive and process verifying credit, housing, work, and other info from applications.

We negotiate with the applicants. When approved we sign lease papers with them and collect the deposits and rents.

We pay bills for the vendors needed, cleaning the carpets, utilities and others.

When rented we then must stop the marketing, take the lockbox off, bank the deposits and start managing the property.

the longer it is on the market – costs the owners more vacancy – but also costs us more time – to continually support the property – still talking to all the inquiries until it’s rented. We earn our fees when it gets rented so we are motivated to also stop our owners from suffering vacancy. There is a lot that goes into leasing a property! And lots more attention to detail that we must take care of also! They say this is a business with “lots of details” for low pay! Most do not know all the tasks, services, duties, and work that is needed to “rent” a property!

Vegas is looking up! Those who positioned themselves by owning some rental properties here in Southern Nevada – could make some very healthy gains in the next few years regarding the values and rents going up!

If you ever want me to write about something let me know.

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We appreciate your business!

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