



2020 HOUSING PROVIDER SYMPOSIUM

# Partnering with INLIVIAN... A Smart Business Investment

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NC Broker | REALTOR® | Speaker | Author | Host

Maximizing Opportunities | Navigating New Landscapes





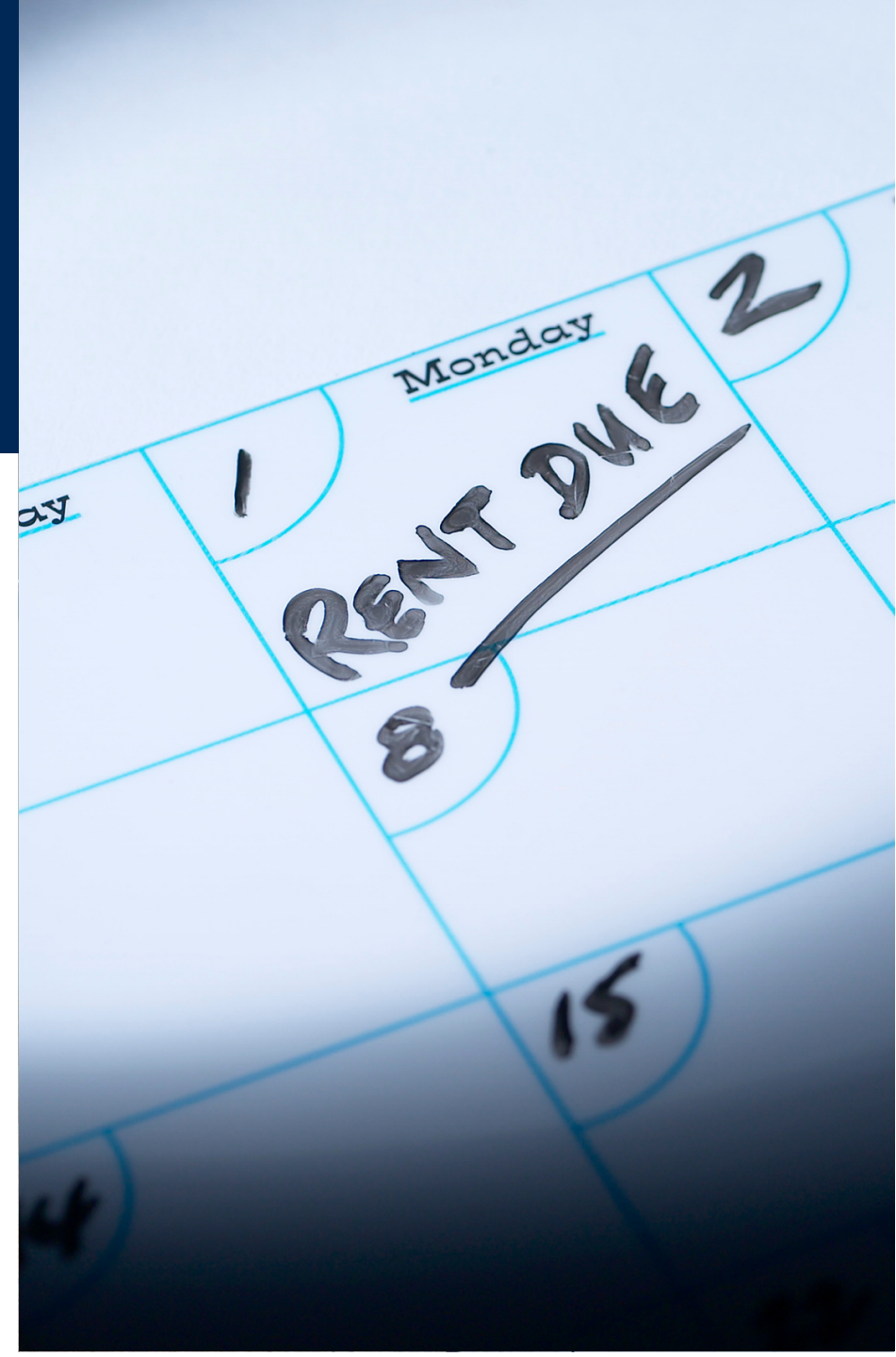
# Main Topics

- MARKET SNAPSHOT
- OPPORTUNITIES AHEAD
- LEVERAGE SOURCES
- STRATEGIES FOR NEW INVESTORS– Get Started
- Resources

# Market Snapshot

## Trends Unfolding

- ✓ Job Losses Occurring in Consumer Facing Segments
- ✓ Younger People Staying Home With Parents Longer
- ✓ Population Growth In Charlotte MSA Increasing Rental Demand
- ✓ Drastic For Sale Inventory Reduction Increasing Rental Demand
- ✓ New Job Formation In Lower Hourly Wage Sectors
- ✓ Upper Tier Renters Buying Down
- ✓ Low Interest Rates Increasing Investor Pool
- ✓ Increased Construction Cost Reducing Number of Subsidized Units
- ✓ Land Cost & Availability Driving Up Market Rate Unit Pricing



# Market Snapshot

## General Housing Gap

- ❖ Demand
  - ☐ General Demand Side
  - ☐ HCV Open Demand
- ❖ Supply/Sources
  - ☐ Organized Development
  - ☐ Existing Market Scan



# Existing Market Data Scan

SINGLE FAMILY FOR SALE (5/9/2020 - 11/5/2020)					
Price Range	Available		In Contract Buyers	Avg \$ Paid	
\$0 - \$99,999	1	3	18	\$69,844	
\$100,000 - \$199,999	28	165	735	\$168,802	
\$200,000 - \$224,999	23	108	565	\$211,635	
\$225,000 - \$249,999	41	230	701	\$236,085	
\$250,000 - \$274,999	45	262	690	\$261,377	
\$275,000 - \$300,000	72	210	673	\$286,797	
<b>TOTALS</b>	<b>210</b>	<b>978</b>	<b>3382</b>		

MULTI-FAMILY FOR SALE (5/9/2020 - 11/5/2020)					
Price Range	Available		In Contract Buyers	Avg \$ Paid	Avg # Units
\$0 - \$99,999	0	0	0	0	0
\$100,000 - \$199,999	0	2	4	\$179,625	3
\$200,000 - \$249,999	1	3	7	\$226,429	2
\$250,000 - \$300,000	0	2	4	\$281,850	2
<b>TOTALS</b>	<b>1</b>	<b>7</b>	<b>15</b>		

RESIDENTIAL RENTALS (5/9/2020 - 11/5/2020)					
Price Range	Available		In Contract Buyers	Median \$ Paid	Med Bd/Bth
\$0 - \$849	3	1	37	\$775	2/1
\$850 - \$1,149	32	9	271	\$1,025	2/1
\$1,150 - \$1,349	92	16	460	\$1,250	2/2
\$1,350 - \$1,549	92	17	601	\$1,450	3/2
\$1,550 - \$2,000	212	31	1088	\$1,730	3/3
<b>TOTALS</b>	<b>431</b>	<b>74</b>	<b>2457</b>		
<b>\$0 - \$9,000</b>	<b>582</b>	<b>88</b>	<b>2953</b>	<b>\$1,595</b>	<b>3/3</b>

RESIDENTIAL LOTS FOR SALE (5/9/2020 - 11/5/2020)					
Price Range	Available		In Contract Buyers	Avg \$ Paid	Avg Acres
\$0 - \$24,999	2	5	10	\$16,354	0.45
\$25,000 - \$49,999	8	10	36	\$36,383	0.43
\$50,000 - \$74,999	9	9	19	\$59,697	1.42
\$75,000 - \$100,000	13	7	15	\$83,800	1.09
<b>TOTALS</b>	<b>32</b>	<b>31</b>	<b>80</b>		

# Opportunities Ahead

## Diversity of New Housing Stock

*Missing middle housing (MMH) is defined by Opticos Design as a range of multi-unit or clustered housing types—compatible in scale with detached single-family homes—that help meet the growing demand for walkable urban living. <https://opticosdesign.com/missing-middle-housing/>*



# Opportunities Ahead

## Diversity of New Housing Stock

- ❖ Purchase Existing For Rental
- ❖ Buy/Renovate
- ❖ Buy/Demo/Build

## Expansion Strategies

- ❖ Accessory Dwelling Units (ADUs)
- ❖ City Owned Land
- ❖ Community JV Partnerships





# Leverage Sources

How To Gain  
Advantage

## Tools of Large Providers

- ✓ HCV Subsidies up to 100-125% of FMR
- ✓ Income/Contract Guarantees
- ✓ Seek Longer Lease Terms

## Asset Preservations

- ✓ Housing Maintenance  
(Every Other Year)
- ✓ Damage Mitigation Fund  
(Property Restoration Assistance)

## Tenant Qualification Support

- ✓ Tenants Receive Good Neighbor Orientation
- ✓ Tenants Are Uniquely Qualified
- ✓ Desired Tenant Performance Incentivized

*“Enhanced property management reduces operating costs and directly improves cash flow”*  
– T. Anthony Lindsey

# Economic Fundamentals

Program Benefit Analysis				
	HCV	Market	Market	Market
Monthly Rents	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
Contract Months	12	12	12	12
Loss Payment Months	0	1	3	6
<b>Annual Income</b>				
Gross Income	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00
Vacancy				
Losses	\$ -	\$ (1,500.00)	\$ (4,500.00)	\$ (9,000.00)
<b>Annual Effective Income</b>	<b>\$ 18,000.00</b>	<b>\$ 16,500.00</b>	<b>\$ 13,500.00</b>	<b>\$ 9,000.00</b>
<b>Annual OpEx</b>				
Taxes	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00
Insurance	\$ 850.00	\$ 850.00	\$ 850.00	\$ 850.00
Maintenance	\$ 3,600.00	\$ 3,600.00	\$ 3,600.00	\$ 3,600.00
<b>Total OpEx</b>	<b>\$ 5,650.00</b>	<b>\$ 5,650.00</b>	<b>\$ 5,650.00</b>	<b>\$ 5,650.00</b>
<b>NOI</b>	<b>\$ 12,350.00</b>	<b>\$ 10,850.00</b>	<b>\$ 7,850.00</b>	<b>\$ 3,350.00</b>
Cap Rate	8%	8%	8%	8%
<b>Property Value</b>	<b>\$ 154,375.00</b>	<b>\$ 135,625.00</b>	<b>\$ 98,125.00</b>	<b>\$ 41,875.00</b>
<b>Value Loss</b>		<b>\$ 18,750.00</b>	<b>\$ 56,250.00</b>	<b>\$ 112,500.00</b>



# Strategies for New Investors

## Set Investment Goals

Establish realistic targets to help identify, analyze, and manage properties that you include in your portfolio.

## Capitalize Your Investment Plan

Identify reliable sources of capital that can be placed at risk:

- ✓ convert existing equity
- ✓ Partnership Investing

## Build Your Team

Bring together a group of experts to help you carry out your plan.

# RESOURCES



- ✓ City of Charlotte Accessory Dwelling Unit Internal Report

[https://charlottenc.gov/CityCouncil/Committees/Housing%20Task%20Force%20Group%20agenda/Housing\\_Task\\_Force\\_Briefing\\_Materials\\_July\\_30\\_2020.pdf](https://charlottenc.gov/CityCouncil/Committees/Housing%20Task%20Force%20Group%20agenda/Housing_Task_Force_Briefing_Materials_July_30_2020.pdf)

- ✓ Property Financial Analysis Tool – Bigger Pockets

<https://www.biggerpockets.com/rental-property-calculator>

- ✓ Mecklenburg Times

<https://publicnotices.mecktimes.com/>

- ✓ 2020 The State of Housing Report

(UNC Charlotte's Childress Klein Center for Real Estate)

<https://realestate.uncc.edu/research/state-housing-charlotte-report>



# Questions & Answers



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