





# Real Estate Investing in the Next Boomtown – Austin, TX

The secrets to buying &  
financing your next  
investment home

# BUYAUSTIN.COM

W/ National Speaker - Kenn Renner,  
Broker/Investor

*“over \$200,000,000 in residential transactions  
since 1983”*

***SERVICE, EXPERTISE, INTEGRITY***

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**Real Estate Radio – Every Saturday**

**11am - 1pm Pac Time**

**[www.talk1370.com](http://www.talk1370.com)**

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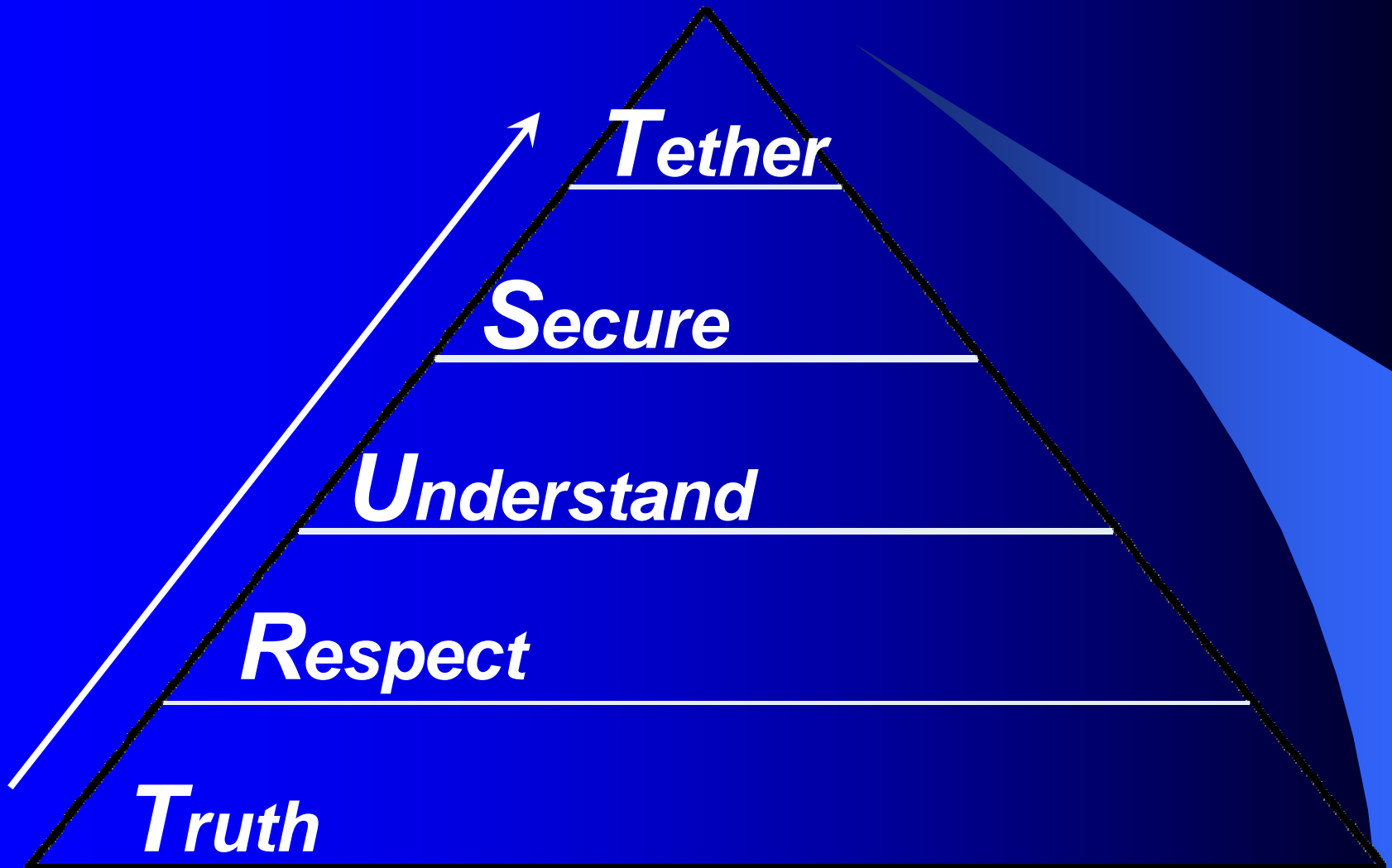
# SESSION ONE

- Dreams
- Goals
- Plans
- Reality

- Service
- Expertise
- Integrity
- Referral

***TRUST***

# TRUST

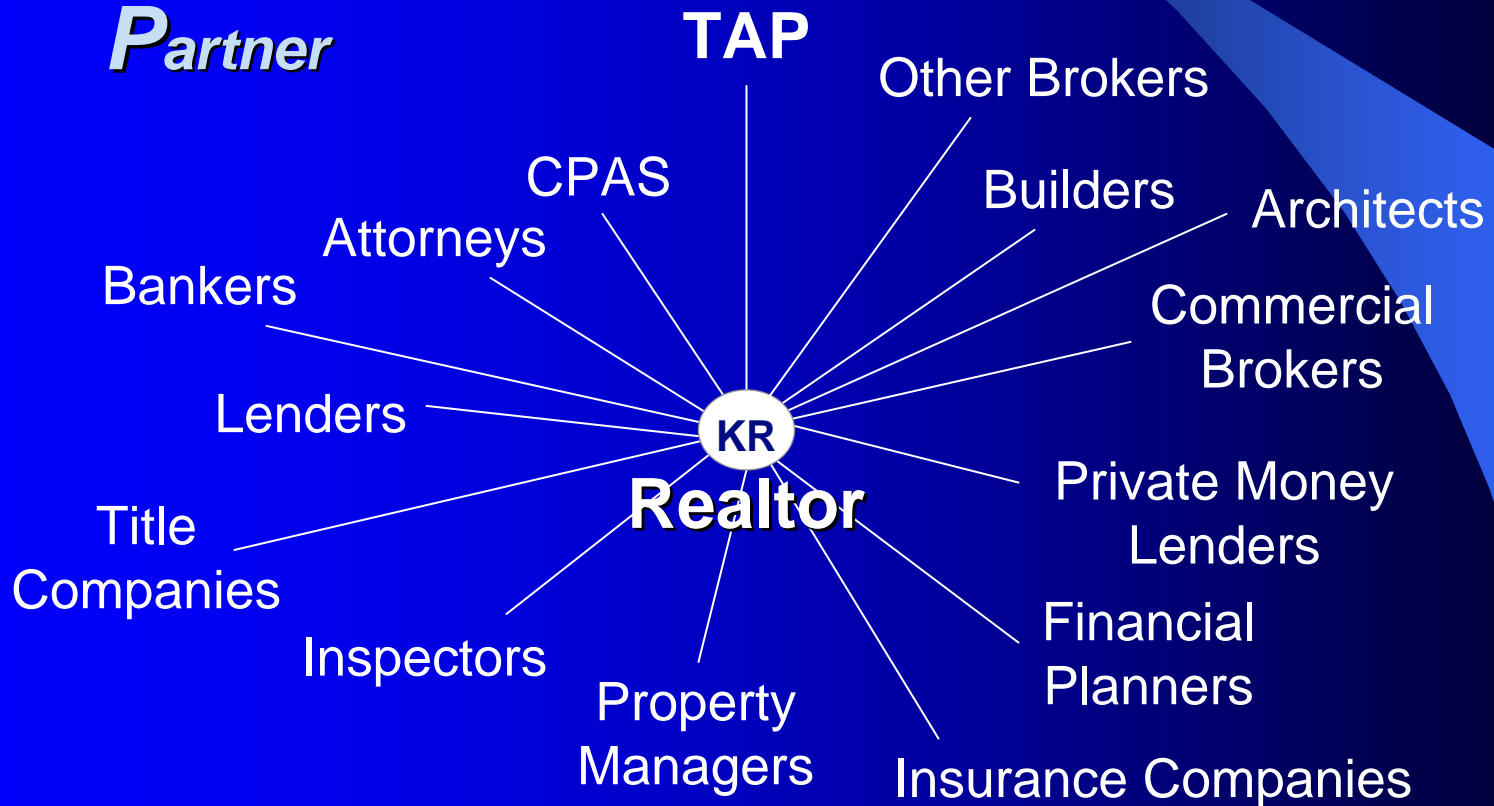


# RELATIONSHIP REFERRAL NETWORK

*Trusted*

*Adviser*

*Partner*



# WHY REAL ESTATE?

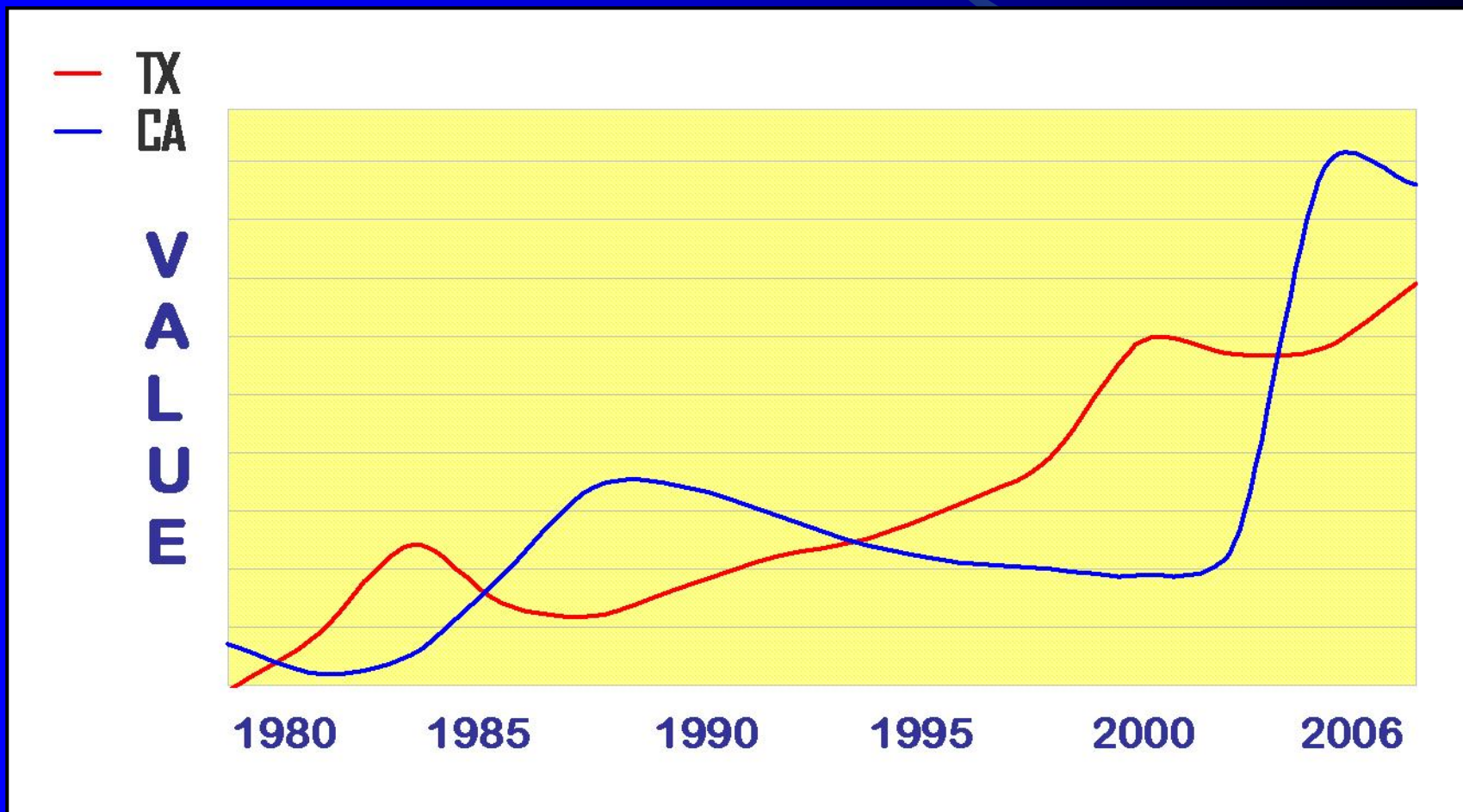
- Over 85% of the nations wealthy made theirs through Real Estate
- Leverage, Appreciation, Depreciation
- Business Write-Offs
- Advantages of Mortgage Financing
  1. Relatively easy to obtain
  2. Rates can be fixed for a term
  3. Adjustable, payments can decrease



# WHY REAL ESTATE?

- Someone else helps make payments (tenant) as balance is paid off
- Eventually will be free & clear
- Tends to follow historical trends

# COUNTER-CYCLE TO THE COASTS



# APPRECIATION IN AUSTIN

- Solid Appreciation
- [www.OFHED.gov](http://www.OFHED.gov) 9.67% citywide appreciation -  
7th highest appreciation in the nation from  
3<sup>rd</sup> quarter 2007
- Over building a factor? Not really
- Where is the glut, where is the scarcity?

# STRONG JOB GROWTH

- Immigration - *Look at the license plates*
- Inventory Dropping
- Rental Market Strong
- Retail is **BOOMING**

# REALITIES OF TODAY'S MARKET

- The Sky is not falling - ***at least not in Austin!***
- Low Rates - my guesstimate, lower rates
- Relatively Easy Qualifying - though not as easy as last year
- Strong Affordability Factor

# Why “Austin” Real Estate?

- Undervalued
- Highly rated place to be
- High quality of life
- Affordable

# Why Kenn Renner?

- Born & Raised in California – I know California
- 25 Years in Real Estate
- Moved to Austin in 1993 to be a bigger fish – I know Austin
- Now one of the Top Brokers in Austin, TX with over \$80 Million in home sales 05-07

# Why Kenn Renner?

- Excellent reputation with builders, investors and home buyers & sellers
- Good Ol' Boy – Insider relationships
- I work for you – Representation
- I work with investors – Have a system
- I invest in the product I sell
- Trusted Advisor Professionals (T.A.P.)



# Current Market Conditions and Statistics for Austin, Texas 2006

- 17th Largest city in the Nation
- Population in the Austin area – 1.2 Million
- Clean city, clean air, pristine lakes & parks
- Highland Lakes System, Lake Travis, Town Lake, Lake Austin
- Great culture, friendly & more laid back.
- Low crime
- Low unemployment
- Great educational system
- Live music capitol of the World.
- The third coast

# Reasons why Austin has experienced such success

- Opportunity
- Job Growth & Population Growth
- Diversified Economy
- Highly Educated Population
- Business Friendly
- New Businesses
- Established businesses expanding
- Entrepreneurship
- Venture Capital
- Third Coast
- Room to grow
- Plenty of Power
- Few Natural Disaster Potentials

# Big News in Austin !!!

- Relatively inexpensive (for now)
- \$3 Billion in Toll Roads Complete
- Commuter Rail '08
- **Property Tax Reform !!!**

## Other Statistics

- Median home price - 180,000
- Average home size - 1500-2000 sq foot
- Average days on the Market – 62
- Number of homes on the Market – 9,800
- Population expected to more than double to 2.5 Million by 2020

## Kenn's strategies for residential investing

- Buying and holding or buying and flipping
- New & Resale Rental homes
- Location, Location, Location
- Timing, timing, timing
- Residential rents are about \$6-8 per \$1,000 in sales price, per month
- About 9-10 times gross
- Builders are in fierce competition for market share

## Kenn's strategies for residential investing (Cont.)

- Builder Move-Up
- Offering big incentives
- Bulk discounts
- Builders cooperate with real estate brokers
- Supply of resale homes decreasing
- 10 Homes in 10 Years
- College tuition paid for

## Target Market –

- New homes in popular areas -
- Distressed resale homes
- Model sale lease-back
- Pre-leased homes – turn key investments
- Kenn's inventory – Leased, managed, ready to go
- High income areas, golf course communities, PUD's, Close-in stable areas, yuppie & family areas, amenity rich locations.

## Renner Realty's role:

- Buyer's Broker –
- Seeking long term relationships & referrals
- Search for and find property - cherry pick
- Tie-up, negotiate, acquire, guide, close
- Act as eyes & ears
- Attend walk - through
- Facilitate closing



## Refer lending

- Hand picked preferred lenders
- Builder's lenders
- Get pre approved
- Cooperate with lender requests
- Financing interstate takes more effort & patience
- Stated income, Interest only, 5/1 ARM, 7/1 ARM, 15 & 30 year loans

## Refer management

- Hand picked preferred management
- Pre-leasing, management, daily operations
- Leasing fees 60-80% of 1st months rent
- Management 7% -10% of gross rents per month
- Self Manage ? – Not Recommended

# Sample Pro-Forma\*

## Example Scenario

● Purchase Price:	\$150,000
● Down Payment:	\$ 30,000
● Closing Costs/PrePays:	<u>\$ 4,200</u>
● Cash to Close:	\$ 34,200
● Loan Amount:	\$120,000
● Interest only @ 6%:	\$ 600
● Taxes @ 2.4%:	\$ 300
● Insurance & HOA:	<u>\$ 100</u>
● Total Payment:	\$ 1,000
● Management @ 7%:	<u>\$ 70</u>
● Payment + Mngmt:	\$ 1,110
● Rent Range:	\$1,150-\$1,250

\* These proformas are illustrations and are for comparison purposes only. They do not include expenses for reserves or replacement costs in the future nor additional fees & reserves associated with management, utility connection, leasing, etc. Further – rental rates, tax rates, insurance, loan costs and interest rates vary.

# Referrals

# Exit Strategy

















Avery Ranch













A single-story house with a light-colored exterior and a dark roof. The house features a covered front porch supported by columns and a large two-car garage on the right side. A young, green tree stands in the front yard, and there are some plants near the porch. The sky is overcast.

11500 Morgan's Point

\$119,900

Lease @ \$1,100 Per Month





1813 Horse Wagon

\$154,900

Leased @ \$154,500







7829 Squirrel Hollow

\$179,900

Leased @ \$1,295 per month

*Meridian Homes*

Please Respect Our New Home  
No Parking on Driveway..... Thanks



1616 Musket Valley

\$189,900

Currently Rented @ \$1495









Avery Ranch





A wide-angle photograph of a bright, open-plan living and dining area. In the foreground, a wooden dining table is set with four wooden chairs, and a white bowl of fruit sits on the table. The background features a living room with a beige sofa, a matching ottoman, and a large fireplace with a white mantel. A television is mounted on the wall to the left, and a ceiling fan with a light fixture is visible above. Large windows with white blinds let in natural light, and a glass door leads to an outdoor deck on the right.

10524 Dunham Forest

\$209,900

Leased @ \$1,550 per month







# Contact Info:

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