



Fall Newsletter

Water, water everywhere...

I am protective of my clients. I worry about price, terms, about their rights under the contract, the loan's APR, inspections and water.

Why am I so concerned about water? *Have you been to Meramec Caverns?* The force that created that natural wonder is opposed by your home. Don't panic! We have thousands of years of engineering experience on our side but we still need to take an active role.

A five minute inspection performed every few months can save you thousands. **Begin by looking at your gutters.** Check to see that the inside edge is flush with the house. Look for water streaks over the edge of the gutter or down the

wall. Examine the wall for missing tuck point or patches of mildew. Make sure the downspouts are intact.

If you can't see up there, don't worry. There might be telltale signs on the ground. Look for perfect lines of pebbles under the eaves. If you find them, your gutters are dirty or out of line. Low spots or pools of mud may indicate a leak above.

Finally take a look at your downspouts and figure out where the water is going. Try to direct it at least 10 feet from the house and preferably toward the street. (MSD will not allow pipe to the street but has not objected to things aimed that way.)



You have accounted for all the water from *your* house. Now you only have to be concerned with the rest of the world. The most likely problem is your neighbors' gutters. You know how neighbors are—they are never as conscientious as you and I. Check out maintenance and direction as it affects you. If you find a problem ask them to address it, send them (or ask us to send them) a copy of

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Award Winning Website MarkSellsStLouis.net

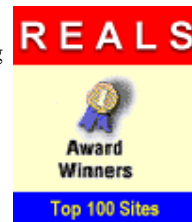
In early September, we earned these two awards for our website:

Gold Award from RealEstateABC.com - Among the criteria for this is to "show an interest in informing real estate consumers and include original

"on-site" content." In addition, we are listed in the **Top 100 Sites** of RealEstateABC.com

REALS Top 100 Sites - REALS catalogs sites in construction, real estate & home decorating. They say

this of award winners: "We wish to reward those sites offering a great contribution to our Real Estate Internet community."



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Special points of interest:

- Check out our website - [MarkSellsStLouis.net](http://www.MarkSellsStLouis.net)
- Family & Friends - see the new family website <http://extendedfamily.tripod.com>
- First Time Home Buyers Money is Available!
- Do you need a chuckle? Read the Real Estate Lament on page 2.
- In November we'll be launching another website - www.WeSellStLouis.com

Investments

Recently a broker with one of the major investment firms told me his investors had lost 15% less than the market average. I found that a very dubious distinction.

The most aggressive investors I have worked with have realized a 15% return in as little as three months. They bought highly distressed property, brought in a team to bring the house up to neighborhood standards and sold it with attractive financing. Changes in finance rules make this more difficult now, but with proper documentation it can still be done.

Rehabbing distressed properties is exciting. You take your best guess at repair

costs, make an offer and try to stay on schedule and under budget. Closing day is truly a time for celebration.

For those of us who don't enjoy nail-biting there is rental property.

Currently it is more popular to buy rental property. The most popular rental properties are four-family homes. Four-families have several advantages—maintenance is more central than four single-family rentals and there is less risk with four tenants guaranteeing income than only one. They are also surprisingly affordable.

The first step with rental property is analyzing income. Income is often expressed

as a percentage of purchase price. One takes the total monthly rent and divides it by the sum of the purchase price and cost of repairs (there are almost always some even if you're not doing a rehab). One percent is the traditional goal. This allows the investor to maintain the loan, maintain the building and acquire equity. Amounts above one percent should be income which can be equated to dividends.

For example:

Cost of Building - \$95,000
Repairs - \$5,000
Monthly Rents (combined) - \$1400
 $\$1,400 / (95,000+5,000) = 1.4\%$

\$400 per month would be income.

(There are some assumptions in this very simple example—your project income may differ.)

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Real Estate Lament

I hesitate to make a list
Of all the countless deals I've missed;
Bonanzas that were in my grip -
I watched them through my fingers slip;
The windfalls which I should have bought
Were lost because I over-thought;
I thought of this, I thought of that,
I could have sworn I smelled a rat,
And while I thought things over twice,
Another grabbed them at the price.
It seemed I always hesitate,
Then make my mind up much too late.
A very cautious man am I
AND THAT IS WHY I NEVER BUY.
When tracts rose high on Sixth & Third,
The prices asked I felt absurd;
Whole block-fronts bleak and black with soot -
Were priced at thirty bucks a foot!

I wouldn't even make a bid,
But others did—yes, others did!
When Tucson was cheap desert land,
I could have had a hip of sand;
When Phoenix was the place to buy,
I thought the climate much too dry!
"Invest in Dallas-That's the spot!"
My sixth sense warned me I should not,
A very prudent man am I
AND THAT IS WHY I NEVER BUY.
A corner here, then acres there,
Compounding values year by year,
I chose to think and as I thought,
They bought the deals I should have bought.
The Golden chances I had then
Are lost and will not come again,
Today I can not be enticed.
For everything's so overpriced.

The deals of yesteryear are dead;
The market's soft—so's my head!
Last night I had a fearful dream;
I know I awakened with a scream;
Some Indians approached my bed—
For trinkets on the barrelhead,
(In dollar bills worth twenty-four,
And nothing less and nothing more),
They'd sell Manhattan Isle to me,
The most I'd go was twenty-three.
The red man scowled; "Not on a bet!"
And sold to Peter Minuit.
At times a teardrop drowns my eye
For deals I had, but did not buy;
And now life's saddest words I pen
"IF ONLY I'D INVESTED THEN!"

Author Unknown

Water, Water Everywhere...

(Continued from page 1)
this newsletter, redirect the offending water yourself or invest in attorneys - whatever strategy seems most effective.

Chances are pretty good that your house was built on an appropriate grade but years have passed since then. The plans once neatly drawn by the architect have now taken on all the character of human activity - alleys and driveways have been

paved, landscaping done, sheds and garages built/removed. Past clients have requested that their city build curbs and redirect culverts but it might be less stressful to invest in perforated drainpipe and send your problems downstream.

Written out like this it all seems intimidating but I stick by the five minute in-



spection. Remember, if all these things were wrong you never would have bought your home.

If you find a problem you can't figure out, feel free to call me at 314-726-6475. If you can't find anything, go in the house and relax.

You've done your part to protect the American Dream.

Mark Magas

Fall Maintenance Tips & Checklist

We're back to school and it's time to make sure the house is ready for the winter. As you're enjoying this mild weather, don't forget to give your home a little TLC. You'll be glad in the long run. Here are some things to do:

- Clean & inspect your gutters (see Water, Water Everywhere on page 1)
- Look for raw wood around windows & trim and touch it up.
- Clean up 'termite food.' That is, rake leaves away from the foundation of the house.
- Change the air filter in the furnace.
- Consider having your furnace in-

spected by a professional to add efficiency & life to your furnace.

- Check the batteries in the smoke alarms and replace as needed.
- Drain your water heater. Lime deposits rob you of efficiency. (Call Mark if you're not sure how to do this.)



1st Time Home Buyers Assistance

This program is administered by the Missouri Housing Development Commission (MHDC) and offers low-interest loans and a Cash Assistance Program. In recent years they've become a bit more liberal in their guidelines. A family of 3 or more is eligible if their gross household annual income is \$59,225 or less. In the St. Louis metro area houses that are eligible are new homes that cost \$121,910 or less or existing homes that cost \$100,810 or less. First time home buyers funds become available a couple of times each year and it's opened up again October 15th. There are some restrictions. If you're interested call Mark at **314-726-6475** for more details.

Investments

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In choosing an investment there is a lot to be considered. **Experience counts** so new investors should start small. That beckoning white elephant is both the source of grand profits and unforeseen expenses.

If you don't have time



now, you won't have more after the purchase, so allow for contract maintenance when you prepare your budget. Finally your cash/credit position matters and the project

"Real estate may represent a great haven for dot com refugees"

has to fit with your reality.

As I said, there is a lot to be considered but real estate may represent a great haven for dot com refugees and you won't have to brag about losing less than average.

Mark Magas

Family Corner - see more at <http://extendedfamily.tripod.com>

Jen started high school at Crossroads School this Fall. Can you believe it?!

The Mahoney/Vassalli Reunion had a great turnout at Toni & John's in August. I hear they're already planning next year's.

Michelle Robinson has learned an incredible amount of the Magas genealogy.

For pictures of the reunion (and of course some of Jen!) and more family news, visit the family website at <http://extendedfamily.tripod.com>.

If you'd like to add pictures, news, links, whatever to the family website, email or

call Penny - penny@marksellsstlouis.net or 314-862-5682

*Jen Magas
October 2001*



Have you checked out our website recently?

MarkSellsStLouis.net

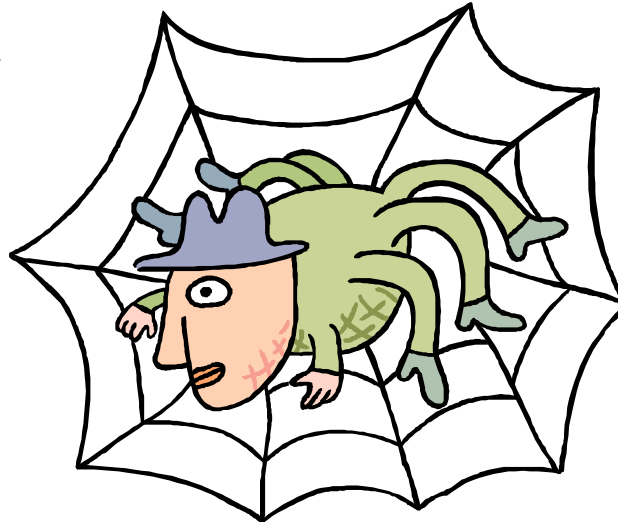
If you haven't visited the website in a while, be sure to visit it soon. There have been a lot of additions and changes.

We have partnered with **Human Click** to be available online to answer questions and offer guidance to visitors to the site. Just click on the button under Mark's picture that says "Click for a Live Person." You'll get Mark or Penny to chat with you.

One of the best parts of the site is the **Virtual Home Tours** section. You can see a video of the interior of the houses we have listed. We also have still photos of the interior and exterior on a page linked to the virtual tour. But you must see those virtual tours—they are something else!

The **Classifieds** area is a must see. We joined forces with a national group that has a huge database of vehicles and homes for sale. In addition to real estate, vehicles, motor-

cycles, aircraft, RV's and SUV's, we offer free text classified ads. You can put in ads for anything you want to sell or buy, or personals, announcements, just about anything. It's a great place—check it out.



You don't have to be good-looking when you're on the web. ☺

And be sure to tell your friends and family about it. It's national so even your out-of-state web buddies can use it.

We've added a **Tools & Information** area that has calculators and articles galore—all about buying a home, selling a home, financing, mortgages, credit and a glossary. Be sure to check them out.

For those of you who have watched the website 'evolve' over the years, we still have the backbone to our site—information and links: **All About St. Louis**—neighborhoods, schools, worship, things to do, culture, nightlife, shopping.

And of course, you can learn about how we approach business—see **Selling a Home** or **Buying a Home** for an outline of our services.

Our goal is to provide exemplary service and to make and keep lifetime customers.