

*One Call - One Solution from Get There First Realty***WHO IS OUR NEW PRESIDENT?**

By now most of you may know the outcome of the presidential race but will it really affect your rentals? So much of my reading has to do with national real estate trends, then Texas statistics, and finally Texas regional analysis. The truth is what is going on in your subdivision most affects your individual investment which is a much smaller world than anything I can cover in this newsletter. Where we are at the end of the third quarter is a local economy that largely mirrors the country with our #1 need being new jobs. Local and national job growth continue to fall below the required number of new jobs to absorb graduates, immigrants, and population changes. Unlike anytime in my nearly 25 years in business, this North Texas area is hurting across the board. From our lowest income homes (\$500/month and below) to our most expensive (over \$3000/month) we simply need more renters. According to a Harvard Univ. study, absorption rates for new rentals has hit a 30 year low, and there is just a shortage of renters. Perhaps this can be most attributed to low interest rates and the increase of home ownership. GTF's goal is to make renting a worthy option.

According to Freddie Mac & Fannie Mae US, home appreciation will slow this coming year. If North Texas mirrors this trend area prices will likely fall since our local economy has lost 30% of its technology jobs according to a recent study. EDS last week announced 20,000 layoffs by year end, and they are one of the areas largest employers. More jobs, less building, and higher interest rates will cure the landlord's troubles in North Texas next year.

Activity Statistics Dallas/Ft. Worth Market	
Previously owned homes sold in D/FW	Jul 2004 +2%
	Aug 2004 -4%
	Sep 2004 -5%
YTD # Homes on the Market	Up 7%!
YTD Median price trend	FLAT
Average days selling a home	71 days
September Foreclosures	+21%
Home Foreclosures	+11% Year to date 2004
Rental occupancy	Fallen to 90% in D/FW, very low

**Autumn
2004**

Volume 15, No.4

**NOTHING WITH STOCKS IS
VERY EXCITING**

For the third quarter, the Dow was down again and is off 3.6% so far in 2004. The NASDAQ is down 5.3% this year. There doesn't seem to be any real trend in the markets as even the average stock fund fell by 2.8% this past quarter. There is one bright spot, and it is real estate related and that are REITS which rose on average by 7.9% in the third quarter. Japan now owns \$689 billion in US Treasuries followed by \$164.8 billion owned by China. When I call AOL customer service I speak to India or South Africa. The US economy is about its workforce, and we are not competitive anymore in the world. US wages need to decline.

GTF, INC.

Get There First Realty
 4931 Airline Road
 Dallas, TX 75205
 Toll Free: 1-888-322-4837
 Bus: (214) 522-5700
 Fax: (214) 522-9985
 mark@gtfrealty.com
 www.gtfrealty.com



Get There First Updates

Year end 1099's will be mailed in January so start collating your receipts of expenses you had associated with your rentals. This past week a few of you received an opportunity to subscribe to the eviction protection plan. This is the single greatest optional coverage our owners take advantage of each year to motivate tenant compliance of the lease. I strongly encourage the few owners we have left not on this program to join. The coverage is available once a year in November so this is the month to fax in your paperwork and stop paying court fees and increase late fees in 2004. Call me with any questions.



Of the many theories about investing I teach, one is that everyone has the rent money, and as a landlord, you need to get a higher spot on the list of creditors. Using eviction is the #1 greatest motivator to compliance in that nearly 95% of our tenants cure the breach once the court date is set. **Eviction protection is a the answer.**

In a soft economy our business expands rapidly affording us the opportunity to work with many new clients. I'm always asked what is the best type of rental property? My answer lately is simply one with a tenant inside who pays rent. In July a partnership we represent purchased 14 homes from one of my dearest and oldest clients. I am not proud to announce 12 are now empty, and we continue to pour more and more money into them every month making improvements we never thought that would be necessary in order to attract a tenant. Eventually they will all rent but the financial pain of having a vacancy can only be cured by spending more money on improvements and lowering rents. The winner of this market is the investor losing the least amount of money and that person has a tenant! I look forward to a more normal economy in the future where there is enough demand for rentals to just fill them up. The only bright spot is new construction leasing where we find more interested tenants because everything is fresh. The downside is the rent rarely covers the investment cost but at least you have occupancy.

And as always I cannot emphasize enough your goal to be free from debt and mortgages. When you have a vacancy and a mortgage payment, well nothing can be worse as an investor. Pay off debt before you enjoy life! Live below your lifestyle level and grow rich.

A cover story in this week's USA Today said the average household debt is \$84,454 and the average household's share of the US debt is \$437,456. No wonder as interest rates rise the return on tax free municipal bonds remain low. The goal of every smart investor is to maximize returns and defer taxes. Maybe this will all become much more difficult in the years to come as our country faces the need to pay all the entitlements it has promised its aging population. There is no question in my mind that my children will face the task of insuring that our social security checks clear. Until that time, keep exercising your right to defer taxes and increase wealth as quickly as possible. Use quality real estate as one of those mechanisms. Things could be much less expensive in Texas in another year.

INDUSTRY TRENDS

I know this has been a challenging year for North Texas landlords. Nationwide in this country the average consumer debt is \$17,989, and consumers spend 33% of their payments on fees. This being the trend, landlords need to have an open mind to late fees and other creative revenue sources. In 2004, GTF will collect nearly \$280,000 in late fees for our clients and we see this need to be increasing as tenants face choices and wish to stay in your rentals. We accommodate the delinquent, and turn it into an income source to offset your payment delay.

As always, you have my commitment to be innovative and constantly remain ahead of the market. We have started a rental subscription service on line whereby tenants looking for housing are e-mailed our vacancy lists on a regular interval until they lease. This eliminates their need to log onto our web site each day to shop. We have also targeted more magazines and newspapers servicing the Metroplex in order to dominate the rental sections of most papers. Our message to tenants is simple; "Pick your landlord before you pick your rentals property." We encourage tenants to learn as much about the landlord as they do about the rentals and to always lease from a Certified Residential Management Company (C.R.M.C.) GTF happens to be the only management company with this certification in North Texas, so let's hope tenants come to us first so we can all Get There First!

Mark H. Kreditor, MPM Broker