

# PLUS

## PROPERTY MANAGEMENT

*We protect what you can't predict*

June  
2020  
Volume 1  
Issue III

### LETTER FROM THE OWNER: MARKET UPDATE

At PLUS Property Management, we are like the rest of the world - just trying to envision the future. With another COVID-19 impacted month, we are starting to see tenants returning to work.

For many people, paying their monthly rent is a struggle. I am pleased to report many of the landlords have worked in good faith to create payment plans for struggling tenants. Here is a very sweet note a tenant delivered to our office:

*“Thank you for the grace shown during the COVID Pandemic. With the reopening during Phase II, I’ve regained employment at normal hours. This is my late rent for May and on June 19th, I’ll have all of June’s rent. I am so sorry for the delay.”*

For the month of June, we have collected 85% of the rents due. There is a slight trend of increased “notices to move”, as people move in with family or look for lower cost options. I expect this to continue through the summer.

Rental rates have remained relatively stable and rental increases have declined, as many landlords adopt a philosophy of helping tenants and appreciating receiving the rent.

I want to share with you another very appreciative email I received:

*“Lawnae, in this stormy time we appreciate more than ever, the value of having a property manager and your company’s dedication to serving your customers.”*



In closing, I invite you to call our offices if you have any questions or would like a market update.

**Sincerely,**

**Lawnae Hunter, Owner**

**PLUS Property Management, LLC**

**PLUS**  
PROPERTY MANAGEMENT

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## U.S. HOME-PRICE GROWTH ACCELERATED IN MARCH

Home-price growth accelerated in March, even as home sales dropped after the coronavirus pandemic shut down economic activity in some regions.

The S&P CoreLogic Case-Shiller National Home Price Index, which measures average home prices in major metropolitan areas across the nation, rose 4.4% in the year that ended in March, up from a 4.2% annual rate the prior month. March marked the highest annual growth rate since December 2018.

Sales of previously owned homes, which make up the bulk of the hous-

ing market, [fell 8.5% in March](#) from the prior month as the pandemic kept buyers and sellers on the sidelines, according to the National Association of Realtors..

Sentiment plunged an unprecedented 42 points in April, as the coronavirus pandemic shut down much of the economy and job losses soared. Homebuilding continued, deemed an essential business, but buyers pulled back decisively. Now, buyers appear to be shopping again — in person and virtually. Record low mortgage rates are also helping with affordability. <https://tinyurl.com/yam94wlu>

*[We are in full swing here at PLUS and we are happy to announce we are accepting new owners in all of our locations! Click here to get in touch!](#)*

### APFOLIO SECURITY MESSAGE:

It is now a requirement that owners sign up for two-factor authentication for the best protection. Signing up takes less than a minute and will greatly increase your account security. Please [sign in](#) to your account to set it up.

Two-factor authentication is an extra layer of protection and an industry standard for data protection, which greatly improves the security of confidential information. This additional step helps us verify that the person signing in is authorized to do so.

## APFOLIO OWNER'S CORNER

**DID YOU KNOW THERE IS A MOBILE APP FOR YOUR OWNER PORTAL?  
DOWNLOAD HERE:**





## GET ME OUT OF HERE! AMERICANS FLEE CROWDED CITIES AMID COVID-19, CONSIDER PERMANENT

Ben Greenzweig is itching to move his wife and three kids South, a plan that may get accelerated due to the coronavirus pandemic. The CEO and co-founder of conference company Momentum Event Group, says he's looking to move to either North Carolina or South Carolina from the New York City suburbs in Westchester County, for cheaper costs and bigger living space amid fears that a deep and prolonged economic slump in the state could eventually force residents to pay higher taxes.

*"It would be an unbelievable escape," Greenzweig, 42, says. He typically works from home which gives him flexibility. "Our children's involvement in school is the single largest tether keeping us here. If there's a hint that school won't resume in the fall for my kids, then the biggest reasons for us staying here, which are friendships and school activities, evaporates."*

Nearly a third of Americans are considering moving to less densely populated areas in the wake of the pandemic, according to new data from Harris Poll. That may foreshadow a shift that would have a major impact on residential real estate sales and home prices. Urbanites (43%) were twice as likely than suburban (26%) and rural (21%) dwellers to have recently browsed a real estate website for homes and apartments to rent or buy, the survey showed, which was conducted among 2,050 U.S. adults from April 25-27.

***"People will be much more cautious about living in high-density areas with so many people nearby," predicts Lawrence Yun, chief economist at the National Association of Realtors.***

Robin Kencel, a licensed associate broker at Compass Real Estate in Greenwich, Connecticut, has been fielding calls from clients in New York City over the past seven weeks looking to rent or buy properties in the area. Grass, outdoor space and convenience to essentials like groceries is critical to them, she says, as well as fast internet connectivity because many of them are traders who work in the financial services industry.

To read more visit: <https://www.usatoday.com/story/money/2020/05/01/coronavirus-americans-flee-cities-suburbs/3045025001/>

## **The forecast for home building**

While building has mostly bounced back from the Great Recession, it hasn't reached the highs seen in 2007. This is good news on one hand, because it means there's not an issue with oversupply. On the other hand, this lack of building activity has contributed to the lack of inventory and the steady increase in prices.

Construction has increased across the Sun Belt. High prices for land in California have led some homebuilders, including Toll Brothers, to concentrate on growing markets in Texas, Florida, Nevada, and Virginia.

Builders are struggling with construction concerns like the lack of skilled labor and high lumber prices.

READ MORE HERE:

<https://www.fool.com/millionacres/real-estate-market/real-estate-trends/>



### OWNER SERVICES

With over 36 years' experience in the industry, PLUS Property Management strives to manage properties as if they were our own. Our offices are staffed by professionals who are trusted by our clients; and we are confident they can do a great job for you! We are proud of our record of consistently taking the steps necessary to ensure that our customers' needs are met, and their assets protected.



*We protect what you can't predict!*

## HOW FALLING INTEREST RATES IMPACT BUYERS

Interest rates have fallen in the past year after spiking at the tail end of 2018. Mortgage rates are expected to remain at historic lows for a while. This spurred an uptick in refinancing but hasn't tempted all buyers to get off the fence. Part of the reason is that housing affordability is strained in many markets. Even with rates below 4%, it can be tough for some buyers to purchase a home. Many first-time homebuyers are burdened by student loans and have had difficulty saving up a down payment.

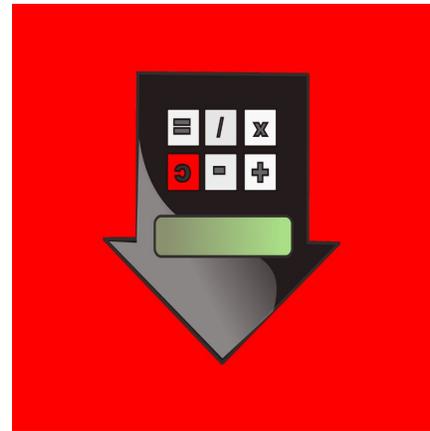
Since the Great Recession, lenders have tightened up their policies, creating a challenge for some millennial buyers. However, that has started to shift a bit as lenders ease standards, making it easier for these buyers to finance a home.

Another growing real estate trend, especially in high-priced markets, is the emergence of startups that help people buy a home by taking an equity stake in the home that owners can buy

out over time.

While it's true that millennials have been slower to hit mile stones such as marriage and starting a family than Gen Xers and baby boomers, they're starting to make up for lost time.

As they age, they're seeking out



homes and prize walkable areas. This has led to the construction of starter homes and mixed-use developments that offer smaller homes but more access to the restaurants and retail opportunities that millennials value.

READ MORE HERE:

<https://www.fool.com/millionaires/real-estate-market/>

# IS THE MARKET GOING TO EXPERIENCE A DOWNTURN THE LIKES OF THE GREAT RECESSION?

*The question I'm asked almost daily*

BY CHRISTIN J HUNTER, BROKER

The weather is warming, the signs that summer is afoot are all around us and we are officially living a new "reality." Historically, spring and summer months in the real estate market are bustling with energy and excitement. As we know, nothing about 2020 has been typical or could even be described as remotely normal. The unemployment rate is at 14%, the battle against COVID-19 is raging and has now become a political hot button. Home schooling and distance learning is a new reality, and for many workers, remote working is, and will continue to be, the new norm. Mortgage interest rates remain low and so does real estate inventory.

The one thing that we have been able to come to rely on as a constant truth, is the uncertainty of the times we are living in. One area of uncertainty that I field questions about on a daily basis is the real estate market here in Central Oregon. ....CONT'D BELOW

*“Real estate cannot be lost or stolen, nor can it be carried away. Purchased with common sense, paid for in full, and managed with reasonable care, it is about the safest investment in the world.” - Franklin D. Roosevelt, U.S. president*

## RECESSION... CONT'D

More specifically, the common question is: Will there be a crash and when is it coming? Unfortunately, my trusty crystal ball is out of commission. That said, market data and the new trends we are seeing emerge provide some great information on how the real estate market will survive the economics of COVID-19.

One thing that real estate industry professionals know to be true is the effect of interest rates on the market. With interest rates remaining incredibly low and forecast to remain so throughout 2020, we have and will continue to see this fuel market activity. Buyers who were preparing and planning to buy pre-COVID-19 are still active and very much a part of the market. Many buyers are taking advantage of the lower interest rates and lack of inflation, resulting in an active and competitive market. With inventory about 30% less than is typical for the spring and summer seasons, that has fueled a more competitive market and supports the pricing. As in any industry and market, demand drives the pricing. Hence why we have seen a 5% increase in pricing of 2019 and that percentage is holding steady on a national level.

Why won't we see another major real estate crash in the near future? To begin with, lending criteria is far different from the days of 2005-2008, when one's dog could get a loan on a stated income application. Buyers who are purchasing homes meet the much more stringent debt-to-income ratios required to qualify for a mortgage. In addition, homeowners have much more equity in their homes now than those during the Great Recession.

As we look forward to the future, the changes in the workplace, with a large percentage of the workforce now looking to continue to work remotely and many companies adopting this model, people's homes are more important now than ever. During this crisis, people's homes were where safe haven was created and found. People's homes are now schools and schoolyards, and for many will continue to be in the coming seasons ahead. Thus, making real estate even more important to people than it has been in a very long while. When there is value beyond just the dollars, those markets don't crash.

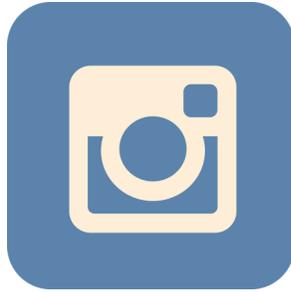


**Christin J Hunter, Broker**  
Windermere Real Estate  
Bend, OR  
[ChristinHunter@Windermere.com](mailto:ChristinHunter@Windermere.com)  
*“All in for you”*

*“A funny thing happens in real estate. When it comes back, it comes back up like gang-busters.”*

***Barbara Corcoran,  
Real Estate  
Investor***





## FOLLOW US ON SOCIAL MEDIA

PLUS has upped our Social Media game! As we move through this pandemic, the public has turned to social media and the internet more than ever before! We are using our LinkedIn, Facebook, and Instagram pages to highlight your properties and their wonderful qualities. Social distancing doesn't exist online and we've turned social media into a main gateway to human connection, interaction, and communication. Our results on our Facebook Marketing avenue have been very consistent and traffic has been heavy! The COVID Pandemic has not slowed tenants down from moving! We anticipate a busy and productive summer on your behalf. We would love to ask you to follow our Social Media channels and see what we're doing to ensure your investment is protected! Thank you!



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