

US Property Made Easy



Simplifying the Complex World of Property Investment



Fall 2011

Cash Flow Homes Now at Rock Bottom!

Las Vegas Lenders will not lend on a home or a condo if 15% of properties in a community (HOA) are in mortgage default. This lending guideline greatly impacted the Vegas market in early 2011 when most lenders stopped giving loans on condos. Within weeks, condo prices and the prices of smaller homes dropped drastically.

	2005	\$200,000
condo	2010	\$85,000
	2011	\$45,000

Half of all properties sold in 2011 have been cash purchases, and its no wonder why. When financing disappears and the only buyers remaining are cash buyers, prices drop.

But this is a very limited buying opportunity. As soon as buyers can secure financing on these condos again, I expect prices to jump 30%. The property wheel is turning. Cash flow properties are at their

absolute bottom right now even as the most expensive high end properties enter their period of greatest price declines.



Click [HERE](#) for examples of our latest cash flow opportunities.

US or Australian Tax?

This week I paid my annual Queensland State Government Land Tax bill of \$9,000 on 2 properties in Australia! This is on top of local council rates (called land tax in the USA) totalling \$4,000. This State Land Tax does not exist in Nevada so I would have saved \$9,000 if I owned these properties in the USA. Then there's the 37% or 45% personal tax rates in Aus for income earned over \$80,000 or \$180,000 respectively. To be fair I should have put these properties into a trust or company when I bought them but to do this now I would have to pay government Stamp Duty of \$35,000, PLUS this would trigger a 'taxable event' meaning I'd owe Capital Gains Tax of over \$100,000. I can make this exact same ownership transfer in Nevada at any time for \$15 per property. Quite the dollar difference!

Not surprisingly, I found myself again questioning why I still own property in Australia. OK, so I'm always going

to need a home to return to and I hope to host many of you on the Sunshine Coast one day. But as for Australian long term rentals it just doesn't make sense to me anymore.

The parity of the Aus and US dollar, incredibly cheap US home prices, high rental yields, substantially lower taxes, no Stamp Duty, no Land Tax, fewer 'taxable events' and a foreigners ability to own their investments in a Nevada LLC, write off MANY expenses, retain earnings in the USA, pay lower taxes and avoid top up tax are just too good to miss. And did I mention rental income is considered Passive Income so there is no Medicare Tax of 1.42% nor Social Security Tax of 4.2%. The rich make the laws in America and they make them to save money on their stock and property investments.

Most Australians have really been investing for capital gains. If a safe road to long

term capital gains is buying low then there's never been a better time than now to buy property in Las Vegas. Starter homes in decent areas cost around \$50,000 and rent for \$750 per month. This is less than what they cost to build in 1985.

In contrast, a typical home in Brisbane costs \$400,000 and rents for \$2200 a month. Eight \$50,000 Las Vegas properties produce rental income of \$6,000 per month, almost THREE times as much rental income!

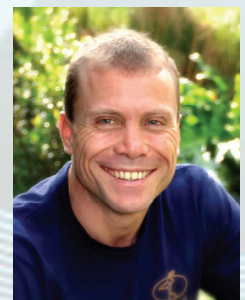
For me, it's time to sell another Aussie property. I am just deciding on whether to purchase a bunch of cash flow properties or a Capital Gain focused mansion on the water or golf course. Either way I want my future income taxed in America, not Australia.

Did You Know?

- There are 6 million homes in shadow inventory nation wide.
- Mortgage interest on your primary residence is tax deductible in the USA. Interest on a second home is also deductible as long as it is 50 miles away from your primary residence

This Issue . . .

Cash Flow Homes	1
US or Australian	1
New	2
Foreclosure Law	
Winter is Coming	2
Latest Sales	2
Hot Deals	2



Thank you all for the continued word of mouth referrals!

Steve Bland
Century 21 Consolidated
US Cell: 1.702.443.1303
Skype: steve.bland
Steve@USPropertyMadeEasy.com
USPropertyMadeEasy.com

New Foreclosure Law

“For sellers looking to short sell their home AB 284 could provide an opportunity for them to remain in their home for much longer than previously.”

Anyone who has had a home mortgage in America knows there is an inch worth of papers to sign at closing. It takes a good hour to sign your life away...so to speak! These papers detail not only the loan terms but also the lender’s rights in case a borrower defaults on their payments.

Mortgages thus secured, are funded, sold, bundled, resold as security instruments on the stock market, and sometimes re-bundled and resold again. Sometimes again and again! Since the GFC (Global Financial Crisis), a number of lenders have actually gone out of business or been bought out by larger institutions. Amidst all this high flying financial drama one simple detail appears to have been overlooked that is about to have major consequences for lenders: Where are the documents now?

Welcome to Nevada Assembly Bill 284 (AB284). As of October

1st, 2011, any lender seeking to foreclose on a property in Nevada must demonstrate it has the right to do so. This means proving it owns the loan, has the right to foreclose on a loan and has all appropriately signed and notarised documents to do so. A lender can no longer simply state that they do, they must show they do. This bill is designed to prevent lenders’ employees from ‘robo signing’ documents saying they reviewed documents they cannot find, or do not have the time to review.

What happens now if documents are missing, if a buyer’s initials were missed on the original loan docs, or if entire groups of documents cannot be located resulting from the confusion of the banking meltdown of the past few years? It sounds crazy but this has been the case.

Well, no one is really sure. Since the bills implementation on Oct. 1st, 2011, the supply of bank

owned properties hitting the market dropped drastically and immediately. Typically 5,000 bank owned homes come to the market monthly. In the first two weeks of October the Las Vegas inventory went from 26,000 to 20,000. That is a massive and immediate drop. Today there are 23,000 listed homes for sale.

For sellers looking to short sell their home this could provide an opportunity for them to remain in their home for much longer. Judicial foreclosures take 6 months longer to complete and this seems to be the obvious solution. Decreased inventory could impact prices.

I invite you to view a video by Bryan Lebo of the Lebo Group. It provides a more detailed summary of what I’ve described from the ‘worst case’ point of view.

[Click HERE for Video](#)

Just Sold



Cash Flow
\$45,000 Cash
Rent CMA \$750.00 p/mth
ROI 19.6%



Balanced Return
\$116,500 Cash
Rent CMA \$1,250 p/mth
ROI 12.4%

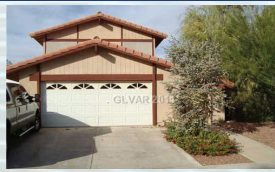


Balanced Return Move Up
\$170,000 Cash
Rent CMA \$1,750 p/mth
ROI 11.6%

Hot Deals!



Capital Gain



Balanced Return



Cash Flow

Market Update

During the third quarter of 2011 average sales prices declined in July and August but increased in September. Sales prices have decreased 11.5% in the third quarter of 2011 compared to the third quarter in 2010. Price per square foot has dropped to \$66 from \$67 at the same time last year. Home sales continue to increase and are up 21.3% from the third quarter of 2010. - *Ticor Title, Third Quarter Housing Summary*

Total Inventory	ER/EA	C	P	TOTAL
Single Family Residence	10,794	9,109	2,057	21,960
Condo/Town Homes	1,863	1,815	389	4,067
Rental Inventory	3,700	609	N/A	4,309
Condo/Town Homes	2059	261	N/A	2,320

ER/EA = Available For Sale

C = Contingent (Accepted offers with contract contingencies)

P = Pending (Accepted offers with contract contingencies removed)

**Ticor Title
2010/2011 Comparison**

**Equity Title
Oct 2011 Market Snapshot**