

Renters, Homeowners & Investors: The Changing Profile of Communities

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Renters, Homeowners & Investors: Tom Eggleston

TOM EGGLESTON: I do think that actually we're going to see more investors. I think you'll see more international investors and also the regional and local investor who's been kept out of the market by such a limited supply. As supply increases, he'll be able to bid and purchase on a single asset basis. So I actually see the activity growing substantially. There're two factors. One is cash flow, producing a cap rate that is in the high single digits. And the second is long-term appreciation of the property. And there's certainly markets where it's hard to forecast very much appreciation because they were not originally boom bust markets. So this activity will still be primarily in those five states where 50 percent of the REOs are currently transacting. It will not be equal across the 50 states. I think requiring a more professional property manager. One that has liability insurance. One that has a portal for tenant payment online. One that has a repair call 24-hours a day. Those ingredients are what we expect with management of apartments. And now is a good policy to expect with single family rental too.