



# The Landlord Today

FOR INVESTORS BY INVESTORS

Volume 1, Issue 1

**Special Points of Interest:**

- Over 75% of people find their home [online](#) according to National Association of Realtors
- Vacancy rates are expected to push down to the high 5% to 6% range and rent growth to remain subdued in the 1% to 2% range for 2007 according to Hendricks & Partners

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## Placer County Welcomes RNB Property Management, Inc. May 2007

RNB Property Management, Inc. is a California-based real estate company that offers property management services in the greater Sacramento, El Dorado, Yolo and Placer counties. Their first regional office opens in Rocklin, California on May 1. "RNB Property Management is designed for investors by investors," said CEO Robert A. Ortiz. Ortiz also manages day to day operations at this pristine office which boasts some of the most talented and experienced real estate professionals in Placer County. Following his graduation from the University of California, Davis, Ortiz soon pursued a career as a Real Estate Agent. Subsequently, he became apprentice to one of Sacramento's top producers. [At the height of Ortiz' successful career he began to further his entrepreneurial aspirations.](#) He became partner and CEO of RNB Property Management, Inc.

As Vice President and Assistant Office Manager, Bethany R. Landon brings not only property management experience but a sound background in customer service. Landon's hard work in the community and her

attention to detail allows her to see the needs that must be met within the property management industry. The Rocklin office is overseen by veteran and respected Real Estate Broker and partner David F. Landon. [David has three decades of experience investing in and managing real estate property.](#) He will use this experience to guide the team based at the Rocklin office.

Cass O. Landon, partner and acting CFO has held other high executive office positions as President/CEO of a [once local \\$30 million company that he later developed into a nationally recognized \\$300 million industry leader.](#) He not only holds a MBA in business finance from University of California, Los Angeles but is a real estate expert with over 30 years of real estate investment experience.

This team has taken both their talent and experience to develop a truly professional business model that will revolutionize the real estate management industry.

["We started out with the basics by writing a 40 page business plan along with a concise policy and procedure manual"](#) says Bethany. The policy and procedure manual integrates RNB's



**Brand new office located at 5754 Lonetree Blvd., Rocklin**

system dependent business model with California landlord laws and the federal, state, and local fair housing laws which regulate the rental housing industry.

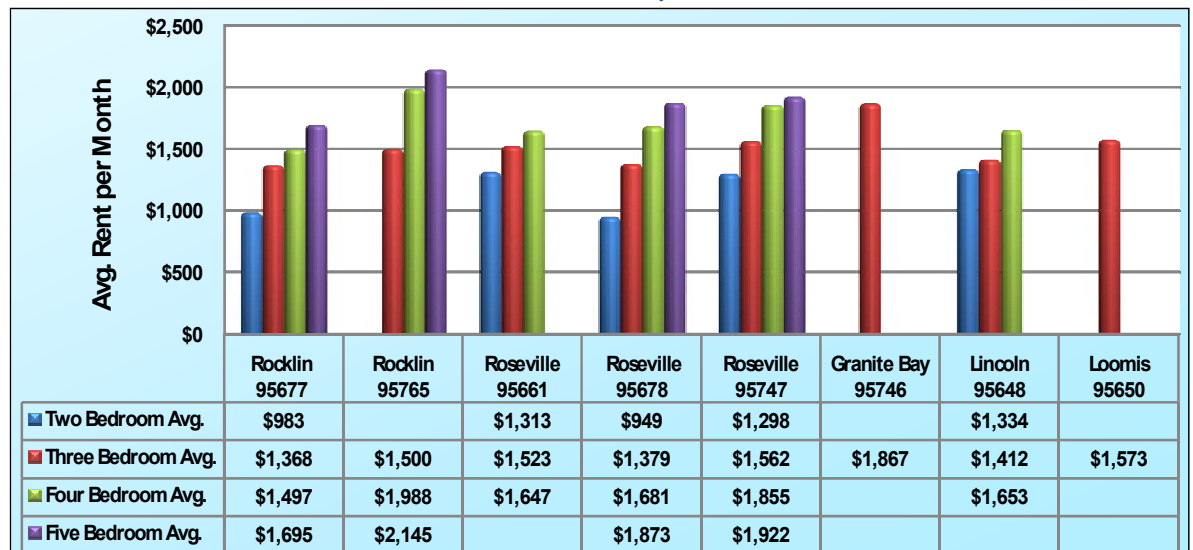
RNB Property Management, Inc. specializes in Single Family Residential housing and offers their clients the most technologically advanced services available today. From true virtual tours to Bill Gate's vision of a digital nervous system, RNB provides real estate investors with tools and services that will revolutionize property management forever.

For more information regarding RNB Property Management, Inc. please call 916-435-2424 or visit us online at [www.RNB2day.com](http://www.RNB2day.com)

## Single Family Residential Rental Survey

Continued on page 2

Rocklin, Roseville, Granite Bay, Lincoln, Loomis



All reports are based on data supplied by InfoTracker. RNB Property Management, Inc. does not guarantee or is in any way responsible for the accuracy of the information.

## Range of Rents per Month

2nd Quarter 2007	Rocklin 95677	Rocklin 95765	Roseville 95661	Roseville 95678	Roseville 95747	Granite Bay 95746	Lincoln 95648	Loomis 95650
<b>Two Bedroom</b>	\$750 - \$1150		\$1200 - \$1425	\$800 - \$1100	\$1295 - \$1300		\$1195 - \$1495	
<b>Three Bedroom</b>	\$1200 - \$1550	\$1395 - \$1695	\$1150 - \$1950	\$1195 - \$1700	\$1250 - \$1995		\$1195 - \$1725	
<b>Four Bedroom</b>	\$1475 - \$1525	\$1695 - \$2595	\$1595 - \$1695	\$1525 - \$1800	\$1450 - \$2495		\$1350 - \$1995	
<b>Five Bedroom</b>		\$1695 - \$2895		\$1850 - \$1895	\$1875 - \$1995			

## Position Your Property with InfoTracker

By Robert A. Ortiz, President/CEO

**“ In reality you have three choices: position yourself above, below or at the current market rents. ”**

One of the most important decisions you can make when leasing your income property is accurately positioning it within the rental market. Given the dynamic real estate trends that we are currently experiencing it is a challenge to determine the appropriate market rent that will minimize the days-on-market, increase tenant retention, and maximize your cash flow. In order to help you make the most informed decision, InfoTracker provides the analysis of the statistical rental data of more than 20 property management companies within Placer and Sacramento counties. This unique compilation of valuable information is released once a quarter in The Landlord Today and is exclusively available to RNB Property Management. Because RNB Property Managers have direct access to the

InfoTracker database which includes detailed information such as age, square footage, deposits and other property information they can accurately depict today's current market rents through an RNB Comparable Rental Market Analysis.

So you have a CRMA in hand, now what? What is most important to you? Tenant retention? Vacancy rate? Survey says... "Cash flow". In reality you have three choices: position yourself above, below or at the current market rents. Some believe that if you position yourself above the rental market you will attract a higher class of tenants because naturally they can afford higher rents but you risk having fewer applicants and more days-on-market. Others have found that a higher rent dissuades more qualified applicants because they have

the right to be "choosy" which in turn leaves you with a pool of unqualified applicants desperate to pay the above market rent. Those interested in less risk may opt to compete head-to-head with other rental owners. Here the best in show wins. You must optimize the physical appearance of your property because the cleaner and more properly maintained the sooner it will rent. We have found that conservatively positioning yourself slightly below the rental market allows for tenant retention, lower vacancy rates and ultimately higher cash flow. We all know all too well the cost of turnovers. In the end the choice is yours but before you decide to position your income property within the rental market make sure you have the numbers in hand.

## When the Rent is Unpaid, Act Immediately!

By Gary Link, Attorney at Law

The legal process of evicting a tenant in California for non-payment of rent is among the most streamlined of legal proceedings however, starting that process is often delayed by the hesitancy of the landlord in serving a "Three Day Notice to Pay Rent or Quit" upon the tenant.

When a tenant has not paid the rent when due, landlords are confronted with a difficult decision as to whether a "Three Day Notice to Pay Rent or Quit" should be served immediately or not. Although it is a troublesome decision to make, I recommend that the "Three Day Notice to Pay Rent or Quit" be served upon the tenant right away!

The failure to serve the notice immediately may result in a tenant

claiming at the eviction trial that the landlord "waived" the right to receive rent on the first day of the month, that the landlord and the tenant verbally "worked a deal" for rent to be paid later in the month, or that the landlord should be "estopped" (prevented) from demanding that the rent was due on the first day of the month because the landlord has often accepted rent late. Judges may listen to these "phantom" defenses because they have heard many cases where the landlord waited for the problem to just "go away" or that the landlord did indeed work out some type of verbal "deal" with the tenant.

Prompt service of the "Three Day Notice to Pay Rent or Quit" will hopefully

eliminate the possibility of the tenant claiming a defense at a trial, set a precedent for the future that the landlord will be insisting upon prompt and timely payment of rent, and most importantly place the landlord in control of the rental payment duty of the tenant.

Gary Link, Attorney, is President of the Law Office of Gary L. Link, Inc. Since 1979, Mr. Link has represented landlords in over 35,000 eviction cases and litigated over 10,000 eviction trials. He is a member of the California Apartment Association, the Rental Housing Association, as well as a member of the local, state, and national bar associations. For questions relating to this article, call the law office at 916-447-8101. The information in this article is applicable as of 2007. Because laws may change please contact the law office to affirm continuing validity of the contents of this article.

## LLCs for Real Estate Investors

By The Burton Law Firm

This article is for informational purposes only. Nothing in this article should be understood as legal advice, and no attorney-client relationship is created by it or the information it contains. Consult with a licensed attorney if you require assistance in a legal matter.

**W**hether starting a new business or reorganizing an existing business, one of the most important decisions an entrepreneur will make regards the form the business will take. Given the wide variety of business forms, such as corporations and sole proprietorships, it can be difficult to choose between them. The limited liability company, commonly known as an LLC, has become a popular option.

### Advantages

One of the first and most important advantages of the LLC form is the limited liability it provides to members. Members subject to a lawsuit may have their interest in the LLC attached, but the assets of the LLC will generally remain outside a creditor's reach. And if the LLC is the defendant in a suit, barring special circumstances, the members are not personally liable for the LLC debts. Second, LLC operating agreements often contain limitations on transferring member interests. These usually cause member interests to be less valuable to a creditor, thus making the LLC useful as an asset management technique. Third, the LLC works well as a real property management tool because it allows for continuity in property ownership and can limit liability of members as discussed

above. Because the LLC owns the real property and is the landlord in any lease agreement, long-term leases can continue uninterrupted even if the LLC membership changes. Finally, an LLC can play a role in a comprehensive estate plan. Often, a member has substantial property but does not wish the property to be broken up at the member's death. The member may transfer the property to the LLC and then gift fractionalized shares of his or her membership interest to relatives. The property remains intact, while the benefit of the property has been passed on to the next generation. This technique commonly affords estate and gift tax benefits as well.

### Disadvantages

As with any business form, there are disadvantages to the LLC. First, an LLC generally requires more effort and expense to create than a sole proprietorship or partnership. The LLC must be specifically created as an LLC and annual fees are required by California. Second, while not as rigid as a corporation, the recordkeeping requirements of an LLC are still substantial. Similar to a corporate charter, the LLC operating agreement should be written out and strictly followed; business records and minutes of meetings should be kept in

accordance with the operating agreement. The tracking of "Capital/Member Accounts" can prove difficult, as these accounts reflect the value of the each member's ownership interest and include the liabilities of the LLC, capital contributions of members, and income distributions by the LLC. Third, while holding property in an LLC might limit its value to creditors, it might also limit the ability of a member to readily sell his or her interest to a willing buyer. Finally, LLCs carry with them a number of inherent tax consequences which might limit their desirability to investors, especially those depreciating assets against other income.

### Conclusion

Using an LLC may help a business and its owners protect themselves from liability and improve the stability of the company. But the LLC has its drawbacks, as well. You should consult with a qualified attorney to help determine if the LLC is the right answer for your business interests.

This article was significantly shortened for printing considerations. For the full article, entitled "LLCs for Real Estate Investors," please refer to [www.lawburton.com](http://www.lawburton.com) under "News/Resources."

*"... the LLC works well as a real property management tool"*

\$100 OFF LEASE UP FEE

OFFER GOOD THROUGH JUNE 2007



"Feel the Power of Freedom"

RNB Property Management, Inc.  
OPENING May 1st !

**\$100 OFF LEASE-UP**

Offer includes \$100 off the RNB basic lease up: tenant lease agreement, property sign, property flyers, virtual tour, property profile webpage, craigslist.com, home inspection, two open houses per week (if vacant) and pre-recorded message. Optional marketing available at wholesale: Sacramento Bee, News & Review, sacbee.com, newsandreview.com, and rentalhouses.com. Not valid with any other offer.

Come celebrate with us!



Must present coupon at time of lease-up. Limit one per customer. Expires 6/31/07

CPLT-1



RNB Property Management, Inc.  
5754 Lonetree Boulevard  
Rocklin, CA 95765

**INSIDE THIS ISSUE:**

- **2nd Quarter 2007 Rental Survey**
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- RNB Press Release
- Investor Articles

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**RNB Property Management, Inc.**

5754 Lonetree Boulevard  
Rocklin, CA 95765

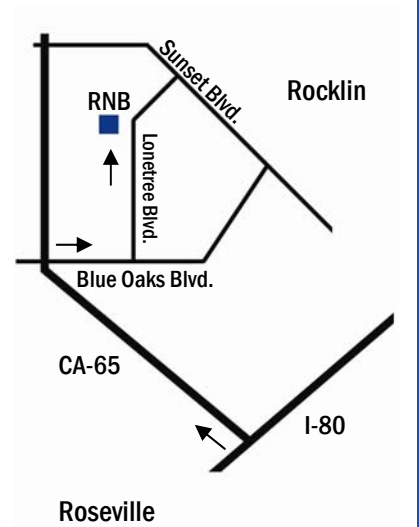
Office: (916) 435-2424 Fax: (916) 435-2425

Email: [Landlord@rnb2day.com](mailto:Landlord@rnb2day.com)

**Office Hours**

**Monday - Friday**  
10:00 am - 6:00 pm

**Saturday - Sunday**  
10:00 am - 2:00 pm



**From Sacramento**

- Take I-80 East toward Reno
- Exit onto CA-65 North toward Lincoln
- Exit right onto Blue Oaks Blvd. (East)
- Turn left onto Lonetree Blvd.
- RNB office is on the left