

Alpha Capital: Hop on the Rental Property Investment Train

Real estate investors are narrowing their focus by buying multi-family rental properties

SHELTON, CONNECTICUT, UNITED STATES, December 29, 2022 /EINPresswire.com/ -- The rocky investment climate continues. The financial markets are expected to run hot and cold as we head into the new year, and that means uncertainty for investors looking for reliable passive income streams.



Many real estate investors know this

and are narrowing their investment focus by buying real estate in the form of multi-family rental properties.

<u>Tyler Smith</u>, CEO of <u>Alpha Capital</u> in Shelton, said that ownership of these types of properties acts as a good "hedge" against a slowing market overall.

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More people, who can't afford to buy, are turning to renting. This leads to an increased demand for units, and higher rental prices." *Tyler Smith, CEO, Alpha Capital Funds* "You can buy or hold, or build that equity over time," Smith said. "It's a great way to build long-term wealth."

Adds Austin McAnneny, Alpha Capital CFO, "It's a cash flow positive, tax negative situation. It's a great hedge against inflation."

Alpha Capital not only buys property but also manages

multi-family units, handling renovations and subsequent rentals. Smith said there are a couple factors driving a boon in revenue for rental property owners. More people who can't afford to buy are turning to renting. This leads to an increased demand for units, and higher rental prices.

Residential home sale prices have slid from their frenzy in the summer of 2022, yet they remain unaffordable and out of reach for a large swath of potential buyers. At the same time, interest rates on mortgages continue to climb, causing many potential buyers to wait things out on the sidelines.

Further, housing demand is expected to outpace supply. The National Association of Home Builders reported a slowdown in new construction in 2022, driven by higher costs of building supplies and high fixed-rate mortgage loans. New housing starts were down almost 10% last summer from the prior year. They are now leveling off and holding steady.

Many of those would-be homeowners are now renting, leading to a steady demand for places to live. Some experts see that demand rising the fastest in large metro areas, as people gradually return to the office.

"This is good news," said Smith. "Real estate investors can count on steady demand and continually rising rental rates. The value of the properties themselves will also continue rising."

According to Fidelity.com, real estate leasing has been having a "renaissance." But while it may be tempting to look for profits away from Wall Street and toward something tangible, Smith warns investors that the risks and rewards of rental unit investments must be looked at carefully. It's important to secure affordable financing terms, for example.

Other factors:

- Understand the upfront cash commitment required.
- Know that becoming a landlord isn't for everyone
- Understand the costs of property managers, if you hire one
- Know your state's laws and regulations around property ownership

On the flip side, rental unit owners generally enjoy unique tax benefits, including deductions for expenses such as property insurance, repairs, property taxes and mortgage.

Taking the long view of equity growth, Smith is bullish on owning multi-family housing units as investments. Said Smith, "Aside from providing people beautiful homes to live in, the investment goal is to make the property highly desirable to get the most rent the market will allow, ultimately achieving the best ROI possible."

About Alpha Capital: <u>Alpha Capital Funds</u> is a real estate investment firm founded in 2017. It partners with investors of all sizes to steadily build out real estate portfolios and maximize ROI. Its wholesale iBuyer division, Alpha Holdings, is a leading off market real estate acquisition firm, working together with Alpha Lending and Alpha Management to offer institutions, investors, and sellers a unique experience. For additional information, visit <u>https://alphacapitalfunds.com/</u>

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