

# The HomeBuyer's Hour - Investment Properties and Property Management for Sustainable Growth

*In The HomeBuyer's Hour's latest episode, our guest host, Steliana Mladenova, discusses investment and property management.*

CHICAGO, ILLINOIS, USA, November 9, 2023 /EINPresswire.com/ -- Steliana Mladenova is a bright example of commitment and knowledge in the cutthroat real estate industry. After eight successful years in the business, she recently broadened her horizons and accepted a position as a real estate agent at Keller Williams One Chicago's prestigious Arete Homes.

After graduating with a Bachelor's Degree in Real Estate Economics from the University of Economics in Varna, Bulgaria, Mladenova's path to success began. Her academic experience has undoubtedly given her a strong foundation, enabling her to confidently and precisely manage the complicated economic elements that define the real estate market.

Her comprehensive comprehension of market dynamics has rendered her an invaluable resource for clients seeking strategic resolutions. Many people and families have benefited from Mladenova's knowledge and experience in finding their ideal houses or making prudent financial decisions. She consistently adds to Arete Homes' standing as a dynamic force in the Chicago real estate market as a team member.



Steliana Mladenova at The HomeBuyer's Hour



The HomeBuyers Hour on WCPT AM820

In addition to her career accomplishments, Mladenova is incredibly proud of her role as a mother to her 3-year-old son. She embraces motherhood's joys and duties and knows how important it is to create a loving environment. She applies these understandings to her interactions with her customers. Her varied experiences in life have given her a strong sense of empathy and compassion, enabling her to establish enduring relationships built on respect and trust.

Every facet of Mladenova's work demonstrates her commitment to her clients and her love of real estate. She approaches every work with the highest professionalism and attention, whether helping buyers find their dream house, negotiating sweetheart deals for sellers, or offering insightful counsel on potential investments.

During a recent episode of The Homebuyer's Hour, Steliana Mladenova, an esteemed property management expert, provided valuable information on the role and significance of property management companies. The renowned host, [Charles Bellefontaine](#), engaged Mladenova in an intriguing discussion, exploring the benefits and costs of hiring a property management company.

When asked to elaborate on the function of property management companies, Mladenova stressed their ability to simplify and ease the lives of property owners. She highlighted the extensive workload that comes with property investments and building purchases, such as managing rentals, dealing with tenants, and handling work orders. Mladenova emphasized that many individuals find these



Charles Bellefontaine of Chicagoland Home Inspectors, Inc.



Joey Mathews of The VA Loan Nerd

responsibilities overwhelming, especially if they have other commitments.

Bellefontaine probed further, questioning whether property owners are informed whenever a tenant contacts the property management company. Mladenova clarified that communication between the property management company and the owner varies based on the established relationship. Generally, owners receive weekly or monthly reports, while direct calls are infrequent. However, property owners who wish to be involved in problem-solving discussions with tenants may request more frequent updates.



When asked about the cost of hiring a property management company, Bellefontaine drew attention to the financial aspect. Mladenova explained that property management services are not free, as they carry significant value. The services offer priceless convenience by freeing owners from the time-consuming responsibilities of managing properties. She further highlighted that the typical cost is a percentage of the gross rental income, usually between 8 and 12%. However, the actual rate may vary depending on factors such as the size of the building, the number of tenants, the location, and any additional work orders or repairs.

Mladenova underscored that beyond the management fee, there may be additional costs invoiced to the owner by the management company for specific services or repairs. These costs typically require prior approval from the property owner before implementation.

Charles Bellefontaine began the discussion by seeking clarity on the proper definition of short-term rentals. He directed his question towards [Patrick Loftus](#), asking if platforms like Airbnb and Vacation Rental By Owner (VRBO) accurately represent the concept. Patrick explained, "While Airbnb is commonly used to refer to all short-term rentals, it encompasses various types, such as vacation and corporate rentals. It's not just limited to Airbnb when selecting a place for a stay, especially for events like bachelor parties."

Shifting the focus to rental properties, Charles Bellefontaine approached [Joey Mathews](#) and Steliana Mladenova for their insights. Considering mortgage numbers, Charles asked, "What differentiates a property with one to four units from one with over four units?" Joey Mathews replied, "For properties with one to four units, you can opt for a retail mortgage. However, for

anything over four units, usually commercial loans are required. However, specific nonqualified mortgage products are available for five to eight units that do not get securitized by Fannie Mae or Freddie Mac, and they can create their own rules."

Seeking further clarification, Steliana Mladenova inquired about the distinction in counting units when considering VA (Veteran Affairs) loans. Joey Mathews responded, "On the VA side, it is limited to one to four units on paper. However, it is possible to include a five-unit property if one of those units is commercial space and the value is not considered in the purchase. It may complicate matters, but the opportunity exists."

Expanding on the benefits of purchasing a four/five-unit building, Steliana Mladenova questioned the motive behind such a decision. Joey Mathews enthusiastically explained, "The beauty here lies in the ability to generate rental income from the units you're not living in and have it potentially exceed your mortgage payment. In a way, it becomes a property that pays for itself. Moreover, you can put zero money down with VA loans, making it an attractive opportunity."

In search of more details, Bellefontaine converses with Steliana Mladenova and Patrick Loftus. They shed light on the differences between conventional and commercial loans and the advantages of investing in multi-unit buildings.

When purchasing a property, Bellefontaine seeks clarity regarding the choice between conventional and commercial loans. Mladenova explains that all her clients prefer conventional or commercial loans. She emphasizes the importance of not putting all of one's cash into a single property and suggests diversifying investments whenever possible.

Mladenova encourages Bellefontaine to consider his preferences, location, and the option of owning multiple buildings with different loan types. Even if he initially plans to live in one of the buildings, she highlights the benefits of opting for various units as the property will generate rental incomes that can help cover the mortgage and provide additional cash flow.

Loftus adds to Mladenova's perspective, noting that managing a larger building requires only minimal additional effort compared to a smaller one. He emphasizes the importance of carefully selecting tenants to ensure they are reliable and responsible, as this significantly impacts the success of the investment.

Bellefontaine then seeks to understand the financial differences between commercial and conventional loans. Mladenova responds that commercial loans usually require a 25% down payment. She encourages Bellefontaine to consider this option if he has the cash, as commercial properties can offer long-term returns and potential appreciation in value. Loftus adds that many affordable multi-unit buildings are in the area, making them an attractive option for investors compared to coastal markets where financing requirements may be more stringent.



Key insights were shared about the intricacies of managing rental properties and the significance of regulatory knowledge and standardization. Charles Bellefontaine highlights essential considerations for property owners and landlords.

According to Loftus, managing a property entails more than ensuring rent collection and utility coverage. Numerous regulatory factors influence property management, especially concerning the residential landlord-tenant ordinance in areas like Chicago and Cook County. Loftus emphasized the importance of understanding and adhering to these regulations to effectively manage rental properties, particularly for non-local property owners.

Mladenova accentuated the significance of comprehensive lease agreements and awareness of tenant rights. She highlighted the need for property owners to provide a detailed lease agreement that outlines terms and conditions for both parties involved. Mladenova advised property owners to collaborate with lawyers to draft a well-crafted lease agreement. She also stressed the need to stay updated on any changes or amendments in the regulations, as tenants are increasingly knowledgeable about their rights and are inclined to fight for them.

The discussion then shifted to property maintenance and selecting materials and fixtures. Bellefontaine inquired whether it is more beneficial for property owners to opt for cheaper, easily replaceable materials or invest in higher-end, durable options. Mladenova suggested a proactive approach through regular inspections, allowing landlords to identify maintenance needs, prevent potential damages, and save money on costly renovations. She emphasized the importance of balancing quality and price, cautioning against choosing excessively cheap materials that require frequent replacements.

Bellefontaine shared his observations about a prominent landlord who used standardized materials and fixtures across all his rental units. Mladenova endorsed this practice, stating that standardization helps streamline replacement and maintenance processes. By ensuring uniformity in paint colors, flooring, and cabinets, landlords can more efficiently manage property upkeep, avoiding the hassle of searching for specific details for each unit.

Loftus added that familiarity with particular building materials is advantageous, allowing for more straightforward repairs and replacements. Using established suppliers and materials that are readily available helps landlords streamline maintenance processes and ensure consistency. However, both experts acknowledged that not all renters pose challenges, emphasizing the importance of being prepared for potential damages and general wear and tear.

Steliana Mladenova's exemplary commitment, knowledge, and dedication to her clients in the cutthroat real estate industry have solidified her as a true standout. With her expertise and passion for real estate, she continues to make her mark in the Chicago market, leaving a lasting impact on everyone she serves.

Steliana Mladenova

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