



Your **Property Management** Family
SINCE 1972

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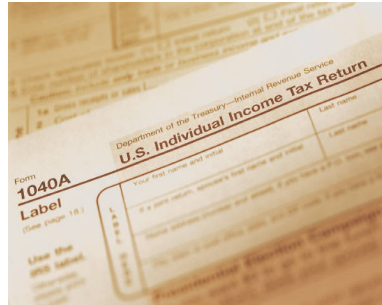
How Hot is the Phoenix Market?

All puns aside (it's 105 outside), the Phoenix market is hot. I've been seeing it on the television, reading about in the industry publications and hearing about it in the continuing education classes I've been taking. They say the number of closings is up three times from what it was this time last year. I heard today that many listings receive 20-30 offers and that some properties are even doing buyer lotteries. In my view, the good news is that investors are driving this hot market. And yet, sales listings are at an all time low.

Cash is King-meaning that most investors are paying cash. Where is the money coming from? Far away places like China, Australia and the Philippines. We are also seeing a strong Canadian showing. The caveat with foreign investors is the US tax I.D. number. If you don't have a social security number, or a corporate/LLC tax I.D. number, you need to apply for the US tax I. D. number BEFORE you make an offer. We have a contact that specializes in helping Foreign investors obtain their number. If you'd like the information, please email Susan Reeves at susan@bennett2rentit.com. You can also look into this at www.IRS.gov.

If we can assist you any other way, like locating an investment property, or providing rental market comparisons on potential investment properties, let us know. The rental market comparisons are a free service that we offer. Frank and I are both available at info@bennett2rentit.com or 480-969-1818.

Anne McCawley



NARPM'S Finest by President Grana, NARPM

"I would like to take a moment to recognize Mike Mumford, MPM, RMP. Mike has contributed his expertise while serving on several committees including the Pacific Southwest Regional Conference Committee/Professional Development and has undertaken special projects assigned to him by the board. He served as a Chapter Leader for several years. In addition, he served on the board of Rental Home Pros. Mike is always eager to serve, and we are grateful for the time and hard work he has put into NARPM. Please take a moment to let him know that his dedication has not gone unnoticed."

From The Residential Resource

Frank Sr.'s P.S. Mike has also been chosen to be a member of a prestigious "Expert Panel" (5 of the most experienced and knowledgeable in the business) at the NARPM Annual Convention. I can't tell you how proud we are of Mike and the work he does.

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Frank Bennett, Jr.

Frank's Forum

Frugality

Seems like I write some version of this at least once a year, so here we go again.

Barbara and I are very frugal. Our kids used to call me the King of the Cheap-o's. I usually wash our cars, and still have never had pizza delivered to my home. Barbara is a coupon clipper and shopper.

None of this means we don't spend money—au contraire, mon cher! We travel all summer and have "done" Europe and Africa along with most of the US. Our home is comfortable and we drive nice cars; our grandchildren are spoiled, as is proper. The important thing is that we don't waste money, and we extended that philosophy over to the Property Management business. The managers spend your money very prudently. We beat the vendors down as much as possible and expect quality work and good service.

The World

Big subject, but we are very much a global economy and it seems that what happens on the streets of Athens is felt in downtown Gilbert.

Locally, it looks like we're doing pretty darn good. Vacancies are fairly low, rents are moving up, and housing prices are moving up (depending on area and price range).

Interest rates remain low, but home loans are still tough to come by. Credit and underwriting requirements have been made so difficult that it is hard even for premium buyers to get a loan. That seems to be easing, but only time will tell.

Because of the onerous lending standards, cash is king and more than 50% of sales are to investors. This is not considered health., but it is what it is. The market will take care of this over

time.

Our best advice (as it has been forever) is to hold on. I've had several calls regarding "under water" properties and it seems to me that the market is recovering enough to take care of these. Frank, Jr., is great at evaluating these properties, so if you have questions give him a call (480-969-1818).

Goldfinches

We feed the birds at our house, giving us an ever-changing display we watch from our patio. Hummingbirds, finches, doves (white wing and mourning) and wrens are plentiful. Quail, mockingbirds and jays show up once in a while. Occasionally we get a cardinal, and a woodpecker comes around now and again—usually to hammer on the sheet metal around one neighbor's chimney.

All this is brought on by my watching the goldfinches this morning. They have a special feeder designed in such a manner that the bird has to hang upside down to reach the feed. Only the goldfinch can do this, not the other finches and certainly not the doves who try to eat from everywhere.

The hummingbird feeder is a special design also, but other birds aren't attracted to the sweet water it holds.

Why is this in a property management newsletter? I'm glad you asked. Property management is kind of the step-child of the real estate business. On a property-by-property basis there really isn't much money to be made. "Normal" agents avoid rentals like the plague—until "normal" business slows down. Then they try to do some rental management, just until the economy picks up.

Regular agents soon discover that property managers are like goldfinches. They don't have to hang upside down to feed, but

the business is very specialized (now more than ever) and the skills required are very different from those of the selling agent. Bennett Property Management feels that an agent cannot do both—sell and manage. So we don't. Our managers are all licensed Realtors, many for more than 10 years (some for 20), and all we do is manage your property. Works out best for you and for us, too.

Cubs

Spring training has come and gone. The Cubs are already 7 games back after only 31 games. Looks like another long season for the Cubbies.

Mesa has been the Spring Training site for the Cubs for the past 34 years (16 at Ho Ho Kam Park). No matter what their record the Cubs are a near sell-out every year in Mesa, drawing about 9000 fans per game—140-150,000 per season.

Spring baseball has been a tradition in Mesa and The Valley for more than 50 years. I remember 'cutting' school to go watch the Giants play at the old Rendezvous Park.

The Cactus League provides not only fun and tradition. It is an enormous economic engine for the entire Valley. Just for one example, the busiest season at Sky Harbor Airport is the weeks of Spring Training!

Mesa is just breaking ground for a new Cubs stadium. It looks like Ho Ho Kam will get the A's as new tenants. The new park will also be used by the ASU Sun Devil baseball team. Much of the parking will be on grass, and used the rest of the time for soccer and athletic fields.

The Cubs Stadium in Northwest Mesa and the Gateway Airport in Southeast Mesa are 20 miles apart, providing great book-ends for the growth we expect.

Student Loans

What a hullabaloo over these loans! If the interest rates do go up, the payment difference isn't huge. The situation should not be a surprise for the student-borrowers, unless 1. They did not read the fine print; 2. They were sure that government and/or parents would pay; or 3. They never intended to pay in the first place.

The lobbyist that got the clause in making the loans non-bankruptable (is that a word?) sure earned his money.

I just keep thinking that a valuable lesson is here. Don't borrow money that you can't repay. We all know lots of folks who still haven't learned that lesson.



NARPM NEWS

National Association of Residential Property Managers

Narpm.org

Monthly NARPM Meeting

August 23, 2012

12:00 pm- 4pm

Lunch Provided

SEVRAR

1363 S. Vineyard

Mesa, AZ 85210

**The 24th Annual
National Conference
October 17-20 2012
Washington, DC**

**To join our mailing list,
please email us at :
susan@bennett2rentit.com**

**Visit
www.narpmphoenix.com**

Tax Reform

The Sunday (5/13/2012) NY Times devoted a whole page of the editorial section to the issue of tax reform.

What a difficult problem! An impossible problem until the elections are over. I just don't know how the debt issue can be solved without new revenue. I don't see how expenses can be cut much more without hurting the helpless; and I'm old enough to know that talk of more efficient government is not anything more than talk.

A couple of years ago another one of those bi-partisan blue-ribbon committees came up with a great list of ideas. That list must have been printed on stone because it sank without a trace. I hope that, post-election., someone has the cojones (call Frank Jr. for a translation) to get out in front of this issue.

Gambling

I was raised by a gambler, and that colors my attitude toward risk-taking. The news about the \$2 billion loss at JP Morgan is breath-taking.

High stakes gambling indeed! Seems to me that the only difference between the Wall Street trader and the little old lady playing the casino slots (other than \$5000 suits and expensive cigars) is that the slot machine lady is playing with her own money. Come to think of it, the Wall Street guys are playing with her (our) money, too. Unregulated bets with backing by taxpayers is the same recipe for disaster that took us into the recession. It looks like the big money boys have bought enough of Congress to stall any corrective legislation.

Facebook

No Facebook or Twitter for Barbara and I, at least not yet. Neither of us wants to be that con-

nected all the time. I try to never say never, since it isn't all that long ago that I was saying that I'd never need a fax machine, let alone a cell phone!

The Facebook IPO is happening right about now. How can something that didn't exist 8 years ago, with no bricks and mortar be worth \$100 billion? Mark Zuckerberg will walk away with something just south of \$20 billion.

Holey, moley! There seems to be a bottomless pit of money available to invest in the latest and the newest. The growth curve from zero to \$100 billion is impossibly steep. Seems to me that investors are betting on similar growth in the near future.

I say the near future because it seems to me that there has to be another "next new thing" on the horizon. How much of the IPO money is coming from money managers, retirement funds, etc., rather than from investors working with their own money? Caveat emptor!

American Cars

Our last American Car was a 1997 Chevy Tahoe. We loved that car— it was our truck and our road (vacation) car. It knew the way to San Diego all by itself. Our entire extended family used it as the "spare car". Kids and grandkids drove it and it never let us down.

But, as the say, all good things must come to an end. The poor mileage and the possibility of some expensive repairs forced me to go car shopping.

Despite my old engineering degree, I am not a car guy. Years ago I did oil changes and points/plugs, but those days are long gone. This being the case I decided to drive everything that resembled what I thought I was looking for.

Except for having to deal with a few over-zealous sales guys this was a very pleasant experience.

I drove Chevys, Fords, Hyundais, Nissans and Toyotas. In my opinion the American cars are terrific. So are the others, but our auto industry was below unsatisfactory for many years-I think they have recovered beautifully.



Making a Difference....

September/October

A New Leaf's "Essential Needs Drive" New Linens and Kitchenware

Pillow cases, twin & full white or light colored sheets sets, towels, wash cloths, dishes, pots, small kitchen appliances, utensils, etc.

Please encourage co-workers to round-up donations
And contact A New Leaf to schedule delivery at

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