



Your **Property Management** Family
SINCE 1972

Volume 9, Issue 4
December, 2012

From the Desk of the Designated Broker

Never let it be said that the real estate market in Arizona is dull and boring! We joke around here in the office-mostly to try and keep our sanity-but we really do keep coming to work every day because ours is not a boring job. 2012 has been no exception. This year marks the 40th anniversary of the Bennett family managing rental properties. We've come a long way from managing my Mom and Dad's four-plex in Mesa! We are currently serving all of Maricopa County and parts of Pinal County. Our current unit count is 2,230 "doors". Although we are still seeing foreclosures and short sales, it has slowed greatly this year. We are grateful to see that trend, as it is a very stressful situation for all parties. The economy has been very difficult regarding our industry. Some Owners are still struggling financially to hold on to their properties. Many tenants are struggling to pay their rent. On the other end of the spectrum, new investors are buying properties in better financial positions and are able to make some upgrades, making it possible for us to market some very nicely upgraded homes. Dealing with this dichotomy is an example of why our jobs are not boring.

There has also been an alarming trend in the news regarding the ownership and management of property management companies in Arizona. The Arizona Department of Real Estate has shut down nearly 30 companies and has ordered cease and desist orders for their Owners/Brokers. The primary reason behind shutting down these companies is due to misappropriation of the funds in their Trust Accounts. I was recently asked by the real estate commissioner to co-chair a property manager's work-group to study and provide advice to the real estate advisory board. The advisory board asked us to provide them with feedback on finding methods to protect the public against indiscretions like trust account shortages. I was honored to co-chair that group because I was personally referred to the commissioner as someone who "is doing things right" with my company.

I am a 15 year member of NARPM and a member of the property management committee of my local board of Realtors. I strive to continually educate myself and all of my property managers and staff. We have six associate brokers in addition to me and Frank Bennett. This means that they have completed an additional 90 hours of education and passed the school and state level testing successfully. Attending the classes and conferences keeps us up on market trends and the laws which govern us and help us to better manage residential income property. We are looking forward to the challenges and opportunities that 2013 will bring to us. As always, thank you for your continued business. We wish you a joyous, healthy holiday season and happy new year!

Anne McCawley



www.bennett2rentit.com
info@bennett2rentit.com

Designated Broker

Anne McCawley, RMP,MPM
Susan Reeves, AB
Broker's Assistant

Associate Broker

Sharon Wilson, AB

Office Manager

Mike Mumford, AB, RMP, MPM

Property Managers

Daniel Anderson, AB

Jodi Brace

Lance Brace

Ginny Casselman

Kate Erbe

Kristina Fogliano

Laurie Frame

Melissa Guerrero, AB

Sarah Johnson

Joe McCawley

Jane McCawley

Megan McCawley

Terry Mendoza

Mike Noggle

Luana Patterson

Becky Pinholster

Travis Reich, AB

Sandy Shannon

Carolyn Summers

Kim Tracy

Jim Wilson

Bookkeeping

& Clerical

Margie Cooley

Sandy Figueroa

Sarah McCawley

Irene Ruiz

Michele Winkles

General Factotum

Frank Bennett, Sr

Owners

Anne McCawley

Frank Bennett, Jr.



Frank's Forum



Vacancies

The classes and schools I attended in the dark ages mostly used seven percent vacancy as a standard for analyzing rental investments. At 7%, properties are empty about 20 days per year.

As a company this year 7-8% of our managed properties are vacant any given time. The occupancy rate for much of the property is much better because our average tenancy is 2-3 years.

Location is very important, as with every aspect of real estate. In a hot market and in a good location vacancies can go to the 3-4% level. This is hard work for the manager because turnaround has to be 10 days or less.

Our goal is to re-hab and re-lease property within 30 days. 45-60 days is more realistic. Communication between Owners and Managers is critical. We try to let owners know that a vacancy is coming and alert you to anticipated costs. We will not start work without money in hand for obvious reasons.

We are very grateful for the understanding and cooperation of our owners. The vacancy and turn process is stressful and needs teamwork.

Prediction

None. I like the bank ad where a leading economist is asked, "Do you know what interest rates will be in the future?" His answer: "No."

I waited until after the election to write this, hoping that we might get some hint of our future. I got

so sick of the political ads and thought that might end after the election. Oh, well.

The machine that generates "talking points" for both sides is still working and robs us of almost any chance for fruitful discussion. As the "opinion talkers" and the more prominent politicians speak you can almost see them checking off the points their central authority has put out.

I am grateful that we live in such a strong and vigorous country where the doers will drag us back into fiscal health with or without Congress and the Executive. They can sit back there inside the D.C. cesspool and yak-yak-yak while the rest of us work and get on with the business of life.

Longevity

As most businesses do, we recognize long service to the company.

Jane McCawley received a custom-made plaque to acknowledge her 10 years of work with Bennett Property Management. The plaque was designed and made by Sarah and Megan McCawley, her nieces who also work at BPM. We continue to encourage nepotism! Of note, Jane began here in a clerical position, got licensed (no easy chore) and has been managing property for 6 years.

Kristina Fogliano was given a beautiful clock to mark 15 years with the company. Kristina is a member of our Executive Committee and now leads a management team with Luana Patterson and Megan McCawley. I sold Kristina and her husband a 4plex

16 or 17 years ago. She asked me at the time if I thought she could be a property manager. I said "sure", as I always do. She got licensed and showed up at the office 15 years ago and said "here I am!" And she has been here ever since.

We are so very proud of Kristina and Jane for their hard work and professionalism. They are the face of our company, representing more than 20 managers. We also brag about the longevity of our managers-eleven have 10 or more years with us and 6 more have more than 5 years. I'll bet there is not another management company with this record.

Occupancy

In another article I wrote about vacancy vs. occupancy. It made me wonder about the length of stay for our tenants. Its an important issue because every time a lease is renewed we save the cost of a "turn" as well as the vacant down time. Mike Mumford, our Office Manager, was able to supply me with great numbers to pass on.

First, 69% of our tenants stay more than one year; the average tenant stay is just over two and one-third years. Thirty-seven (37%) percent of our tenants have been with us 2-5 years. Ten (10%) percent are with us 6-10 years. Seventeen tenants (about 3%) have rented here for more than 10 years.

I believe that much of this success is due to the extensive screening we do on the front end so that we wind up with tenants who have the ability to pay and

the track record to prove they have paid in the past.

There are two other major contributions. One is that we fix stuff. When there is a maintenance issue we get it taken care of quickly. Second, we treat tenants like people. Our managers are friendly and caring. I like to think these are the same reasons that owners stay with us.

Happiness

Five Rules for happiness (from the New York Times)

1. Live in the moment
2. It's better to be loving than to be right.
3. Be a spectator to your own thoughts.
4. Be grateful for at least one thing every day.
5. Help others every chance you get.



NARPM NEWS

National Association of Residential Property Managers

Narpm.org

**Merry Christmas
And
A Happy and
Prosperous
New Year**

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

Visit www.narpmphoenix.com

“Apartments filling up”

This repeats a column headline in the Arizona Republic newspaper. Vacancies are the lowest in 6 years and rents are also moving up.

Overall, news is pretty good for Valley real estate. Prices in most areas and in most categories are still moving up. There is actually a shortage in the properties most favored by investors.

The major hold-back for the business remains financing. I see that Ben Bernanke, Chairman of the Federal Reserve, is saying that banks need to loosen up their credit criteria. It was also interesting to see that Costco and some other major retailers are moving into the mortgage business.

This is good news. Wells Fargo has become the dominant player in mortgage lending to the point that they have shut out mortgage brokers (i.e., you have to go to Wells Fargo for the loan). The outside competition will be a benefit to the public, buyers and sellers.

An Easy Donation

This is our annual reminder for a great donation idea.

If you pay income taxes in Arizona this directs the use of your tax money. A tax credit is a dollar-for-dollar reduction in your tax liability. Its like pre-paying part of your tax liability.

Donations can go to “Homeless and Working Poor” and to Public Schools. Married couples can donate \$400 to each.

Our favorite for the Homeless and Working Poor category is A New Leaf, an organization we’ve supported for 40 years. There are many others, of course, including

United Food Bank, Mesa United Way and the Salvation Army.

Don’t forget to support your local schools too.

Please give. This is a donation that costs us nothing and does enormous good. For questions, call Frank Sr at 480-363-4195.

Holidays

The season for giving is here.

We are so thankful for all of our wonderful clients and our dedicated, professional staff. Many of our generous owners send gifts to managers and to the Company. We appreciate these, of course, but every year we ask that these go to those with greater needs than ours.



Our Fearless Leader

Owner/Broker Anne McCawley has been picked to co-chair a special property management committee for the Arizona Department of Real Estate.

The Real Estate Commissioner chose Anne to lead the committee, which has been formed to review real estate statutes and Commissioner’s Rules and Regulations as they pertain to Property Management. This is a long overdue action and the Commissioner should



Donating to A New Leaf

Financial donations make *Helping Families...Changing Lives* possible. The donation option below is deposited into A New Leaf Foundation, a separate 501(c)3 created to provide both short and long-term financial support for A New Leaf programs and services.

Examples of how your gifts help:

\$250 sponsors a person in our homeless or domestic violent shelters with at least 3 nights of food, case management and basic needs

\$150 sponsors a child with 1 week of supervised day care at La Mesita

\$50 sponsors 1 week’s worth of diapers for 4 infants

\$25 sponsors 1` month with of nourishing snacks for a child

The Camaraderie is March 2nd at the Arizona Grand Resort in Phoenix, benefitting our shelters. For more information regarding this event and others, please visit www.turnanewleaf.org.

be congratulated for moving to review and change the non-applicable and frequently antiquated rules/statutes.

There have been many PM companies fined, censured, closed down and otherwise punished over the past couple of years. This is the result of the increased attention being paid to this part of The Real Estate business. In my view some of the missteps have come about because the operating rules are either unclear or so vague as to allow too much latitude. This is not to say that the punishments were not deserved, but we should have clearer guidelines.

Regardless, the Company, and her father are very proud of this recognition of our Fearless Leader, AKA The Wee Wonder.

Fiesta Chorus Sing with us!

OPEN REHEARSALS
are held Thursday nights
7:00 pm-10:00 pm

Please join Fiesta Chorus of Sweet Adeline’s International, the world’s largest women’s singing organization.

For more information
Call Pat at
480-399-9799
www.fiestachorus.org

