



Your **Property Management** Family

SINCE 1972

Volume 9, Issue 4
March, 2012

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, RMP, MPM

Property Managers

Daniel Anderson

Jodi Brace

Lance Brace

Ginny Casselman

Kate Erbe

Hector Felix

Kristina Fogliano

Laurie Frame

Melissa Guerrero

Sarah Johnson

Joe McCawley

Jane McCawley

Megan McCawley

Terry Mendoza

Mike Noggle

Luana Patterson

Travis Reich

Sandy Shannon

Carolyn Summers

Kim Tracy

Jim Wilson

Bookkeeping & Clerical

Olga Aguirre

Margie Cooley

DJ Jozwiakowski

Sarah McCawley

Michele Winkles

General Factotum

Frank Bennett, Sr

Owners

Anne McCawley

Frank Bennett, Jr.

Do you have the right insurance and sufficient coverage?

As an investment property owner, the coverage required is a fire/hazard/liability policy. This policy provides coverage for the physical dwelling. Some people call it the "Landlord" policy. We always recommend additional liability coverage since there are renters in the dwelling, to additionally protect the owner. On units where the insurance policy is paid through the Homeowner's Association, the owner can buy additional liability. I have done this on my own units because the liability coverage is much better. Also, the deductible on HOA provided coverage can be very high, \$10,000 or higher. Something that has recently come to our attention is additional coverage for vacant properties. Apparently it's a rider policy that you can add if your property is vacant for more than 30 days. The reasoning behind this is that the insurance companies don't like to insure vacant property, and if an issue arises there might not be coverage. More specifically, with the rise in the thefts of copper piping, air conditioning units (we had one taken off the roof of a property two weeks ago) and appliances, it may be a very wise idea to investigate this coverage. You can contact your current insurance agent, or if you would like a couple of referrals, please email me at info@bennett2rentit.com.

Baby on Board!!

This may seem strange, but a friend of mine posted on Facebook the other day that he and his wife were expecting a baby, and he found a picture of those street type signs that says "Baby on Board".

(I think it's strange to announce something like that on Facebook, but I'm about 15 years older than this person.) Anyway, I have my own Baby on Board! Her name is Megan McCawley, she's 22 years old, and she just got her real estate license and is training to be a property manager at Bennett Property Management. We are all very proud of her accomplishments (she's related to about half the people that work here) and look forward to watching her blossom into a terrific property manager.

Anne McCawley



Calling All Owners!



Do we have your current contact information? Telephone/cell phone numbers? Email address? Home address? If you think that there is a chance that we don't, please email us at info@bennett2rentit.com and give us the update! Please include your name too, so that we know who you are and what information needs to be updated.
Thank you!!

Frank's Forum

Hard to Imagine

Who would have thought we'd ever see headlines linking the Amish with cocaine sales and a Ponzi scheme? Probably a sign of the apocalypse.

Barbara went to nursing school in the heart of Amish country. Her recollections don't include any criminal behavior, just memories of neighbors helping each other, immaculate farms and buggies carrying bonnet-clad women and bearded men. Interestingly, many of the victims of the Madoff style Ponzi scheme want their church to settle the problem, not the bankruptcy court. Many urge forgiveness for the perpetrator. Stay tuned.

Lovenomics

The NY Times (Sunday, February 12, 2012) had a lengthy article about a married couple, both economists, that have become experts on the economics of marriage, divorce, and child rearing.

Their basic principles:

1. Don't marry. The income earned by the second worker in the marriage is taxed at a higher rate.
2. Outsource. This couple has a nanny and a cook/chauffeur/handyman.
3. Have children. They acknowledge that this makes no economic sense, but is important to the relationship

Contrast this with the rules in "Rich Dad, Poor Dad". Rule 1 is get married, rule 2 is stay married.

Seems to me, if we look around enough, we'll find someone with a philosophy that fits what we want to do, so do what feels right.

Music-Arts

This past weekend we had occasion to reflect on the impact music and the arts have on our lives.

Our 3 kids all took piano lessons (mom is a great piano player) for several years. All of them picked up a second instrument (sax, tuba, and bass clarinet) and marched in the marching band. One (Kate) sang in the women's chorus. All were All-State musicians.

All 3 have continued to be involved in music. Anne sings with the Sweet Adeline's Barbershop Chorus (the world's smallest bass); Frank Jr. is in the Agape brass quintet, playing in churches and occasional Dixieland gigs; Kate sings alto in the Promerica chorus in Anthem. Barbara and I have been attending their concerts for more than 40 years. We continue to sing and teach our grand-kids the most disreputable songs we can think of.

Our specialty song is Happy Birthday in 4-part harmony (5 if you count my efforts). Don't be surprised if we come to your table and sing for you; we don't need much of an excuse, or permission for that matter.

Quite aside from personal enjoyment, music brings discipline, organization, and achievement to our lives. The recent moves by legislation to cut or eliminate music and the arts from curricula is short sighted and negligent. If you have a chance, please give your legislator your opinion.

Mortgage-backed Bonds

Big bets are being made on Wall Street that the housing market has turned the corner. The NY Times just reported that mort-

gage-backed securities are a hot investment again, for the same reason that housing itself is a good investment: prices have dropped to the point that they make financial sense.

About half the housing sales in Maricopa County are to investors. Some funds are buying several hundred at a time! The good thing is that Buyers are eating up the excess inventory and prices are rising. It's good that these vacant properties are being occupied, but not so good that many neighborhoods are dominated by rental properties.

The market will solve this problem over time, as always. As market financing becomes more accessible, owner-occupants will re-appear to stabilize the neighborhoods.

Revolution?

When Barbara and I traveled through Europe (along the Great Rivers, Amsterdam to the Black Sea- for travel recommendations, call me) I told her it made me understand the revolutions that overthrew the rulers.

A significant part of any tour of these areas is a visit to the cathedrals and palaces. Most of these have been restored by governments because they are tourist attractions. In many countries tourism is a major industry. The gold and jewels and precious art have to be seen to be believed. Nothing but the finest was good enough for these monuments to ego.

There is a magnificent cathedral at Melk, in Austria. Never heard of Melk? Neither had we. The cathedral is not huge, but the decoration and architecture are magnificent. Every time you turn around, the eye is struck by still more gilt and splendor.

The moment you step outside the grounds of the cathedral and seminary, you are in Melk itself, a very clean and picturesque



Please join us for the 17th annual *A New Leaf* Bowl a Thon! Come out for our **"Back to the Future Bowling"** to support the future of our housing programs. The event is June 15th, 3:00-6:00 P.M. At the Brunswick Zone, 1754 W. Southern, Mesa, AZ. For more information on bowling or sponsorship opportunities, please email Anne at info@bennett2rentit.com.

**C'mon, McFly!
You can make a
difference!!**

small village on the banks of the Danube. Beyond that is miles of fields.

When the cathedral was built the peasants lived and worked in terrible conditions. The people had long hard hours of labor, in filthy and dangerous working conditions with no chance of education or advancement.

Standing outside the cathedral, I thought "if I were crawling around in the mud, working so the nobles and the priests could build their cathedral and live an easy life, I'd revolt too. Give me my pitch fork!"

I get a lot of the same feelings when I read about the increasing income disparity in our great country and watch the legislators take away education and health dollars.

The protest movements from the occupy crowd to the Tea Party are responding to their feelings. Both are fringe groups with the usual wackos, but the feeling of rebellion is valid.

Valentine's Day

As this is written we are just past Valentine's Day and I have to salute my sweetie. We've been together almost 49 years, making her a candidate for sainthood to put up with me all this time. Barbara is the reason that Bennett Property Management began, grew, and thrived. She was our first property manager and set the standard for service and integrity that we still strive to maintain. Barbs retired 11 years ago, but her operating methods and sayings live on.

Home Valuation

Seems like I wrote this article last year, déjà vu all over again. Our local Arizona Republic (one radio talk-show host calls it the "Repulsive") does a good job of factual reporting on the housing crisis. It is hard for the media not to go into hysteria mode, but the Republic does well.

The front-page story reports yet another drop in home valuation (5 years in a row) by the Maricopa County Assessor. The Assessor is supposed to evaluate homes at market value and we think he is pretty much on the mark.

The only issue I would have with the valuations is that they lag the real market by as much as a year, maybe more. That is not a criticism, just a statement. The assessor has to use real data, and inevitably the reporting and data collection process builds in a time delay.

In a moving market (up and down) results can be misleading. This seems to be the case now, as inventories shrink and prices move up.

The important questions for us as investors:

1. Will taxes go down with valuations? Maybe. Some will, some won't. The valuations go down and the tax rates go up to maintain oper-

ating cash flow for government operations.

2. Are values rising? We think so; the market is very competitive in the \$100k-200k range, with multiple offers above asking prices in many areas. The high dollar market seems at least stable, and there is a lot of trash available for the truly brave to buy.

Spring has Sprung!!

The very warm weather is just around the corner. Is your air conditioning unit ready? Several of our a/c vendors are offering spring check up specials. If you'd like your unit looked at, please email or call your property manager directly and they will arrange it. The following is provided by one of our long time vendors:

Protect Your Investment
Why should I service my cooling-heating unit? A seasonal check up can save thousands!
Freon prices to skyrocket this summer!

AZ summers are a brutal and relentless 5 month stress test for a/c's and heat pumps. Outdoor fan motors are most susceptible to the elements. A low (*Freon®) refrigerant charge or dirty indoor coil can cause compressor failure. The main relay which turns the compressor on or off, can start to wear down the contact points over time and it will cause a voltage drop to the compressor. And capacitors (an expensive can of oil, tin paper and wax paper), must be tested during operation to see if they are sustainable during operation. **Checking these and other key points will tell an experienced and trained technician how the unit is operating generally. Occasionally more specific inspections are necessitated.**

BPM is very careful in selecting HVAC service contractors

We'll check all of the important points (Freon, electrical, bearings, structure/vibration, temperatures, etc.) of the heating and cooling unit and lubricate the motors. In these inspections, we are looking for real time or potential problems. **It is realistic that we will find something to replace or repair.** There is no average invoice price with honest service. The so called *free service call* guys average over \$420 per pre-season check-up invoice. You can expect \$39 - \$150 range for most pre-season services.

The Dirty Indoor Coil

The most common abuse by tenants is the avoidance of using air filters or changing them regularly. Changing filters in the winter (here in the Phoenix/Metro area) once every three months is OK. From May - Oct, every month is necessary. We look for signs and symptoms of dirty indoor coils. The coils are almost NEVER easy to get to and in some rare cases almost impossible. However, indoor coils are crucial to comfort, efficiency and if dirty will cause expensive compressor failure. Cleaning coils cost between \$100 - \$250 depending on degree of "dirtiness" and accessibility. If your investment has a dirty coil, I promise you the cost (even in the hundreds \$) is very worthwhile.

Air Filters

I do not recommend expensive super efficient filters. There are great reasons to use them, but they are also great air flow restrictors if not used properly (long story). For common systems I recommend the cheap pleated air filters from hardware or big box home improvement stores. Next, the old standard fiber strand filter is almost OK. **90% of all Freon leaks are in the same spot. A \$2 -\$4 seal can prevent Freon loss.**

The EPA accelerated the phase out of R22 (most common refrigerant in pre 2011 HVAC units) without warning. Wholesale prices of R22 have in-

NARPM NEWS

National Association of Residential Property Managers

Narpm.org

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

creased over 190% since February 2012. R22 Supplies are now reduced 40% nationwide. The cause to prevent refrigerant loss now goes beyond the environment and efficiency. IT GREATLY AFFECTS YOUR WALLET. So, the old saying, "An Ounce of Prevention is Worth a Pound of Cure" is more relevant today than ever before on this matter.

There is a lot left unsaid in this article. You are welcome to email me:

john@newelltribe.com

**Freon: R22 refrigerant brand name produced by Dupont, generically used worldwide*

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



Frank Bennett Realty Frank Bennett Jr.

Residential Sales
Investment Property



Office (480) 969-1818 **Direct** (480) 344-2818
Toll Free (888)-845-9529 **Mobile** (480) 688-1818

www.frankbennettrealty.com

info@frankbennettrealty.com

101 E. 1st Ave. #105
Mesa, AZ 85210

