



Your **Property Management** Family

SINCE 1972

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## Marketing 101 Then and Now

The year is 1990. This new-fangled thing called the internet is non-existent. The vacancy rate is 16% and our average rent is \$600 per month. Average time on market is over 60 days. We are using For Rent signs and metal frames, which the property manager pounds into the hard-packed Arizona dirt with a 5 pound mallet. We have an internal vacancy (manual excel spreadsheet) and our only other source of marketing is the newspaper. Back then, most of our properties were in the East Valley, so we used the Mesa Tribune. Our goal was four lines or less because of the cost. A four line ad (about one inch of copy) was over \$200 a month, for a four day a week ad. I remember we always picked Friday, Saturday, Sunday and Wednesday, because Wednesday is the day the grocery ads are in the paper and we thought that more people read the paper that day. Ads were being run 60 plus days due to long vacancy periods. These were text only ads, no pictures, and they looked something like this:

Bdwy/Glbt 2br/1ba \$395/\$200dep.  
cov'd pkg w/d hkp wtr incl.  
Anne 480-464-4728  
Bennett Mgt. 480-969-1818



Please note that the phone number was my home number - no cell phones yet.

Let's fast forward to today. We no longer use the newspaper at all. The Mesa Tribune is almost defunct. We still use signs, but we have them installed all over the valley with a professional wooden sign post. We still have an internal vacancy list (which is now automatically generated by our website). All of our other marketing is on the internet, including the MLS. Valley area property managers started using the MLS - its usage was pioneered by the Scottsdale area managers in approximately 2000. In 1998 we attended a NARPM national convention where we met our first real website provider. Starting with our website and other partnerships through NARPM, we've added several leading rental internet ad sites that push out to over 200 other sites. These ads run 24 hours a day. The cost is \$150 per month. Right now, vacancy time is approximately 30 days on the market in most areas. These ads are as detailed as an MLS listing - I would guess there are 75+ field categories. We add full color photos - pretty much unlimited in quantity. All marketing responses are directed to the property manager, including their direct office line, email and cell phone number. Interested parties can apply and pay their application fees online. Over 90% of all our new tenants find your property on the paid internet sites.

As they say, "Oh, how time has changed things." It may seem like a bitter pill to spend \$150 a month on advertising. Doing a side by side comparison, \$150 today places you on more than 200 venues versus the \$200 and one venue it did 20 years ago. To us, it is the best thing since sliced bread.

Anne McCawley



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### 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

Jason Casselman

Kate Erbe

Hector Felix

Kristina Fogliano

Laurie Frame

Melissa Guerrero

Sarah Johnson

Joe McCawley

Jane McCawley

Terry Mendoza

Mike Noggle

Luana Patterson

Travis Reich

Rosey Reich

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Carolyn Summers

Kim Tracy

Jim Wilson

### Bookkeeping & Clerical

Olga Aguirre

Margie Cooley

DJ Jozwiakowski

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Megan McCawley

Michele Winkles

### General Factotum

Frank Bennett, Sr

### Owners

Anne McCawley

Frank Bennett, Jr.

# Frank's Forum

## The Future

Don't we all wish we owned a crystal ball? All of us, Frank Jr. in particular, are asked frequently about the status and the future of the real estate market.

Almost exactly 3 years ago we bought several properties in Queen Creek. A couple of my friends joined us and my prediction then was that we would be back to pre-boom prices in three to five years. I sure hope the next couple of years are hot, hot, hot.

Signals remain mixed. Loans are tough to come by, even with interest rates at unbelievably low numbers. The lenders are afraid to loan on almost anything and to almost anybody. The foreclosure inventory is dropping. Lender-owners are more sophisticated and aggressive in their marketing. Investors are buying more than owner-occupants, mostly because money is so tough to get (in my opinion). Frank Jr., tells me that desirable investment property is getting multiple offers and selling for more than the asking prices. Wow!

Prices are still low and I think it is a great buying opportunity. CAP rates are high enough to make these deals make sense without adding in the appreciation we expect.

Call Frank Jr. or Anne. They don't have a crystal ball either, but they know the sales and rental markets as well as anyone in the Valley-better than most.

## People Power

BPM has made enormous changes and advances in technology. The use of the internet and smart phones have streamlined the rental process terrifically.

All of us-owners, tenants and managers-benefit from technological advances. Advertising

and mailing costs have gone down significantly; managers can be connected 24-7 (they don't all like that); owners have online access to statements and multiple communication options with their managers.

Our lease presentation (every Tenant goes through a line-by-line reading of the lease) is on video so that every Tenant sees and hears the same thing.

But I feel I need to point out that nothing happens until the Manager meets the Tenant. Even with all the bells and whistles, nothing replaces a face-to-face meeting. The manager's gut feeling is still what we pay for, and BPM's managers are the best. An important part of our procedure is that two managers examine virtually every application.

When Barbara was our first Property Manager we had no computers, cell phones or fax machines. We rarely ran credit reports. Our application was nearly the same as it is now and Barbs had to verify all the information personally. Bottom line— gut feeling based on years of experience, with or without technology, is still the best tool we have in evaluating Tenants.

## Property Taxes

It looks like property taxes will go down slightly for many properties in the Valley. The billing in October 2011 will be for the first half of 2011, with the balance due in April 2012. Reductions have been expected because valuations have dropped—radically in many cases. The bulk of the taxes go to schools in Maricopa County. Those costs haven't gone down much, so the tax rate was increased to keep tax revenues fairly stable. The median assessed home value in Maricopa County decreased 15.3 percent last year. The County raised its property tax rate by 18%. Bottom line,

our tax bill will decrease if the valuation is down more than 18%. Not too tough for many properties.

My guess is that some taxes will drop again in 2012 and maybe 2013.

## Worrisome

As should be obvious, I am no expert in international finance so add a large pinch of salt to this. I am concerned over the articles I'm reading about 'hidden debt'. Countries (including ours) and states have manipulated finances to keep enormous sums off the books.

Apparently much of that debt is coming due and will have to be paid by an already weak system. What effect will that have on the recession? I'm not smart enough to figure it out, but I can't see how we're going to pay all this without printing more money. Can you spell "inflation"? As my friend Paul says, "We may be in for a long ride, boys".

## Travel

We've had an 8-state summer. All of them places cooler than the Valley. This year it has been easier to be cooler than the Phoenix area. A record-setting August, as my kids and friends remind me when we check in. Hawaii (Maui) was great, as always. Our honorary Godson, Koltan, returned from Afghanistan and joined us for scuba diving, bike riding on Haleakala and a luau. We are grateful for his service to our country. We did the entire California coast with stops in San Diego and Eureka. Beautiful! The Oregon coast including Coos Bay and Newport, winding up in Portland. What a great city. Inland to Kennewick, Washington, Coeur d' Alene, Idaho and a long stay with old Navy friends

in Missoula, Montana. We served aboard ship with the Wights and the Downeys almost 50 years ago and are still laughing at the bad jokes.

By the time this reaches you we will have been to Boston and Martha's Vineyards to see more Navy friends. Boy, are we lucky.

The object of this travelogue, of course, is to point out that while we travel Bennett Property Management is watching our property and worrying so we don't have to. I may be slightly biased because I hired a lot of these guys, but what a great feeling to have total trust in the folks that control such an important part of our lives.



## **NARPM NEWS**

*National Association of Residential Property Managers*

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[www.narpmphoenix.com](http://www.narpmphoenix.com)

**The 23rd Annual  
Convention & Trade  
Show  
October 19-21 2011  
Dallas, Texas**

**To join our mailing list,  
please email us at :  
[susan@bennett2rentit.com](mailto:susan@bennett2rentit.com)**

## Good News

Fulton Homes announced this month that they are opening three new subdivisions—two in the Queen Creek area. Chase Bank and Auto Zone just opened new branches at Johnson Ranch (Queen Creek). Walgreens in building a new store in the area.

These are all large, successful companies who do their homework. I believe that projection must be very positive for them to take such strong steps. I'm especially happy to see Fulton Homes expanding. They are a local company and one of the best corporate citizens we have. Housing led us into the downturn and housing will lead us out.



## Book Review

I did a movie review a few newsletters ago, and thought I'd try a review of a book I just finished. I just celebrated (??) one of those big decade birthdays, and one of my favorite right wing wacko employees gave me a copy of "Reckless Endangerment", about the events and causes leading up to the financial meltdown.

Frankly, it was a struggle to get through it. The language is too sensationalistic for me, slanted toward a certain reader population. There was not much new material for a reader that has kept current with financial events, but it was interesting to see it all together in a coherent line. The authors are Wall Street Journal folks, so I think the reporting is trustworthy.



More than the specific events, the exposition of the greed and unethical behavior of lenders, business leaders, Wall Street bankers and politicians makes me mad and sick all at one time. And having said that, I would be less than truthful if I didn't say that, given the oppor-

tunity, I probably would have taken the money the same way they did.

The real lesson I took away from "Reckless Endangerment" is that we need much tougher regulation of the financial industry than we have, starting with a return to Glass-Steagall or something similar. The power of the big banks to influence control of their business is too strong. The financial industry keeps saying that good business and strong ethics will let them be their own policing force. Baloney! As my good friend Jon says, money talks and BS walks—there is just too much money in play for business ethics to have any real meaning. Give a guy a cookie jar with no lid and you have no cookies!

And thanks for the book, Susan.




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Warmest Regards,

Michael T. Hughes  
President/CEO

A New Leaf  
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[www.TurnaNewLeaf.org](http://www.TurnaNewLeaf.org)

**Arizona's Helping the Working Poor Tax Credit Can Benefit A New Leaf's**

**La Mesita Family Homeless Shelter, EVMC Men's Shelter, Autumn House and Faith House Domestic Violence Shelters, Empower Transitional Living Program and MesaCAN Community Assistance Program**

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\*For more information, please contact your tax advisor or the AZ Dept. of Revenue at 602.255.3381 or toll free 1.800.352.4090.



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