

THE MANAGER

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Riviera APARTMENTS LLC

Q & A Info	2
Vendor Rixk	2
10 Ways Build Value	3
Tracking Prospect Calls	3
Pro-Activity	4
Choosing the Right Vendor	5
Trade Wind Park	6
Performance Charts	7

Monthly Collection Percentages:		
	2007	2006
January	97.56*	101.20
February	93.03	97.73
March	100.31	103.00
April		100.46
May		102.18
June		105.15
July		106.44
August		103.79
September		102.10
October		100.57
November		88.17*
December		90.50*

*We have increased the collection goal by \$50,761 across all properties.

Reducing Overhead at Riviera Apartments

Daniel Morris

In addition to creating ways to bring money in, a good steward of resources must keep a steady eye on how money slips away. In our business, growing profit on a stabilized property requires more effort than just increasing rental revenue in leasing and collecting activity. For real profit growth, income must be paired with a strategy for continually reducing property expenditures.

Stewart Naidesh, Property Manager at Riviera Apartments in Paducah, Kentucky, has recently worked to create greater profit on his property by addressing the expenses. I want to share a recent example and point out the profitable benefit of Stewart's action.

Reduce property expenditures by simply monitoring invoices and tracking how much money goes toward each expense EVERY month. Stewart reviewed his lawn mowing account and, after speaking with the owner of the lawn company, found that Riviera Apartments was mistakenly double-billed. Riviera Apartments received a credit toward the account and many apologies.

Without monitoring the actual billed amounts on the invoice, Stewart's property would have drastically overspent.

Seek out avenues to cut ongoing expenses. Negotiate multiple quotes with multiple vendors. (See "Choosing the Right Vendor", page 5.)

Stewart had been extremely pleased with the service from the existing lawn care provider and wanted to retain them. Regardless, Stewart negotiated the price with them and pursued quotes from other mowing companies in the area. He came away reducing the existing price by 12% while preserving the quality service and professional relationship that had been in place.

By monitoring individual areas of expense and looking for ways to reduce them, Stewart created profit for Riviera Apartments, thus adding to the property's overall value and Stewart's potential for personal income. Following this example for every expense on a property will multiply the efforts toward greater profit.



Stewart Naidesh, Riviera Apartments Manager



Daniel Morris, Asst. Director of Operations
Daniel.Morris@AlexanderForrest.com

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Beat the Competition: Know Your Product

TJ Scoggins

Closing the sale greatly depends on your ability to match the applicant's needs with the product you offer. **KNOW YOUR PROPERTY** so that you can think on your feet and wrap the property around the prospect and tie it up with a pretty bow.

- #1 Know the competition
- #2 Know your product
- #3 Know your customers
- #4 Maintain curb appeal
- #5 Dress professionally
- #6 Provide outstanding service
- #7 Approach your job with creativity
- #8 Continuously work to improve
- #9 Communicate professionalism in all you DO
- #10 Advertise to sell your property

Each property has unique floor plans, varied amenities, and with a little knowledge and creativity, you will give your units character and appeal. What differentiates your property from every other? Visit each unit, think creatively, and find the qualities that make them special. Write down what is likeable and not about each unit. Take the list of dislikes and find a reason that they are positive features and not

detriments. There is always a positive side.

Spend time asking the prospect what is important to them and use the applicant's needs as a guide.

Match the qualities and characteristics of your units to those needs. If one prospect has trouble with mobility, a bottom floor unit next to the laundry room may be helpful. If another prospect has to work early hours, the apartment with windows facing the sunrise might be

a good location. Knowing every unit and every detail empowers you at the signing table.

Next month I will cover **#3: Know Your Customers.**



TJ Scoggins, Asst Dir. of L&C
TJ.Scoggins@AlexanderForrest.com

Tracking Prospect Calls

Scott Stout

To keep track of the large number of prospect calls to rental properties, use a designated notebook to track specific information about the prospect so that you are able to follow up with them and close more leases. The notebook should include:

- Prospect's name
- Prospect's phone number
- Date of move
- Unit type or specific needs
- Advertising source

Collecting each prospect's name and phone number is essential for following up with them. Tracking the type of unit they are seeking and a date when they plan to move allows you to tailor your tours or save yourself some time if you know that you cannot

meet their move-in deadline or needs for a certain size unit.

It is very important to find out where prospects are learning about the property, especially if the property is advertising in several different mediums (newspaper, online, magazine etc.). Narrow down which advertisements are working and update or cancel those that are not working. Tracking source effectiveness allows properties to maximize advertising dollars by focusing them toward the source that works best. Tracking this information takes the guess work out of advertising, gives objective numbers, and allows for the best follow-up with applicants.



Scott Stout, Director of Leasing & Collections
Scott.Stout@AlexanderForrest.com

Fountain Arbor, LLC Completes Refinance with the Help of Alexander Forrest Investments, LLC

Ben Peck

This past February, Fountain Arbor, LLC completed a refinance of its first mortgage on two properties in Pine Bluff, Arkansas. Common as refinancing may be, this particular transaction is a textbook example of how, through hard work and dedication, an individual can work their way into successful real estate ownership.

The individual in this case is the owner of Fountain Arbor, LLC who started down the path to ownership in 2003 when he entered into a Contract for Deed to purchase Fountain Square and Arbor on Fir Apartments. (For the bankers and lawyers reading this, YES, permission was sought and granted by the holder of the First Deed of Trust PRIOR to the Contract for Deed being executed!)



Arbor on Fir Apartments



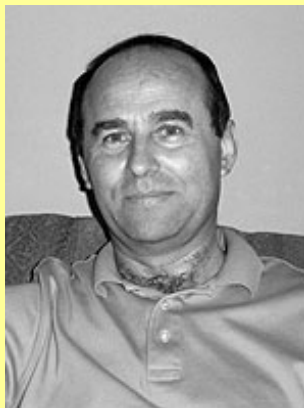
Fountain Square Apartments

In two short years of daily focus on great management, Fountain Arbor, LLC was able to close the Contract for Deed by obtaining a first mortgage.

At the time of acquiring the mortgage in 2005, Fountain Arbor, LLC was in a position

which limited it to taking whatever rate banks were offering.

In 2006, after another two years of exceptional management of the properties, the managing member was able to put himself in the driver's seat



Mirsad Mustafic,
Director of Accounting
and financial maestro

and find a very attractive new first mortgage on the properties! With the help of Mirsad Mustafic (Director of Accounting at Alexander Forrest Investments, LLC) a loan request was sent to several lenders on behalf of Fountain Arbor, LLC. Mortgage broker DFW Funding Solutions Dallas, LLC stepped forward with a great loan offer. The basic terms of the deal are a three year fixed rate at 6.5% with a 30 year amortization. By any measure this is a very good loan and Arbor Fountain, LLC will benefit greatly from it.

Financing apartment complexes is a cumbersome and time consuming process. Thankfully Mirsad was able to work with the broker directly, allowing the property owner to focus on running the apartment complexes. Mirsad was able to work on behalf of Fountain Arbor, LLC to take as much of the daily burden off the property owner as possible.

Although there was no formal agreement between the groups, Mirsad Mustafic and Alexander Forrest Investments, LLC functioned as a consultant and facilitator for Fountain Arbor, LLC. Since the owner had worked with Mirsad and Alexander Forrest Investments, LLC for many years there is a high degree of mutual respect.

Congratulations to Fountain Arbor, LLC and THANK YOU to DFW Funding Solutions Dallas, LLC and Mirsad Mustafic!



Ben Peck, Director of Acquisitions
ben.peck@alexanderforrest.com

Choosing the Right Vendor

Daylon Cassel

Property Managers often must seek outside vendors to perform services on their property. Here are ways a manager can ensure they receive quality service at the best possible price.

First, compile a list of at least three vendors equipped for the job. Sources include the business pages of the phone book, the local Chamber of Commerce and the Better Business Bureau. Word of mouth can be an excellent advertisement. Local hardware, lumber, and paint supply stores can name reliable contractors to whom they have referred clients in the past.

Once the list is narrowed down, collect and compare bids. The work specifications should be clearly stated and understood by the bidding vendor for matching services. "You have to make sure you are comparing apples with apples," says Scott Adams, Construction Supervisor for Alexander Forrest Investments, L.L.C. Cornerstone factors are understanding what the bid *includes* and what it absolutely *excludes*. It is the manager's responsibility to discuss the project timeframe, expected completion date, and payment schedule with vendors. Check into the warranties and guarantees that a vendor provides with the service rendered. Many vendors will guarantee their work for one year, and fix problems that may arise within that time frame.



After examining the bids, call vendors to negotiate a better price. If a particular vendor has provided great service in the past, give that vendor a final chance to lower their bid in order to receive the project. Before work begins, attain proof of the vendor's insurance policies. (See "Vendor Risk", page 2.)

Having decided upon a vendor, it is crucial to investigate the work performed meets the agreed upon standard. Remember, Managers protect the assets, and are responsible for checking up on work crews ensure the owners are getting their money's worth. Do not overlook cleanup! Vendors sometimes have a bad habit of leaving a mess once a project is completed. The job is not complete if the vendor has left a mess that will take more time or money to clean up after leaving.

Managers must put in the time and do the necessary homework to find the right vendor. Follow through to make sure the project is executed and closed out completely.

Daylon Cassell, Contributing Writer
Magnus Enterprises, LLC

Interested in our Business?

Our readers frequently contact us curious about what we do.

We would be happy to speak with you.

We work on:

- Developing new properties
- Purchasing land for development and farms
- Redeveloping distressed properties
- Managing commercial and multi-family real estate

If you would like to know more call Ben Peck at (573) 268-0015 or email at ben.peck@alexanderforrest.com

Trade Wind Park Breaks Ground

Jessica Hudson

I-70, LLC is beginning development on their 140-acre business park in Columbia MO. The Trade Wind Park development is 140 acres of M-L Zoned land. Since the completion of the utility installations, two parcels have been selected for further development.

Interstate 70 Enterprises, LLC has completed the purchase of three acres, Plat #1, for the development of condo shop space. According to managing partner, Russ Anderson, the total package is 30,000 square feet with 3,000 square foot condos available.

Trade Winds Building #1, LLC has identified four acres of the I-70 frontage for a Class A shopping center. This building features a truck well, overhead doors, great highway visibility, high ceilings, and build-to-suit capacity.

If you are interested in lease space or Trade Wind Park land opportunities please contact Sam Chou at (573) 356-6632 or Jessica Hudson at (573) 424-9331.



**Great location !
High visibility!
Great highway access!**



Location: Half mile east of the Lake of the Woods Exit on I-70 Drive Southeast

Property: Sixteen - 20' x 90' bays (1800 Sq. Ft.), facing the interstate

Contact: Jessica Hudson at 573-424-9331
Sam Chou at 573-356-6632

16' ceilings with a rear loading dock!



Manager/Property Key

	Property	Manager	Location		Property	Manager	Location
BBC	Buttonwood Bus Ctr	Jamie Cooper	Columbia, MO	RA	Riviera Apartments	Stewart Naidesh	Paducah, KY
CF	Claiborne Fox	Andy Mullins	Marshall, MO	RPT*	Ridge Pointe Apts	Steve Ipock	Kansas City, MO
CI	Chateau Imperial	Jeff Hodson	Hastings, NE	RT	Ridgetop Apts	Ray Moody	Martin, TN
CIM*	Cimarron Apartments	Jose Diaz	Independence, MO	S24*	Sterling 24 Apts	Reyes Ortiz	Independence, MO
ENA*	Eagles Nest Apts	Toni Quinonez	Kansas City, KS	SB*	Stoney Brook East	Abraham Medina	Independence, MO
HILL*	Hillside Apartments	Maria Cuevas	Independence, MO	SP	Sterling Price	Tom Evans	Moberly, MO
LP	Library Park	Graham Dixon	Topeka, KS	WDA*	Wyandotte Apts	Juan Veleta	Kansas City, KS
LVC*	Lakeview Apartments	Scott Wendland, Aaron Kennedy	Kalamazoo, MI	WG	Windsor Gables	Ray Moody	Martin, TN
MRM*	Mora Mi Apartments	Jill Morgan	Paducah, KY	WMP	Williamsburg Place	Ben Fisher	Middletown, OH

***Properties currently under renovation**

Monthly Collection % Goal: 100%	
ENA	129.24%
SB	115.99%
CF	114.19%
BBC	114.03%
RPT	107.22%
RA	103.68%
WG	102.83%
CI	101.39%
SP	100.92%
WMP	100.39%
MRM	100.08%
RT	97.89%
WDA	96.94%
HILL	90.37%
LP	88.65%
CIM	80.88%
S24	79.51%
LVC	10.87%

Renewal Average by Year Goal: 100% Renewal	
RT	80.00%
MRM	66.67%
WG	66.67%
SP	64.18%
CI	55.13%
BBC	47.89%
HILL	44.00%
CIM	37.70%
RA	35.58%
LP	32.47%
ENA	31.88%
SB	30.43%
S24	26.58%
CF	17.65%
WDA	14.29%
WMP	11.11%
RPT	10.00%
LVC	6.17%

Paperwork Proficiency Previous Month	
BBC	Master
CI	Master
CIM	Master
CF	Master
ENA	Master
GW	Master
HILL	Master
LVC	Master
RPT	Master
RA	Master
SP	Master
S24	Master
WDA	Master
LP	Paper Knight
MRM	Paper Knight
WMP	Paper Knight
SB	Trainee

Paperwork Proficiency Key:

Master: Mistakes are rare. Little to no time wasted in corrections. Perfect understanding of the system.

Paper Knight: Very good on the paperwork. Time is occasionally wasted on corrections. Excellent understanding of the system.

Paper Journeyman: Average on paperwork. Expect regular interruptions for corrections. Still a novice.

Paper Cut: Poor paperwork skills. Paper work is as likely as not to have errors or be incomplete resulting in much wasted time for corrections. Doesn't understand the system.

Paper Dysfunctional: 'nough said. 40 lashes

Trainee: Self-explanatory

Every project referenced in this publication is individually owned and operated.

Alexander Forrest Investments, LLC
 103 North Garth Avenue
 Columbia MO 65203
 Phone: 573-449-7332
 Fax: 760-491-3087
 newsletter@alexanderforrest.com

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April 2007

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1 Rent Due	2 Rent Late	3	4	5	6 Late Fees	7
8 Easter	9	10 TJ Scoggins' Birthday!	11 Tom Evans' Birthday!	12	13 Late Fees	14
15	16	17	18	19	20 Late Fees	21
22	23 Jamie Cooper's Birthday!	24	25	26	27 Late Fees	28
29	30 Stewart Naidesh's Birthday!					