

# THE MANAGER

June 1, 2007

A PUBLICATION OF ALEXANDER FORREST INVESTMENTS, L.L.C.\*

Vol 11, No 6



## Road to Success: The Jeremy Price Story, Part 1

Daylon Cassel

business, but after about eight months I started talking seriously about it,” Jeremy recalled. “[Buying my own property] is the best way to get educated about the business.”

Jeremy understood that the bigger the risk he took, the greater the potential margin for profit. Buying an apartment complex in great condition with model residents who always pay rent on time leaves little room for

improvement, and thus, little room for building value. With this in mind, Jeremy spoke with the partners of Forrest Property Management about finding “the biggest, baddest, roughest, hardest piece of property” that would provide room for much improvement and profit.

In June 2004, JGP Properties, LLC purchased Arthur Square Apartments from Arthur

Square Apartments, LLC, and Jeremy’s endeavor began.

“Making all the decisions on my own was exciting. I was thinking of improvements that I would make and I was feeling really comfortable, but after three to four weeks everything just started to become overwhelming,” Jeremy recalled.

(Continued on page 2)

Q & A Info	2
Invoice Process	2
Maintain Curb Appeal	3
Record Leasing Month!	3
Sterling Price Residents	4
Termite Prevention	5
Commercial Lease	6
Performance Charts	7

In real estate, it is not unusual to hear of high dollar profits and great financial victories which make the business sound attractive. At times, these accounts leave out the key elements of success. Jeremy Price’s investment as owner and manager of Arthur Square Apartments in Port Arthur, Texas has seen great profit, but it has come with heaps of hard work, time and patience.



Jeremy Price

On July 1, 2003, Jeremy began his endeavor in property management working at Briar Crest Apartments in Columbia, Missouri and Sterling Price Condominiums in Moberly, Missouri. “I learned all of the important stuff like leasing, collecting, turnovers and everything else I would need to know about property management,” said Jeremy.

Having worked as a Property Manager under the guidance of Forrest Property Management employees, Jeremy decided he wanted to branch out on his own. “I was interested in buying my own property coming into the

Monthly Collection Percentages:		
	2007	2006
January	97.56*	101.20
February	93.03	97.73
March	100.31	103.00
April	91.02	100.46
May	101.02	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.

\*THE MANAGER is Produced by Alexander Forrest Investments, L.L.C. and provided to various parties who may be interested in information concerning certain properties for which Alexander Forrest Investments, L.L.C. provides limited management and/or consulting services. As a result, much of the information contained herein is being reprinted and provided to you with permission of each property's respective owner, which is in each instance a separate and distinct entity from Alexander Forrest Investments, L.L.C."



## Questions. Answers. Info!

From Ray  
Moody, Manager of  
Ridgetop Apartments and  
Windsor Gables



**Manager Tip:** When the screw holes on hinges become stripped and worn-out, stuff the holes with ends of wood matchsticks, toothpicks and wood glue until the hole is completely packed. You may then drive the screw back into place.

**As a thank-you for his contribution, Ray will receive \$200!**

Send your questions/tips to:  
newsletter@alexanderforrest.com

The property was only 60% occupied, and many of the residents were less than ideal. Located in a low income area, Arthur Square had signs of years of neglect and problems needing immediate attention. “The main problem was drugs. We had residents selling and buying drugs onsite. We also had a small problem with



Arthur Square Apartments

prostitution,” Jeremy said. As an onsite manager, Jeremy was able to see these problems firsthand. The initial excitement of owning and managing the apartments gave way to the stressful and demanding reality of the task, but Jeremy was determined to remain tenacious.

Next month, we will cover the steps Jeremy took to turn the property around and increase the value of his investment.

Daylon Cassell, Contributing Writer  
Magnus Enterprises, LLC

## Renovation Invoice Processing

Mary Hawkins

**Training Reminder:** Expenditures are tracked using account codes that Managers and Authorized Purchasers stamp on every vendor invoice. The most common codes which Managers use internally are 4407 (material) and 4408 (labor and subcontractor work).

Several Properties are currently undergoing renovations and invoices from these properties require a *different* account code: **4409**. This single code includes labor and material for every invoice connected to the renovation. Managers can help keep the project on budget by tracking renovation expenditures on the Property Cash Flow Statement under **Off Budget/Renovation**, and is used periodically for Construction Draw requests.

If you are unsure when account code 4409 applies, contact Yousef Darkhalil, Renovation Project Coordinator.



Mary Hawkins, Asst. Director of Accounting  
Mary.Hawkins@AlexanderForrest.com

## Beat the Competition: Maintain Curb Appeal

TJ Scoggins

Great curb appeal is the key to drawing a prospective tenant into visiting a property and view the available units. Conversely, poor curb appeal drives away possible tenants. Tend to these areas for amazing curb appeal:

1. **Cleanliness**— Trash must be picked up everyday, especially cigarette butts. Trash builds up very quickly with 100 or more tenants so stay on top of this task daily. Dumpster enclosures maintain uniformity and hide unsightly trash receptacles. Do not let trash build up around these areas!
2. **Landscaping**—Thick, green, regularly-mowed lawns and trimmed bushes are a must for curb appeal. A lawn service working within the property budget is the easiest way of assuring that this is

- #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

maintained regularly. Placing mulch around all trees, flower beds and signs minimizes weeding.

3. **Property Sign**— The signs on the property should match the property logo, be well lit and be kept in excellent condition. Well placed landscaping, like bushes, flowers, and mulch enhance the attraction.

4. **Vehicles**— Enforce the lease and have all vehicles with flat tires, broken windows, etc. removed immediately.

5. **Lighting**— Keep the property well-lit; prospective tenants should feel safe if they drive onto the property after dark.

Next month I will cover **#5: Dress professionally**



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

## Record Leasing Month!

Scott Stout

We are extremely pleased with the performance numbers for May's leasing and collection activity across all properties:

- **52 net leases (88 leases - 36 move-outs)! 73% above May's goal of 30 net leases!**
- **63 renewals! 3 renewals above May's goal of 60 total renewals!**
- **11 Properties above 100% collected (see property key on page 7): BOB, CI, ENA, LS, MRM, RA, RT, SP, WDA, WG, WMP**
- **8 Properties cleared ALL owed money off of their delinquency list: CI, CF, LVC, MRM, RA, RT, SP, WG**

Every Property Manager pushed all month to get renewals, leases and collections. The push continued down to the last minute of the month. Renewals were great, leases were record setting and collections were very solid.

We are going to hit the ground running and make June an even more profitable month. We will continue to work on clearing our delinquency lists earlier each month so we can concentrate on renewals and leasing the rest of the month.

Thanks to each Property Manager for working so hard to make this a fantastic month. Let's do this again and again!



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

# Sterling Price Residents Honor Former Manager

Daniel Morris

After a year's absence from Moberly, Missouri, Aaron Kennedy, former manager of Sterling Price Condominiums, and his fiancée, Kelly McNeill, are still held in great esteem there.

On May 19 at the First Christian Church of Moberly, residents of Sterling Price



Aaron and Kelly opening gifts.

Condominiums honored Aaron and Kelly with a shower to celebrate the couple's upcoming wedding. Over 30 individuals, including past tenants, brought gifts, shared refreshments and stories, and offered

congratulations on the awaited marriage.



Aaron, Kelly, Marla Butts

Marla Butts, owner and resident at Sterling Price Condominiums, organized the festivities. "[Aaron] was

good to everyone and everyone remembers him for that," she remarked about Aaron's time as Property Manager for Sterling Price Condominiums.

Sterling Price Investments, LLC hired Aaron as Property Manager in August 2005. Aaron headed to Kalamazoo, Michigan in May 2006 when he was hired as Assistant Property Manager for Lakeview Apartments and Condominiums, LLC.

Aaron enjoyed opening gifts with Kelly and



Aaron, Kelly and Sterling Price residents

updating the guests on his current endeavors in Michigan.

This celebration is testimony to the strong relationship that Aaron built with the residents of Sterling Price Condominiums as Property Manager, and to the solid level of community spirit among the residents. Aaron's friendly, consistent service built a strong affinity with all the residents and sparked their desire to bless him and Kelly in their future plans.



Aaron and Sterling Price residents

Thanks to Marla Butts and all Sterling Price Condominium residents for supporting Aaron and Kelly!



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

# Termite Prevention

Yousef Darkhalil

Termites are living proof of the power of teamwork. Compare the small size of an individual termite to the enormous mounds built and houses destroyed by a hive. Protect your assets from termites and their chewing habits by eliminating the conditions that welcome them.



Termite workers and soldiers

**Maintain a barrier between termites and their food source.** Termites feed on paper, buried wood, bark mulch, dead roots of trees, and wood frame timber in houses and buildings. Keeping the wood far from the soil is the key to controlling the termites. Remove construction scraps regularly during the building process. If construction scraps are left under porches, steps and patios as filler, it provides an ideal place for

termite colonies to establish and grow adjacent to a building. From these hidden areas, it is easy for termites to infest flooring, door frames, wall studs and sill plates. Termites bypass materials like concrete, steel and masonry that separate a building from the soil. Ensure proper foundation seal because termites travel through holes and cracks in concrete walls and basements.

**Spot and treat signs of infiltration.** Termites have very thin cuticles (skins) which means they dry out when exposed to the open air, so most species of termites live under the ground. Termites extend their range far from the soil by building visible mud tunnels to protect themselves from the open air and reach their target. These tunnels are easy to spot and treat by physically removing the tunnels.



Termite tunnels along foundation

**Keep your structure dry.** Repair any roof or foundation leaks. Reduce soil moisture around the structure by directing run-off away from the foundation. Be sure gutters and downspouts are installed and working correctly. Termites are able to endure outside their colony when they have access to wet wood and soil.



Yousef DarKhalil, Construction & Renovation Supervisor  
Yousef.Darkhalil@AlexanderForrest.com

## 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](mailto:ben.peck@alexanderforrest.com)

# The Benefit of a Thorough Commercial Lease

Jessica Hudson

As Director of Commercial Properties, I have the opportunity to review many different commercial leases. The more leases I see, the more I am pleased with the high standards we have established. A thorough and detailed lease makes commercial property management more efficient and helps create healthy relationships with all tenants.

Commercial leases are known for their intricacies due to the vast differences in commercial tenant uses. Our 40-plus page document seems cumbersome and difficult compared to a quick and “simplified” lease. For that reason, I wasn’t always so in love with our commercial lease. With experience, however, I have learned that commercial leases written for brevity leave too much to chance and interpretation.

An example of the disarray I have observed in “simplified” short leases came when I reviewed the lease for a commercial property that was under consideration for acquisition. The lease was three pages long with just the “down and dirty” details which were more of an outline than a lease. It became increasingly obvious as we built the proforma that this property would be difficult to manage based upon the existing lease. Common Area Maintenance (CAM) payment periods and exclusions were so ambiguous that I foresaw spending extensive man-hours to determine who would actually pay and for what.

With experience, I have learned that [some] commercial leases leave too much to chance and interpretation.

Though not “simplified”, our commercial lease is the detailed definition of our business relationship with tenants. Management roles are very clearly defined to communicate expectations to tenants. Conversely, tenant roles are clearly communicated along with expectations. It is not hard to imagine the headache that is created when roles are left ambiguous. We encourage all potential tenants to thoroughly read the lease, **all 40-plus pages**. We take extra effort to explain or clarify any provision that they find confusing. Our lease holds very few surprises which makes enforcement relatively simple.

I recently had an opportunity to show the strength of this lease when a tenant raised a question over the effective date of their lease. The conversation was easy because we mutually agreed upon a definition of the effective date in the lease we had all signed months prior. Because this was so clearly outlined, we averted time spent arguing over ambiguity and the tenant promptly paid the first month’s rent.

Whether managing a 30,000 square foot retail building or a 200 square foot executive suite, a carefully constructed lease is a very effective management tool which communicates expectations and maintains efficiency while providing a foundation for excellent business relations.



Jessica Hudson, Director of Commercial Properties  
Jessica.Hudson@AlexanderForrest.com

**Manager/Property Key**

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

*\*Properties currently under renovation*

Monthly Collection % Goal: 100%	
<b>LS</b>	<b>152.41%</b>
<b>ENA</b>	<b>131.44%</b>
<b>MRM</b>	<b>127.15%</b>
<b>RT</b>	<b>125.04%</b>
<b>WDA</b>	<b>119.08%</b>
<b>CI</b>	<b>109.32%</b>
<b>WG</b>	<b>108.54%</b>
<b>BBC</b>	<b>101.83%</b>
<b>WMP</b>	<b>100.75%</b>
<b>RA</b>	<b>100.65%</b>
<b>SP</b>	<b>100.58%</b>
<b>CF</b>	<b>92.79%</b>
<b>HILL</b>	<b>91.59%</b>
<b>SB</b>	<b>85.25%</b>
<b>S24</b>	<b>82.02%</b>
<b>LP</b>	<b>81.48%</b>
<b>CIM</b>	<b>75.57%</b>
<b>LVC</b>	<b>69.06%</b>

Renewal Average by Year Goal: 100% Renewal	
<b>WG</b>	<b>66.67%</b>
<b>SP</b>	<b>65.15%</b>
<b>MRM</b>	<b>58.00%</b>
<b>RT</b>	<b>55.56%</b>
<b>BBC</b>	<b>54.88%</b>
<b>CI</b>	<b>49.32%</b>
<b>HILL</b>	<b>45.16%</b>
<b>CIM</b>	<b>40.99%</b>
<b>LP</b>	<b>38.82%</b>
<b>SB</b>	<b>38.24%</b>
<b>ENA</b>	<b>36.78%</b>
<b>RA</b>	<b>36.19%</b>
<b>WDA</b>	<b>30.77%</b>
<b>S24</b>	<b>30.19%</b>
<b>CF</b>	<b>25.00%</b>
<b>WMP</b>	<b>17.86%</b>
<b>LVC</b>	<b>9.2%</b>

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

**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

**First Class**  
**US Postage Paid**  
**Columbia, MO**  
**Permit No 24**

# June 2007

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					I Rent Due	2 Rent Late
3	4	5	6 Late Fees	7	8	9
10	11	12	13 Late Fees	14	15	16
17	18	19	20 Late Fees Jessica Hudson's B-Day!	21	22 Ben Fisher's Birthday!	23
24	25	26	27 Late Fees	28	29	30