

# THE MANAGER

August 1, 2007

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

Vol 11, No 8



Jeremy Price, former Property Manager and current Property Owner

## Road to Success: The Jeremy Price Story, Part 3 – Reaping the Benefits

Daylon Cassel

want to get in a situation that we knew could be a problem in the future.

**DC:** What kind of problem?

**JP:** The government gave a lot of the Katrina victims \$2000 to help them after the storm. Some places saw the money and took advantage of the situation by renting to anyone. We turned away a lot of people because we wanted to make sure that their credit and employment history was good.

**DC:** Were you able to find good residents to gain full occupancy?

**JP:** We kept some units vacant as we tried to find good people to fill them, but, four weeks after the Katrina hit Louisiana, Rita hit us and we lost a lot of residents.

**DC:** What was the extent of the damage inflicted by the Rita at Arthur Square?

**JP:** We had about \$3 million worth of damage and we lost 120-150 residents because of it.

**DC:** Were the units unlivable at that point?

**JP:** When part of the roof gets torn off of one building with 40 units, all 40 units become unlivable. We got down to about 40% occupancy. We were very fortunate that we had excellent, excellent insurance.

**DC:** Was the storm a blessing in disguise?

(Continued on page 2)

Toni Quinonez Graduation	2
Weekly Invoice Packet	2
Q & A Info	3
Tradewind Park Leasing	4
Dress Professionally	5
Contractor Selection	6
Worker Safety	6
Performance Charts	7

Over the past two months we have taken a look at Jeremy Price's journey from management to ownership. I had the opportunity to talk to Jeremy about reaping the benefits of hard work and dedication: the sale of Arthur Square Apartments in Port Arthur, Texas.

**Daylon Cassel:** What elements fell into place before the sale of Arthur Square Apartments?

**Jeremy Price:** As we got closer to full occupancy we were getting more money to do the things we needed and were able to get them accomplished quickly. When [Hurricane Katrina] hit, we were one of the only places renting. This gave us the opportunity to be picky with our residents. When word spread that we were strict, we started getting better residents, and soon we were filled with the right kind of people.

**DC:** How was Arthur Square affected by Hurricane Katrina?

**JP:** When Katrina hit in Louisiana people had to get out of there, so we had a lot of people making their way to Port Arthur. Other places were taking advantage of this and renting to a lot of these people, but we didn't

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	97.52	105.15
July	100.04	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."

(Continued from page 1)

**JP:** It was. We were able to not only fix the damage in the affected units, but also to use some of the money to replace countertops, drywall and other upgrades for many units. We also lost a lot of questionable residents after the storm, and were then able to be picky about those that filled the vacancies.



**DC:** How did you know that it was the right time to put Arthur Square on the market?

**JP:** The property seemed to be coming along really well. Our residents were getting better and the property was in good shape. We got to a point that we knew we were going to make money.



**DC:** What kind of profits did you see from the sale of Arthur Square?

**JP:** When JGP Properties LLC sold Arthur Square, we made a profit of roughly \$2.3 million.

**DC:** In hindsight, is there anything you would change about your experiences at Arthur Square?

**JP:** I made \$2.3 million...there's not a thing I would change.

**DC:** What advice do you have to those who may hear your story and decide they would like to try it?

**JP:** I would try to talk them out of it. I would tell them every horror story that I could think to tell them. I would tell them about the drugs and prostitutes, getting shot at, working 16-hour days, and all the other struggles. I would ask if they would be willing to crawl twelve feet down into a manhole to unclog a sewer line and then climb out as fast as they could to avoid being covered in sewage... The main thing is that if they still have the guts and are still interested after I tell them what it involves, then I know they are serious. If someone is only in it because they want to make a bunch of money, they won't succeed. They have to be willing to put in the hard work, and they have to be determined. The bottom line is that you cannot have the attitude that you will hire someone else to take care of something, you have to be ready to do it yourself. People like that are people who can succeed.

**DC:** What other factors helped you along the way?

**JP:** You have to have a good crew around you to make it work. I *could not* have done what I did without the support of family and everyone else that helped along the way.

Jeremy Price's success is an inspiring tale for entrepreneurs, and a reminder that this business is not for the faint-hearted or the weak of stomach. Congratulations to Jeremy, and good luck to those who follow in his footsteps.

Daylon Cassell, Contributing Writer  
Magnus Enterprises, LLC

# Liberty Square Properties August Update

Jessica Hudson

This last year showed drastic changes in our Commercial Department. Most noteworthy was the leasing surge at Liberty Square Properties. A quick study of the past 12 months of occupancy, collections, and lease charge reports showed occupancy rose 84% to a total of 96%. As occupancy grew, we were able to sell the mounting success of this center and charge higher rates. It is no small statement to say that this has greatly increased our monthly income over the last year!



Typically, as the number of tenants grows, more problems accumulate for a property-owner. However, I am happy to report that over the past 12 months, we have had only a single instance of applying late fees to a tenant's ledger and the delinquency list is currently at \$0. I credit the leasing efforts of Sam Chou, and the consistent communication of Liberty Square's lease requirements with this success.

There are still opportunities for businesses in this growing commercial center. Only one suite is available with 1200 square feet with 20 feet of storefront and signage facing towards Clark Lane. Land for purchase, lease or build-to-suit is available in 1- to 2.6-acre parcels. Future developments of the 3.7-acre parcel just west of Liberty Square will include a Class A building with lease space for restaurants (with decks), office, and retail. Questions regarding leasing can be directed to Sam Chou, VP Corporate Leasing, 573-356-6632.



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

## Beat the Competition: Provide Outstanding Service

TJ Scoggins

A successful Property Manager provides outstanding service to tenants. Here are six simple ways you, as a Manager, can provide outstanding service:

1. **Remember the tenants are your neighbors.** Greet passing tenants on the property and ask how their day is going. Don't be afraid to take a minute and listen with interest.
2. **Ensure that tenants live at a safe, quiet and clean property.** Follow your DWM (Daily, Weekly, Monthly) tasks to take care of the Property.
3. **Respond to Maintenance requests quickly.** Follow up with the tenant and verify the job was done to satisfaction.

4. **Maintain a polite and professional demeanor no matter what the day has put forth.**
5. **Be on property or available to the tenant when an emergency comes up.** Remember, you are the person they will count on to get it resolved.
6. **Maintain 100% accurate data regarding lease terms, dates, ledgers, etc.** Never knock on a tenant's door with incorrect information.

Managers, one key benefit of great customer service is an increase in renewing tenants and new tenants who want to make their home on your property.

Next month I will cover #7:  
**Approach your job with creativity**



TJ Scoggins, Asst Director of Leasing & Collections  
 TJ.Scoggins@AlexanderForrest.com

# Designers Work!

Paxton Schneider

“I love designers. Can I say again how much I love designers? They pick out colors, tell us how to make things look great, and gosh...so easy! They make life easy, our properties look better and we make more money.” –Richmond Wheeler

What a great piece of feedback, from our Operations Department no less! It is true. Designers are making our management better. Three years ago, Mark Atkins, former Director of ALCO, insisted we use a designer at Riviera Apartments. The finished product was immediately better than anticipated!

## Current properties under Renovation with Designer Input:

### Kansas City, KS. Angela Gay, Designer. In process:

- Cimarron Apartments – siding, office, exterior landscaping
- Hillside Apartments – siding, office, exterior landscaping
- Sterling 24 Apartments – siding, office, exterior landscaping
- Eagles Nest Apartments – siding, office, exterior landscaping
- Wyandotte Apartments – siding, office, exterior landscaping

### Kalamazoo, MI. Katherine Early, Custer Design & Interiors. In process:

- Lakeview Apartments & Condominiums – interior redesign, interiors, show units, corporate units, siding, office, exterior landscaping, building redesign

### Paducah, KY. Angela Gay, designer. In process:

- Mora Mi Apartments – siding, office, exterior landscaping



The cost for a good design ranges from a few hundred to a few thousand dollars. The profit of using a designer is a more consistent look and feel across a property which lends the property to be graded higher by tenants, buyers, appraisers, brokers and lenders. In other words, greater value is generated every time we use a good design.



Paxton Schneider, President  
 Paxton.Schneider@AlexanderForrest.com



**Questions.  
Answers. Info!**

## There's Water in My Fridge! Part 2

**Normally, readers find our Property Managers'**

**questions and suggestions in the "Questions. Answers. Info!" column on page 2. This tip from Jeff Hodson, Manager of Chateau Imperial in Hastings, Nebraska deserves a little more room. Please read Jeff's contribution below:**

As described in last month's newsletter tip, my property has some older models of refrigerators. Occasionally, I have had to defrost and clear ice from the freezer drain tube to eliminate the problem of water leaking in the refrigerator section and onto the floor.



Drain hole in back of freezer

The problem is due to water freezing in the drain tube, leaving nowhere for the water to empty during the defrosting cycle. Even after being manually cleared, the drain tube sometimes freezes up again about a month later.

At the suggestion of an appliance repairman, I install a #9 bare aluminum wire about 2 to 3 inches into the length of the drain tube. I wrap the other end around the heating element. See the included photo. When the refrigerator goes into defrost mode the wire keeps the drain warm long enough for water to drain.



Wire installed around heating element

You can find suitable wire in your local hardware store in the section where clothes line wire is displayed. When making a unit ready, open up the freezer panels in the back of the refrigerator to make sure a heater is installed if it looks like the refrigerator has had a history of water freezing up. In some cases I have found that the manufacturer has a heater already installed that looks very much

like the one I install!

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

Send your questions/tips to: [newsletter@alexanderforrest.com](mailto:newsletter@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)

## Training: Transferring Turn-Over Utilities

Mary Hawkins

In this article, I will review the process for Property Managers to maintain “turn-over” utilities.

1. **Upon tenant move-out, the Property Manager transfers the vacant unit’s utilities into the Property’s name.** Keeping utilities on in a turn-over unit provides necessary power and water supply to allow work to make a unit ready to rent, prevent freezing pipes in winter, show the unit, etc. Use minimum power during this time, turn off all lights when not working and monitor the thermostat.
2. **Once the unit is ready and rented, the utilities must be taken out of the Property’s name as soon as the new tenant has signed their lease.** Deliver the unit keys only after the tenant brings in a receipt from the utility company. It is important not to leave it up to the tenant alone to transfer the utilities as the costs to the property can build quickly.



Consider if a tenant moves in on July 1<sup>st</sup> and in August the Manager receives utility bills totaling \$250. Who is responsible for those bills? Not the tenant, it is still under the name of the Property. The Manager now has the burden of trying to collect payment for that bill from the tenant. If the Manager has five new tenants that month and none of them has transferred billing into their name, the Property now owes \$1250 in bills that actually belong to someone else. Managers must always keep an eye on what the utility costs of turning over a unit.



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

## Energy Star Ceiling Fans Cut Costs

Yousef Darkhalil

I recently asked the City water and electric company to perform an energy audit in my home. I was impressed at what the report showed in how the use of Energy Star ceiling fans can affect the costs.

Energy Star is a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy promoting energy efficient products and practices. Energy Star ceiling fans are about 50% more efficient than conventional fan/light units and are recommended for cost-cutting. These fans use 20 – 40 watts (including the light kit) compared with a 2.5 ton central air conditioner that will use around 3500 watts.

The most efficient way to cool your home or rental unit is by turning your ceiling fans on and setting your thermostat to a slightly higher temperature setting. The A/C will eliminate the humidity and the fans will circulate the cool air over occupants. In doing so, these fans can save you \$10 – 15 a month in spring and fall months, and \$5 in the summer months.

By installing these ceiling fans in many units the savings will add up! Additionally, a new attractive ceiling fan catches the attention of new tenants.



Yousef DarKhalil, Construction & Renovation Supervisor  
Yousef.Darkhalil@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	Brandon Mayfield	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	Brandon Mayfield	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%	
RT	138.06%
CF	135.44%
LS	122.90%
SB	107.91%
WDA	107.45%
S24	106.81%
CI	105.70%
WG	106.24%
WMP	103.63%
RA	103.51%
MRM	101.52%
SP	101.07%
LP	100.92%
ENA	96.51%
CIM	95.17%
HILL	82.03%
LVC	74.96%
BBC	72.86%

Renewal Average by Year Goal: 100% Renewal	
SP	67.16%
MRM	54.72%
BBC	53.25%
CI	46.25%
WG	45.45%
HILL	44.00%
CIM	41.71%
RT	41.67%
RA	36.79%
SB	35.90%
ENA	35.48%
LP	35.37%
WDA	29.55%
CF	28.57%
S24	27.35%
WMP	16.85%
LVC	9.76%

Paperwork Proficiency Previous Month	
BBC	Master
CI	Master
CIM	Master
CF	Master
ENA	Master
GW	Master
HILL	Master
LVC	Master
RA	Master
SP	Master
S24	Master
WDA	Master
LP	Master
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

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

# August 2007

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1 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 Nancy Snyder's Birthday!
19	20 Late Fees	21	22	23	24	25
26	27 Late Fees	28	29	30	31	