

THE MANAGER

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Fight Back: Keep the Ball Moving

Ben Peck

With all the negativity that we are barraged with on a daily basis about the economy and the fate of our country, sometimes it is fun to just keep it simple and focus on basic principles. Warren Buffett has generated timeless quotes and, if for no other reason than to keep it simple, here are some of my favorite:

- Rule #1: Never lose money, Rule #2: Never forget rule #1.
- Never invest in a business you cannot understand
- The critical investment factor is determining the intrinsic value of a business and paying a fair or bargain price.
- An investor needs to do very few things right as long as he or she avoids big mistakes.
- The dumbest reason in the world to buy a stock is because it's going up
- Most people get interested in stocks when everyone else is. The time to get interested is when no one else is. You can't buy what is popular and do well.
- I like to go for cinches. I like to shoot fish in a barrel. But I like to do it after the water has run out.
- Risk comes from not knowing what you're doing.
- If you don't feel comfortable owning something for 10 years, then don't own it for 10 minutes.
- A public-opinion poll is no substitute for thought.



- When asked how he became so successful in investing, Buffett answered, "We read hundreds and hundreds of annual reports every year."
- I will tell you how to become rich. Close the doors. Be fearful when others are greedy. Be greedy when others are fearful.
- If you understood a business perfectly and the future of the business, you would need very little in the way of a margin of safety.
- The key to investing is not assessing how much an industry is going to affect society, or how much it will grow, but rather determining the competitive advantage of any given company and, above all, the durability of that advantage.
- Investors should remember that excitement and expenses are their enemies.

- The most common cause of low prices is pessimism – sometimes pervasive, sometimes specific to a company or industry... It's optimism that is the enemy of the rational buyer.
- Diversification is a protection against ignorance. It makes very little sense for those who know what they're doing.

In the coming years, there will be an abundance of opportunities to acquire quality multifamily assets at steep discounts simply because of the trying economic times that we are currently going through. It is our duty each day to put one foot in front of the other and move the ball forward so we can take advantage of as many opportunities as we are fortunate enough to find.

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Monthly Collection Percentages:

	2008	2007
January	90.86	97.56
February	97.70	93.03
March	98.72	100.31
April	82.09	91.02
May	104.33	101.02
June	93.95	97.52
July	92.60	100.04
August	95.46	100.72
September	97.64	79.25
October	101.53	102.10
November		105.90
December		96.45

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Questions. Answers. Info!

Tip: Preventive Drain Maintenance

Roberto Calderon, Manager at
Library Park Apartments
Topeka, KS

When Roberto Calderon arrived at Library Park Apartments, he found drain problems due to bellies in the main sewage lines; a challenge that is not uncommon on an older Property. The Property has had a long established special maintenance routine of once weekly enzyme treatment to keep the challenge at bay. Additionally, the Property has a 3/4 inch drain auger for emergency cleanouts, but Roberto still found himself handling several backups in just a couple of weeks. So, Roberto decided to add monthly main line cleanout using the auger that was already onsite, and the lines haven't backed up since.

Thank you Robert for saving time and money by being proactive and utilizing the tools that you already have onsite, it shows in your overall Property performance.

Roberto will receive \$200 for submitting this tip!!

Printed tips or questions will receive \$200. If you have a question or a tip that you would like to share, please e-mail us at: Newsletter@AlexanderForrest.com



If you have any questions about our business or what we do, please feel free to contact me via phone at 573-269-0015 or through email at the address under my photo.



Ben Peck, Director of Acquisitions
Ben.Peck@AlexanderForrest.com

Current Properties For Sale

Call Ben Peck at (573) 268.0015

Blackwater Ranch UNDER CONTRACT 3,600 acres of land in Saline and Pettis counties Missouri (Total Asking Price \$9,810,000)

College Corner Apartments, 110 units in Jonesboro, Arkansas (\$3,800,000)

Eagles Nest Apartments, 108 units in Kansas City, Kansas (\$3,250,000)

Glenwood Apartments (Ridgetop and Windsor Gables), UNDER CONTRACT 42 units in Martin, Tennessee (\$1,750,000)

SOLD Highway 124 Farms \$1,207,000 340 acre farm north of Columbia, Missouri

Liberty Square, 30,000 s.f. retail center in Columbia, Missouri (\$5,500,000)

Library Park Apartments, 76 units in Topeka, Kansas (\$1,800,000)

Mora Mi Apartments, 50 units in Paducah, Kentucky (\$1,950,000)

Osage Ridge Apartments, 72 units in Osage Beach, Missouri (\$3,100,000)

Riviera Apartments, 92 units in Paducah, Kentucky (\$3,950,000)

Santa Fe Village Apartments 215 units in Kansas City, Missouri (\$9,500,000)

SOLD Stoneybrook East Apartments \$1,152,000 48 units in Independence, Missouri

Williamsburg Place Apartments 76 units in Middletown, Ohio (\$2,800,000)

Wyandotte Apartments 48 units in Kansas City, Kansas (\$1,750,000)



Osage Ridge Apartments



Ridgetop Apartments

Statements:

Use as a Double-check



Mary Hawkins

Many vendors send out a monthly statement of account. An example would be Sherwin-Williams. You should receive an invoice from Sherwin-Williams each time you make a purchase. Let's say you make three purchases at Sherwin-Williams during the month. You should have three different invoices. At the end of the month Sherwin-Williams will send out a statement of account listing each invoice still owed as an open charge on the Property's account.

This is a way for you to verify your purchases each month. You don't stamp the statement and send it to the ALCO, but you do stamp the invoices. Once you reconcile the statement to the invoices you have, send the statement to the office in your weekly packet, but do not stamp it. Statements are just a way for you to double-check your balance of invoices.

If there is an invoice listed that you do not have call the vendor and request a copy of the invoice. If it turns out that you already sent the invoice in a prior weekly mailer, then note that on the statement before you send it in. If a Manager is processing invoices and statements correctly, then the accounting department should never need to call vendors to retrieve missing invoices.

Not all vendors send statements, but many do. Do not hold your invoices until you receive a statement, but mail them to the office each week according to your Standard Operating Procedure.

As always, if you ever have any questions about Accounts Payable, please call either myself or Nancy Snyder.



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

NO FROZEN PIPES: Failure WILL Cost You

Nancy Snyder

This winter, NO FROZEN PIPES!!! A single broken water pipe can easily create thousands of dollars in property damage. The easiest way to prevent this is to have a Property that is fully occupied with responsible tenants, all of which have utilities in the tenant's name and heat set above 50° F in every unit.

NO FROZEN PIPES!!!

According to the Manager Standard Operating Procedures, "A new tenant must have his/her utility setup/proof of utilities PRIOR to receiving keys. Verification can be provided by means of a receipt from the utility company or a verifying phone call to the same."



NO FROZEN PIPES!!! It is *YOUR* job to

make sure your Property has no frozen pipes. *You* must verify that each tenant has the heat turned on. If a unit is vacant, *you* need to make arrangements with the utility company to have the utilities turned on in the Property name and *you* should personally verify that the heat is working and set above 50° F. The all-around best solution is to have *your* Property 100% occupied!

NO FROZEN PIPES!!! We have had no frozen pipes for two years straight. Don't let *your* Property break the winning streak.



Nancy Snyder, Asst. Director of Accounting
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Proactive Reporting: Fewer Calls from ALCO

Megan Beckley

On a daily basis, we are responsible for tracking and facilitating performance on 18 multifamily Properties. Those Properties are in various stages of renovation and stability. Each one has a specific set of challenges and strategies to overcome those challenges. We have shown time and again that our system is proven to convert underperforming Properties into money makers. To do that, it is critical that information about specific Property metrics flows directly from the Property level in a timely manner.

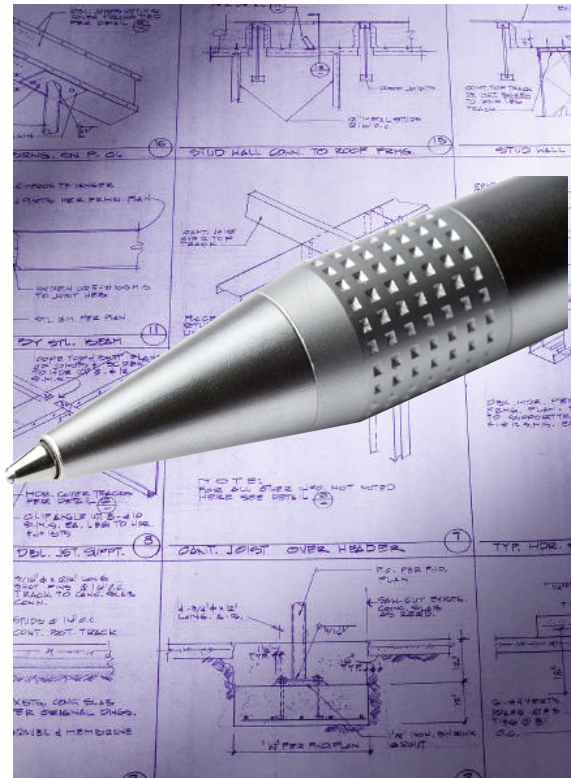
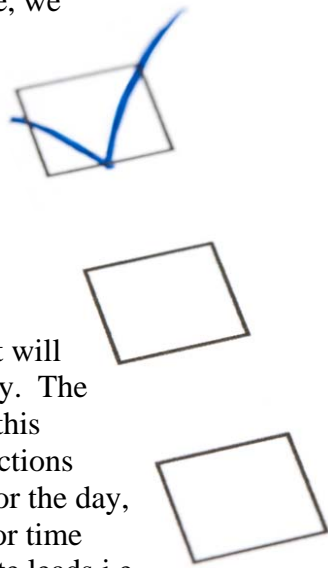
In an effort to keep communications between the Leasing and Collections Department and Managers as simple as possible, we have developed a system of reports that are outlined in the Manager Standard Operating Procedures.

Plan-Of-Day — The POD report gives the Manager the opportunity to plan out the activity of the day as well as communicating to ALCO what will happen on the Property that day. The information communicated in this report includes plans for: collections activity, showings scheduled for the day, maintenance work, and even for time planned off Property to generate leads i.e. hanging promotional flyers or meeting with Human Resource directors at local businesses. Our recommendation is that a Manager print and carry the POD in their pocket through the day so that tasks can be crossed off and notes can be taken as the day progresses.

End-Of-Day — The EOD report ends the day with an opportunity for the Manager to reflect on the actual performance of the day. This report should include a quick summary of the status of POD planned tasks as well as any activity that was not planned but was significant or explains the success

or failure to stay on plan for the day. If the list has been updated with notes and tasks crossed off throughout the day, the report should take no more than five minutes at the end of the day.

One common complaint that we hear from a new Manager is that they feel overwhelmed by calls from ALCO about the status of leases, renewals, updates, and deposits. Many Managers request that we don't call as much. When we aren't receiving proactive communication through these reports, we have no alternative other than to call and pull the data from the Manager.



We understand the frustration of having to stop midstride to answer your phone.

Take that five minutes twice a day and send us a quick email. The next thing you know, you will be happy to answer our calls in the middle of the day, because you will know we are calling to give you praise for a job well done!



Megan Beckley,
Assistant Director of Leasing & Collections
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Keep Gas Cans in a Cool Place

Yousef Darkalil

Water heaters generate an incredible amount of heat. Often times, they are housed in utility closets with other appliances such as furnaces. The temperature within these closets can skyrocket well above room temperature. The elevated temperature within a utility closet can be a potentially dangerous situation.

While doing Property inspections, we routinely find that people like to store all types of items in the utility closets which house water heaters and furnaces. This is a huge fire risk which must be addressed immediately and proactively. When

stored in utility closets or near heat sources, items like gasoline cans and volatile chemicals, are explosive disasters waiting to happen. Even when the lid is securely on a gasoline can or chemical bottle, the high temperature within a utility closet can cause evaporation inside the

container. The vessel may expand to the point that it explodes sending flammable liquid and vapors everywhere and, quite possibly, igniting on

the heat source that has been warming the utility closet.



Yousef DarKhalil
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Liberty Square Tenant Profile: Century 21 Advantage

Freddy Spencer and his agents at the Century21 Advantage offices located inside Liberty Square were recently recognized for achieving first place ranking for volume of business among Century21 offices in the Heartland Region.

**The following is reprinted with permission of
Columbia Business Times
ColumbiaBusinessTimes.com**

Nineteen months ago, as the local real estate market tightened and a national financial crisis was developing, broker Freddy Spencer decided to open a real estate company in the Liberty Square development on Clark Lane.

This summer, Century21 Advantage ranked first in volume of business out of about 400 Century21 offices in the real estate company's eight-state Heartland Region.

Spencer said he believes the company's ability to thrive in a bleak economy comes down to his agents, who he said work harder and serve clients better than the competition.

"I've got some new, young real estate agents that don't know any better, they didn't learn any of the bad habits from the boom times a few years ago," Spencer said. "Here's the fact: If you turn over enough rocks, you can continue to stay busy in any economy.

"What sets us apart is that we develop and we build and we give our listings away to our agents. We give developments away to our agents," he said. "We actually help our agents be a success."

Many established agents are not reacting to change in the marketplace, he said. For instance, when another realtor wants to show a home listed with a Century 21 to a buyer, Spencer's agents will attend showings to help sell the house to take advantage of the seller's agent's greater knowledge of what a particular home offers.

"Four years ago, when real estate was booming, you could put a sign in the front yard, you could go to Home Depot and get a flyer box, you could go back to your computer and type up a nice little flyer, you could put it on MLS, and it would sell. There was no salesman needed. This market needs salesmen."

Ken Terry, owner of World of Service, a remodeling and property management company, said Century21 Advantage has stuck with potential buyers long after he would have let them go. "They're very thorough in what they do," he said. "They go above and beyond when trying to get a deal to go through."

J.R. Cochran, finance manager at University Chrysler, said his Century21 Advantage realtor went "above and beyond" for him as well. "Anytime something came up, he was always on it," he said. "They really looked out for the best interest of myself and my family."

Mike and Jane Bittick, buyers from Festus, wanted to buy a home for her children while they were in college in Columbia. Jane Bittick said her realtor stuck with her for 15 months of looking at one place and another.

"They worked with us and accommodated us all the way through," she said. "We told the realtor what we wanted, and she was pretty keen as to what we were actually looking for."

The old realtors saw about the three most important things in selling a house are location, location, location, and location also applies in his office. He chose the location near U.S. Highway 63 and Interstate 70 because it was different; everybody else was located in south Columbia. "We could have gone south too, but we wanted a location that was convenient to everywhere," Spencer said.

As for the future of the market? "It will cycle back," Spencer said. "People still have to buy houses; people still have to rent houses. We will continue to grow."

**Jim Muench. "New northside real estate company succeeding despite bleak economy."
Columbia Business Times October 4, 2008: 26**



Monthly Collection % Goal: 100%		Renewal Average by Year Goal: 100% Renewal		Paperwork Proficiency Previous Month	
WG	132.82%	CF	100.00%	SP	Master
CF	131.70%	SP	68.18%	CI	Master
RT	120.45%	CI	51.65%	CIM	Master
HILL	107.78%	CIM	49.70%	SFV	Master
WDA	107.45%	ENA	46.60%	WG	Master
S24	103.00%	MRM	44.26%	RT	Master
SFV	101.53%	SFV	42.50%	LS	Master
MRM	101.05%	WDA	42.40%	MRM	Paper Knight
SP	101.00%	WG	39.39%	LP	Paper Knight
CI	100.28%	WMP	37.30%	HILL	Paper Knight
CIM*	100.27%	LP	36.30%	RA	Paper Knight
ENA	100.07%	HILL	31.50%	LVC	Paper Knight
RA	98.89%	RA	31.20%	S24	Paper Knight
WMP	94.88%	LVC	30.01%	CF	Trainee
LP	94.46%	S24	27.50%	ENA	Trainee
LVC	94.30%	RT	27.27%	WDA	Trainee
LS	81.02%	LS	NA	WMP	Trainee

Manager/Property Key			
Property	Manager	Location	
CF	Claiborne Fox	Garland McNulty	Marshall, MO
CI	Chateau Imperial	Jeff Hodson	Hastings, NE
CIM	Cimarron Apartments	José Diaz	Independence, MO
ENA	Eagles Nest Apartments	Maria Hernandez	Kansas City, KS
HILL	Hillside Apartments	Kimberly Wheeler	Independence, MO
LP	Library Park Apartments	Roberto Calderon	Topeka, KS
LS	Liberty Square	Jessica Hudson	Columbia, MO
LVC	Lakeview Apartments	Scott Wendland Brandon Mayfield	Kalamazoo, MI
MRM	Mora Mi Apartments	Kevin Smith	Paducah, KY
RA	Riviera Apartments	Scott Hart	Paducah, KY
RT	Ridgetop Apartments	Farrah Ollis	Martin, TN
S24	Sterling 24 Apartments	Jamie Goodall	Independence, MO
SFV	Santa Fe Village	Steve Ipock Ray Moody Andy Mullins	Kansas City, MO
SP	Sterling Price	Tom Evans	Moberly, MO
WDA	Wyandotte Apartments	Juan Calderon	Kansas City, KS
WG	Windsor Gables	Farrah Ollis	Martin, TN
WMP	Williamsburg Place	John Combs	Middletown, OH

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Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1 Rent Due Richmond Wheeler Birthday!
2	3	4 Late Fees	5 Jeff Hodson Birthday!	6	7	8
9 Paxton Schneider Birthday!	10	11 Late Fees	12	13	14	15 José Diaz Birthday!
16	17	18 Late Fees	19	20	21	22
23/30	24	25 Late Fees	26	27 Scott Adams Birthday!	28	29 Ben Peck Birthday!