



## TEAM WORK IS THE KEY TO SUCCESS

Steve Ipock

spend a LOT of time on delinquent rent when we get to a property. Sometimes we even work with tenants who do not pay quickly. Why would I waste time on a slow paying tenant? Well, a slow paying tenant can become a good tenant if closely monitored. If they are trying, I ask if there is anything I can do to help get them caught up. Nine times out of ten a tenant is open with me about why they are behind.

I once had a tenant repeatedly run a month behind. After asking why she couldn't pay on time I learned that she simply did not know how to *budget*. I sat down with her and her calendar one evening and wrote down her paydays,

due dates of her bills and then we planned out what bills to pay each payday allowing her money for food, gas etc.



I waived about \$100 in late fees with Leasing & Collection's (L&C) permission and turned a failing tenant into a winner. The funny thing is she was never late again the entire time I was there. Not only did this help her but it helped me. She even wound up referring other tenants!

The second step in stabilization is to move-out non-payers and trouble makers. It is easy to separate the good tenants from the bad tenants. When I arrived at Santa Fe, I found many tenants who never should have been allowed here; we removed 30+ tenants in the first two months because they would not pay on time. While it was frustrating to lose so

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My name is Steve Ipock. I have been operating properties for 8 years under Alexander Forrest Investments LLC. I have worked at 10 different properties, 3 of them twice. I have done things as simple as managing and as complex as total remodels. I succeeded in learning each of my skills with team support (THANK YOU ALCO).

I currently manage Santa Fe Village in Kansas City, Missouri. We now have 5 vacancies out of 215 units, cleared Accounts Receivables and our Renewal Rate is approaching 50%. When I arrived in October 2007, however, I found it in poor shape with 80 vacancies, \$55,000+ in delinquent rents and serious problems (plus renewals were non-existent). Once we addressed the initial issues, we could see *where to start*.

We then formulated the plan of attack from deferred maintenance to recording the condition on the empty units. Each vacancy was prioritized from easiest and least expensive to hardest and most expensive. The most important priority at that point was STABILIZATION. I repeat STABILIZATION. You cannot build on an unstable foundation. Fix the deferred maintenance and paperwork immediately, then collections, then prioritize unit turnovers and start leasing and renewing.

### STABILIZATION

The first step to stabilization is to collect old money. Once old money is collected, other priorities can be addressed. We

### 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	90.92	105.90
December		96.45

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## Questions. Answers. Info!

**Question:** I have an electrical problem and I worked on it forever. Half of the outlets and lights in one of my apartments are working and the other half are not. But when I turn the Stove on or the A/C every things works but the lights dim. What is wrong?

**Yousef:** While this looks like a tough one, it is easy. Your main breaker is bad. One bank is not working making 110 Volts. When you turn on the stove which takes both phases to run 220 volts, you get electricity running back into the non-working phase and back to the non-working lights supplying them with the needed voltage but not enough Amperage to run them properly (which is why they are dim).



To check which main breaker is bad you need to measure the input and output on the breaker and make sure it is 220 volts. When you find the input reading is 220 and the output reading is zero or 110 that means the breaker is bad. Try to turn the breaker on and off to make sure it wasn't stuck on the off position. Push the breaker in place to make sure it is not loose. If that didn't work you will need to replace the breaker.

All of this can be done without an electrician which saves you money!

**Have a Question Or Tip? Email us for a chance to have your question answered in the newsletter!**

(Continued from page 1)

many tenants, I knew it was important to stabilize the property as quickly as possible. Now, I am not saying get rid of everyone. Anyone that will work with you is worth keeping around during the beginning of stabilization. Remember, stabilization is key – you don't have to like them to keep them. If they pay and don't cause trouble, they can stay...for a little while at least. I work with L&C to determine which tenants stay and which go – again, it is a balancing act. Once we get closer to stabilization, we remove slow payers. *Once I decide someone needs to go I accept no excuses and make no deals.*

As stabilization occurs it is time to start making the property better by leasing to better tenants and renewing to existing good tenants.

### LEASING

Regardless of circumstances (start-up or stabilized), we only lease to good-quality tenants. How do I tell they will be good tenants? I do not know, but our screening system (RentGrow for credit and criminal histories) coupled with landlord and employment verifications give the best indicator of future behavior. FOLLOW THE SYSTEM. It has repeatedly worked for me and it will for you.

(Continued on page 6)

## 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

## Wintertime Curb Appeal

### How to keep your property looking great!

Mary Hawkins

It is that time of year again when your Property will need a little sprucing. In the spring and summer it is easy to know what to do for curb appeal, but the winter is a little harder.

To make sure your Property looks good, make sure you clean all the leaves from around your Property. This includes the fence line, trees and bushes. But don't just blow them into a pile, put them in a lawn bag. There should be a weekly pick up for yard debris. Call the city and find out when it is. If you have a lawn care vendor, see if this is included in the contract. If so, make sure the vendor is doing the job.



Once winter has really settled in make sure you have all sidewalks and stairs free of ice. This is not only a safety concern; it shows your tenants and any perspective tenants on your Property, that you care about the appearance of your Property and their safety.

Next, remember that trash in winter is still trash. Even when it is cold, the Manager SOP calls for the trash to be picked up throughout the day, every day.

While it can be difficult to be motivated to keep up with your outside work when it is cold and wet, if you do these things your property will continue to look great for your tenants and for you!



Finally, wintertime is a great time to generate renewals. If you keep up with your outside maintenance of your curb appeal, your renewals will improve!

Mary Hawkins, Asst. Director of Accounting  
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## Moving = UGH, Winter = BRR!

### Moving in the winter = Not Worth It!!

Nancy Snyder

This is an article about renewals.

Who likes moving? Not me! Moving involves packing, finding people to help you load/unload and then unpacking, expenses involved in renting a truck, transferring utilities, paying a deposit, and then the setup of a new home (cleaning supplies, etc).



Winter is here which for most of us means snow, ice, and colder temperatures. Put the two together, moving & winter, and you have the recipe for disaster. Convey this message to your tenants at renewal time and the result will be RENEWALS, RENEWALS, RENEWALS!



Couple the cold with the economy, and we have proof that renewals are the best solution for everyone. The tenant doesn't have the added expenses they would incur in moving and the Manager doesn't have the

expense of turning a vacant unit.

As for the question of who likes moving, I don't know of anyone that would answer that they enjoyed the agonizing process. Always strive to make your tenants feel at home and they won't want to leave.

It is nice to come home to an inviting environment. Put your best foot forward and let your tenants know how glad you are to have them as your tenants. Your tenants should be glad to sign on the dotted line at renewal time!



Nancy Snyder, Asst. Director of Accounting  
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## Building a Quality Community: Tradewind Park

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Central Missouri Development  
Counsel

Located in one of the fastest emerging regions of the city, Trade Wind Park offers a unique opportunity for (industrial?) growth within the community.

Thanks to its premier location, available utility services, and large land tracts, the development represents an attractive area for progress.

Formerly farmland, the site sits on nearly 140 acres of terrain off I-70 and Route Z in the northeastern region of the city. The project offers abundant and redundant utilities and excellent visibility from the interstate, says Jessica Hudson, director of commercial properties for Alexander Forrest Investments. Additionally, Trade Wind represents the only large commercial land zoned and platted with access to all utilities as well as fiber optics along the I-70 corridor. Its access to I-70 Drive to the north and Richland Road to the south make it equally appealing.

For the past four years, Paxton Schneider, along with business partners Mark and David Atkins of I-70 LLC, have been working to provide "shovel-ready" sites that many believe are necessary to attract new industries to mid-Missouri.

Citing a consistent demand from various city organizations, including the Chamber of Commerce

and Regional Economic Development, Inc., that Columbia needs more build-ready commercial sites, the trio made the decision to develop the area for such a use.

"This development will definitely be beneficial to the community," said Hudson. "It will likely attract technology, manufacturing, processing and any number of economic generators that the park will be able to accommodate quickly."

As for the types of businesses the project would like to draw, Hudson says the prospects are varied.

"We're really trying to appeal to a wide variety of industries," she said. "Technology and manufacturing are great user types because we have abundant utilities that technologies need for HVC capacity. But, we prefer to refer to the site as a business industrial development as accounting and offices would feel equally comfortable here."

To date, Trade Wind Park has sold three lots: 9.5 acres to Old Dominion Freight Line for a trucking transportation depot, three acres to Interstate 70 Enterprises to be used for condo buildings as well as shop and office space; and close to four acres with I-70 frontage for a multi-unit retail building.

The biggest issues the development has faced include a long approval process from the city and sewer district as well as inclement weather, which postponed the project's roadway construction considerably.

"I think weather inhibited 70 out of 120 work days within one quarter," said Hudson.

The setbacks did not come without a price and Hudson feels the process needs to be easier if critical growth is to continue in Columbia.

To Hudson, quality growth is allowing development to occur for the right use in the right places, which is an area where she feels Trade Wind Park hits its mark.

By Caroline Oldfield for the Central Missouri  
Development Counsel

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## Fighting Bugs! Blech.

Yousef DarKhalil



The easiest solution to getting rid of bugs is *KICI* (Keep It Clean Idiot).

In most cases, food/trash are to blame making it harder to kill the bugs. Poison is sprayed along baseboards by exterminators. When food is left out, however, bugs do not return to the baseboards and thus stay alive. If you allow a tenant to maintain a dirty apartment, you will consistently have a pest problem.



Additionally, it is important that you have the property treated correctly, one building at a time. If you go unit-by-unit, you are only moving the pests around. Make sure you do a whole building.

It is important that each Manger actually walks the units with the exterminator to make sure he sprays around baseboards, corners, behind refrigerators, behind

stoves, behind dishwashers and in furnace closets.

Last, it is critical that the technician use two types of roach killer. One for immediate attack where he sees any live roaches crawling around and the second for the regular treatment where eggs are killed.

To prevent bugs:

1. Clean apartments.
2. Treat entire buildings.
3. Treat live bugs and eggs with separate chemicals.



Do these things and you can make your property bug-free!



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## Stoneybrook East Sells

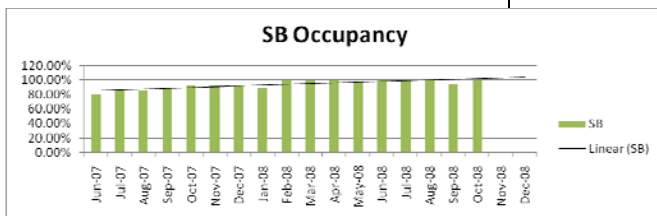
Ben Peck

In November, Stoneybrook East, LLC sold the 48 unit Stoneybrook East Apartments to a Kansas City real estate investment group. Through hard work and consistent focus Stoneybrook East Apartments overcame significant challenges in 2006/2007 and blossomed into a marketable property in 2008. The property maintained an exceptional level of occupancy and stability throughout 2008 which made all the difference. Brice Bradshaw of the Hargis Real Estate Group brokered the transaction for



us and really helped to push the loan assumption process along.

I would personally like to thank Leasing and Collections and the onsite management team, as it was their efforts that fundamentally allowed the property to work and be an attractive asset for a new buyer.



(Continued from page 2)

Generating leases can be difficult when stabilizing because you are changing the reputation of the property. So, how do you get good advertising? Tough question, easy answer. ANY WAY POSSIBLE. You can attract prospects many ways so get creative. To list a few: flyers, newspaper, direct mailers, signs, banners, word of mouth, referral bonuses for your tenants, internet (Craigslist, Rent.com, etc), apartment guide books, to name a few. From my experience different things work differently in different places. I always just try a multitude of angles until something works. Again, don't think you must do this yourself. TJ, Megan and Ryan in L&C can give ideas, brainstorm and help you with advertising. They want to help you. Their success depends upon your success.

One note on vacancies - we spent 2-3 months at Santa Fe averaging 60-80 vacancies. It seemed we would never get below 60, let alone the 5 we now have. Why? Well, we had to remove many undesirable tenants. One month, for example, we signed 20 new leases! While this sounds awesome, we only gained 3 NET leases by month end: 76 vacancies - 20 new leases + 17 evictions = 73 vacant units! This phase always bugs me. Even after having done this over a dozen times, I start thinking, "this will never happen!" Do not lose faith that you have the ability to accomplish anything you set your mind to. After you get more stabilized (collecting, leasing, fixing deferred maintenance) you will start seeing more net lease gains each month until you are in the 95%+ occupancy range.

### RENEWALS RENEWALS RENEWALS

First, continue to collect and lease strongly.

Second, it is time to pay more attention to renewals. They are the main focus now. By the time I prioritize renewals, I know if I want to retain a tenant. To retain a tenant, you must talk to them and be friendly but not be a friend. If they are unsure about renewing I offer a small special. An incentive does not mean giving a tenant something for free. Giving ½ month of free rent as a last resort does NOT mean losing money!! Why? If a tenant moves out December 1<sup>st</sup> and the unit is left in great shape requiring nothing but paperwork there will still be turnover expenses. Since you are not collecting rent on that unit for December you lose that income. Then there are turnover utilities. Then you might need to offer some free or reduced rent to lease that unit to someone new. Will that person pay me on time? Will they be a good tenant? Who knows. Why take a chance when you could have saved it all with a moderate incentive for retaining the previous tenant? *Before offering incentives listen to the tenant.*

They might be moving simply because you unknowingly neglected to fix something in the unit.

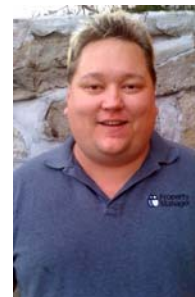
Story time again. At Santa Fe, I had a lady that paid her rent on time and did not cause any trouble. I had so little contact with her that I was unsure of what she looked like! She received a renewal letter from TJ and she replied to TJ by email that she would be moving due to the bad condition of her apartment. When I received the email from TJ, I did not know what to think. I had not heard a peep from the tenant! Apparently she had requested repairs from the previous management and been ignored. She did not try with me even after I had sent out letters introducing myself and asking about maintenance issues. Her list of requests was large and cost approximately \$1500. This is huge money but I was going to have to make repairs to the unit anyhow in order to rent it. After we completed the work she was thrilled and renewed with us! I saved turnover utilities, advertising and an empty unit while retaining a great tenant who will pay rent for a long time! WIN WIN, I say!

### SUMMARIZING THIS UP

If you set your mind to a goal and work towards it every day, it is going to get done. I have never failed or given up, even when there have been times that were back-breaking and sleep-losing. To succeed, I take this job personally. Looking back, I am proud to be able to say, "My team did that!"

Our team focuses from start to finish on our goals. I look ahead where I want to be by the end of the month and then I tell myself I must reach my goals, no options. I have even given employees incentives out of my own pocket to get them inspired as much as me.

If you follow these guidelines it will be a recipe for success. I say this because I have done this time and time again. In closing, just remember that anyone with the will can make a discolored penny into a shiny dime. We have an entire team that will help you as much as you need and with every issue to get this job accomplished. Everyone will profit from this TEAM WORK over and over and over.



Steve Ipock, Opening Manager

Monthly Collection % Goal: 100%		Renewal Average by Year Goal: 100% Renewal		Paperwork Proficiency Previous Month	
LVC*	101.65%	SP	70.97%	SP	Master
CIM*	101.02%	CF	57.14%	CI	Master
SFV*	100.81%	CI	53.57%	CIM	Master
MRM	100.76%	CIM*	50.22%	SFV	Master
HILL*	100.63%	ENA	46.58%	WG	Master
CI	100.55%	MRM	42.37%	RT	Master
SP	100.10%	SFV*	42.21%	LS	Master
LP	99.06%	WDA	42.03%	MRM	Paper Knight
ENA	86.27%	LP	38.46%	LP	Paper Knight
WMP	83.24%	WMP	38.32%	HILL	Paper Knight
WDA	79.57%	WG	33.33%	RA	Paper Knight
RA	77.44%	RA	32.76%	LVC	Paper Knight
LS	70.08%	RT	32.43%	S24	Paper Knight
S24*	70.05%	LVC*	29.73%	CF	Trainee
WG	65.74%	HILL*	29.20%	ENA	Trainee
RT	63.71%	S24*	28.18%	WDA	Trainee
CF	56.17%	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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## December 2008



Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4 Late Fees	5 Mary Hawkins Birthday!	6
7	8	9	10	11 Late Fees	12 David Atkins Birthday!	13
14	15	16	17	18 Late Fees Andy Mullins Birthday!	19 Brandon Mayfield Birthday!	20
21	22	23	24	25 Late Fees	26	27
28	29	30	31 Mirsad Mustafic Birthday!			