

# CWP Newsletter

CWP Property Management, Inc.



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## Business License

**Make sure you renew your business license. You may contact the City office in which you own rental property for more information**

### Holiday Office Hours

**Dec 24th - 9AM - 4PM**

**Dec 25th - Closed**

**Dec 26th - 10AM - 4PM**

**Dec 31st - 9AM - 4PM**

**Jan 1st - Closed**

**Jan 2nd - 10AM - 4PM**



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## Tips to Maximize Profits at Your Apartment Communities

Most things lose some of their luster and value with each passing year, and rental apartments are no exception. Real estate managers, and owners especially, must recognize their properties are not frozen in time. What satisfied renters in years past will come up lacking in the future? As this year draws to a close, take the time to explore changes and challenges to improve your property, its appeal and its value for the value dollar. Some can be involved and pricey, but many more are within most properties' means.

A comparison benchmark is a place to start. How does your property stack up with the neighboring competition? Some people would have us believe that Web listings are the end-all in apartment marketing. That's really only the beginning. Online advertising and listings can trigger interest and add some direction, but the neighborhood, the actual property and the sales team, are what ultimately deliver new residents. Failing to impress prospects from the outside means there won't be a chance to show off what's inside.

Enhance & Upgrade – Evaluating the neighboring properties provides a start, but this evaluation most likely won't reveal the many changes being implemented throughout the rental industry. Changes in the past two years, in addition to what can be seen on the drawing boards, point to a much enhanced living experience residents are seeking. Let's look at a short list of the more expensive and involved offerings followed by some rather affordable upgrade examples that are becoming more and more commonplace.

### Improvements on a Budget

While the above upgrades are all well and good, what can be added to an existing, mainstream property while keeping within a moderate budget? The answer is variety. Preparing are re-preparing the same apartment with the same paint and carpet year after year is not going to cut it much longer. There are literally hundred upon hundreds of variations and approaches that will breathe new life and value into time-worn apartments.

How about replacing a bathtub with a shower stall or a walk-in tub? Or, try removing the wall surrounding the kitchen and installing a small island to completely change an apartment's look and appeal. Adding a computer center is a quick fix that will result in a quick sell. A bookcase system with provisions for a large, flat-screen TV changes the ordinary. Consider installing a 16-inch border of hardwood flooring around the perimeter of the living area and then placing a carpet insert in the center. This presents an entirely new look. Or, what about just offering a choice of either a ceramic tile or hardwood floor? There are many renters suffering from allergies who would jump at this option. If you run out of ideas, try some decorator paint combinations, crown molding or upgrade hardware/fixtures. They all cost money, but they all pay rewards in terms of quicker rentals, better clientele, higher rent and a much improved employee morale.

Popular common-area upgrades include package receiving, a wireless lounge, emergency call stations, a bicycle room and rental storage rooms.

## High-Priced Improvements

**Private Laundry/Utility Room** – Condominium developers learned over the years that an in-unit laundry room was essential to a successful sell-out. Rentals coming on the market are now following suit. Next to an open-room layout, a laundry/utility room is the most sought-after feature in the up-market rentals. Expect this addition to filter down to moderately priced apartments.

**Electronic Locks** – Master keys are all but gone, and most “key protection systems” are cumbersome and require a high degree of staff diligence. True electronic locks, using Smart Card technology, are very expensive and, as a practical matter, require the replacement of the door and the door buck. The latest retrofit assemblies can be slipped over the existing door opening while losing only one quarter of an inch in width. These sophisticated locks are completely programmable and offer an uncompromising level of security. They are the locks of the future.

**Relaxation Garden** – Many properties are saying goodbye to the swimming pool as the centerpiece amenity, and are turning instead to the relaxation garden. This is a carefully designed and landscaped area with an evolving, seasonal flower display.

**Car Care Center** – This is not a hose coiled on the asphalt. When done right, this is a poured concrete slab with a drain system often positioned under an awning canopy and equipped with a heavy-duty hose and nozzle, vacuum system, trash container, stepstool, plus lighting and a power source.

With the year winding to a close, it is time to try something new. Surely your property can do with a lift, your residents will be grateful, prospects will be intrigued and the property's bottom line will increase.

By Edward Kelly,  
CPM Emeritus



## Take Care of Your Customers

Property management is a unique business in which we serve both clients and customers. As with any business, a slowdown in the economy can impose great financial hardships on all parties involved in a transaction.

While the property owner may be struggling to cover the operational costs of a property, The residents may have suffered a layoff and have difficulties covering the rent. For the property manager, it is imperative to focus on-and improve-service skills to avoid going down with the tide.

Today, perhaps the biggest problem facing managers of multifamily housing is the high percentage of move-outs and their corresponding turnover expenses. As we all know, less vacancy equals less turnover expenses, so it is important to consider potential work-around plans with residents who are struggling to pay the rent as result of a job loss or decrease in hours at their jobs.

Some times we may allow (with owners' approval) residents to vacate without giving a 30-day notice if they provide documentation verifying they have lost their jobs.

We may also extend late rent grace periods and accommodating those who are otherwise good residents. It is important to adopt a position with us ahead of time in case these unfortunate situations arise at your property.

## Study Finds Apartment Vacancy Rate Has Increased

The national vacancy rate stands at 7.5 percent, the highest it's been since 1987 and 1.4 points higher than it was this time last year, according to recent statistics by Reis.

This trend will likely continue, as Reis expects 100,000 units of new apartment construction will come online during the remainder of the year.

One of the few exceptions to Reis' findings is Washington, D.C. rents have actually increased slightly in the nation's capital. [www.reis.com](http://www.reis.com)



## Withholding on Nonresidents with California Source Income

### Who is subject to withholding?

If you are a nonresident of California who receives income from sources in California, the payer who pays you must withhold and send to us seven percent of all payments that exceed \$1,500 in a calendar year. (California R&TC Section 18662)

### Types of income subject to withholding

As a nonresident of this state, withholding applies to you if you receive California source income in any of the following circumstances:

- You performed services in California.
- You received other types of non-wage payments.

### What the payer must do

The payer who pays you must:

- Withhold seven percent of the payment at the time of the California source income payment, when applicable.
  - Report and send withheld amounts to us. We will credit the withholding to your account.
- The payer must also give you a written withholding statement, FTB Form 592-B, *Resident and Non-resident Withholding Tax Statement*, indicating the:
- Amount you were paid.
  - Amount withheld from payments to you.
- The payer must provide you this statement at least once yearly, by January 31 following the end of the calendar year in which you were paid.

## What you must do

As a nonresident recipient of California source income, you must file a California tax return to claim your withholding credit at the end of the year. When you file your return, attach the withholding tax statement (FTB Form 592-B) the payer gives you as proof of that credit. Refer to [ftb.ca.gov](http://ftb.ca.gov) and our tax forms for filing requirements.

## You may be eligible for reduced or waived withholding

Under certain circumstances, you may be eligible for reduced or waived nonresident withholding. For information on how to request either of these, refer to [ftb.ca.gov](http://ftb.ca.gov) and the following California withholding forms:

- FTB Form 589, *Nonresident Reduced Withholding Request*.
- FTB Form 588, *Nonresident Withholding Waiver Request*.

## For California withholding forms, publications, and other help

- Go to [ftb.ca.gov](http://ftb.ca.gov) and search for **withholding**.
- See FTB Publication 1017, *Resident and Non-resident Withholding Guidelines* (REV 01-2009).
- Call us: **888.792.4900** from within the United States, or **916.845.4900** from outside the United States (not toll-free).
- Email us: [wscs.gen@ftb.ca.gov](mailto:wscs.gen@ftb.ca.gov). Type **non-resident withholding** in the subject line. This is not a secure email address. Please do not send confidential information.