



CWP Newsletter



CWP Property Management, Inc.

November 2009

Volume 2, Issue 11

198 Juana Avenue

San Leandro, CA 94577

(510) 352-6310

www.cwpmgmt.com

Our office be closed Thursday November 26th and Friday November 27th in celebration of Thanksgiving.

We will reopen on Saturday November 28th and will resume regular office hours.



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Weathering the Storm: Advice for Landlords

For apartment owners, 2009 has been a challenging year to say the least. With the jobless rate and market vacancies rising across the country, owners and managers are being forced to adapt to the confines of a more labor-intensive rental market.

Now, with declining values and increasing expenses, how owners adapt to challenges of the current market is key to the long-term sustainability of their property's net operating income (NOI).

Update your Rentals

While it is easy to adopt a "doom and gloom" mentality during a down rental market, times like these present opportunities for owners to become better stewards of their investment properties. Updating units as they turnover is a critical step in preserving the rental values in an over-supplied market, as well as setting the stage for maximizing income when the market returns to a more landlord-friendly environment.

Meet Tenant Demands

Flexibility and patience are key ingredients to effectively managing investment properties during an uncertain rental climate. In a market where renters have 10 comparable units to choose from, complacency and an inflexible schedule can often be the difference between locking in a year lease and going three months with a vacant unit and no income.

Properly Determine Rent Prices

Adapting to the realities of the market is equally as important when determining rent prices. As competition grows, deciding on an effective management strategy is crucial. Whether it's lowering rents to meet demand or conceding a free month to lock in a more favorable market rate, a willingness to conform to the demands of an evolving market is the single most important component of maintaining a healthy NOI.

by Curran and Collin Hagstrom

Questionable Accommodations

"Our property was built in the 1970s. Today, one of our residents came in to the office and said that he needs a ramp built over some steps in the common areas and that the ADA requires us to build the ramp. Is he right?"

"I have a resident who wants grab bars installed in her shower. Are we required to install them for her?"

"I have an applicant who uses a wheelchair and wants to rent an apartment from me. My apartments were built back in 1958, and they aren't wheelchair accessible. Do I have to make the apartment wheelchair accessible?"

The law states that if permits are required, the resident is generally responsible for obtaining and paying for the permits. It also provides that the modifications be done in a "workmanlike manner." It does not say that the resident must use a contractor; however, there may be circumstances where it is reasonable to require this.

If you agree to the modification, but want more expensive materials or designs used, you may pay for the upgrades, and the disabled resident would pay for the cost of the originally planned modification.

You can require the resident to restore the modifications made to the interior of the resident's unit to their original condition upon move-out, barring normal wear and tear.

Requests for modifications can be complicated, and a denial of a request can be the basis for a fair housing complaint. Seek legal advice before denying a resident's request.

In the News...

Alameda County Renters Sue for Assistance

Renters in Hayward have filed a class action suit against the California Department of Transportation and City of Hayward. They claim that these entries have refused to help renters in affordable housing relocate from the "excess residential land" that CalTrans is selling off.

The class members live on a 14-mile stretch of land purchased in the 1960s for the State Highway Route 238 Corridor, which was blocked by litigation. They say the government is required to help the 400 renters find affordable replacement housing before removing them from their homes. The class asks that the court order the government to help them relocate or let them buy their homes at affordable prices.

Millions of Homes Become Rentals

As the housing market has faltered, many homeowners have decided to become landlords, rather than risk selling their homes in a down market. About 2.5 million homes have been converted into rentals, according to real-estate market research firm Foresight analytics. The conversions make up 85% of the increase in rental housing nationwide.

Billions Set Aside for Energy Efficiency

The California Public Utilities Commission recently approved the largest energy-efficiency program in American history. The commission has set an energy-efficiency budget of \$3.1 billion for Pacific Gas & Electric Company, and several other companies, which will cover the three-year period from 2010 through 2012.

This is the largest commitment ever made by a state to energy efficiency, and the funding from this decision is expected to create between 15,000 and 18,000 skilled green jobs. The commission also believes the new funding will create energy savings of almost 7,000 gigawatt hours, 1,500 megawatts and 150 million metric therms of

60-Day Termination Notice

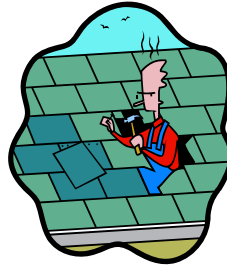
This law deletes the January 1, 2010, sunset date and thereby extends the 60-day termination notice requirement indefinitely. The law includes CAA's amendments that require the landlord to serve a 60-day termination notice only in those cases where the tenant has been in the unit for one year or longer. If a new roommate moves in, the clock starts again for counting the one year requirement.

Winter Preventative Maintenance

Preventative maintenance means developing a maintenance schedule to handle the little problems before they become a big replacement expense.

Please contact your maintenance director to schedule:

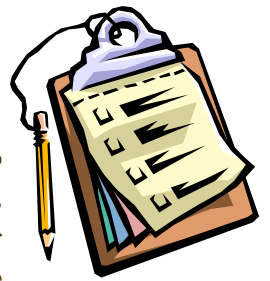
- ✓ Gutters/Downspout Cleaning
- ✓ Heater/Fireplace Inspection & Cleaning
- ✓ Roof Inspection and/or Maintenance



natural gas. This is equivalent of three 500-megawatt power plants and will avoid three million tons of greenhouse gas emissions, roughly equal to the emissions from nearly 600,000 cars a year.

The plan includes the new California Statewide Program for Residential Energy Efficiency. Under this program, the commission will launch the largest and most comprehensive residential retrofit program in the United States, aiming to reduce energy consumption by 20% for up to 130,000 California homes by 2012. The decision also funds \$175 million for innovative programs to deliver zero net energy homes and commercial buildings. The funding will cover design assistance, incentives for "above code" construction, and research and demonstration of new technologies and materials.

Year End Checklist



Now is the time to review, compile, and reconcile your records for the 2009 tax year, before too much time passes, and items are lost or forgotten.

- Year end statements will be mailed out mid-January.
- Collect all expenses not paid through the management company.
- Review, if applicable, real estate transactions for possible tax deductions.
- Compile the above information for your income tax preparer.
- Notify Suzie at sgarcia@cwpmgmt.com or (510) 352-6310 x107 as soon as possible if you have any changes.
- Address
- Current ownership title or trust name
- Correct social security number or tax ID

Do not delay, organize NOW. Let us know if we can help.

Hot Spinach-Artichoke Dip

Ingredients

- 1 (10-ounce) package frozen chopped spinach
- 2 (13 ¾ -ounce) cans artichoke hearts
- ½ cup mayonnaise
- ½ cup sour cream
- 1 cup freshly grated Parmesan
- 1 cup grated pepper jack cheese

Directions

Preheat the oven to 350 degrees F. Grease a casserole dish with nonstick spray. Heat the spinach in a microwave oven on high for 5 minutes and squeeze dry. Drain the artichoke hearts and coarsely chop in a food processor. Combine all the ingredients except the jack cheese in a large bowl. Stir well. Scrape into the prepared casserole dish and sprinkle the jack cheese on top. Bake for 30 minutes. Transfer to a chafing dish and keep warm over a low flame. Serve with bagel chips.