

LAKESHORE APARTMENT ASSOCIATION
PO BOX 1312
SHEBOYGAN, WI 53082

ADDRESS CORRECTION REQUESTED

LAKESHORE APARTMENT ASSOCIATION NEWSLETTER



The Lakeshore Apartment Association publishes this newsletter for its members. Information included was obtained from sources deemed to be reliable and accurate. No warranty or representation is made as to the

accuracy thereof and is subject to correction. Members are invited to submit articles and ideas for publication. Items are to be submitted by the 30th of each month prior to publication.

Place your rental Ads on our website as a free service with your membership:

www.SheboyganAreaRentals.com

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- 8 IMPACT OF COVID

<http://laa.rentals/>

PRESIDENT'S LETTER

Hello All,

You will want to attend this month's meeting as we will have the leading lobbyist in Wisconsin for landlords, Joe Murray sharing with us what is going on with any new legislation. He will review several things are going on that have not made the main stream media as well as how the election may impact our business. Joe will be joining us electronically as he is not traveling. We are looking forward to seeing you there!

Tentative schedule of up-coming meetings and speakers;

December we will have some food/snack items for a Christmas party like we did last year with more raffle prizes! We may also have a possible guest speaker which will be announced.

January we will review the eviction process and have a guest speaker from the chamber of commerce. Your membership to the LAA also gives you a membership to the Chamber of Commerce and all the benefits that they offer to their members. Check it out on their website!

February we will be hosting the representative from Fair housing.

We have so many great speakers lined up this next year, that you will want to keep the third Thursday of each month blocked off to attend and bring guests.

Last month's door prize winner of a gift certificate was Mary Hilbelink. You can't win unless you attend the monthly general meeting, so we encourage everyone to attend! This is just another one of the many reasons you will want to! These door prizes are brought to us from our advertisers, and the more advertisers we have the more we can give back to you, so please look thru your contacts and reach out to people you have successfully dealt with. Contact Tim Herr at 980-8886 if you would like a cover letter and application form to give to them.

The next newsletter will be the last hardcopy one that will be mailed out. All newsletters as of January will be send via e-mail. We simply could not find printing companies that were economically feasible to do the very small quantities that we need to send out.

Your calls, texts and/or e-mails are always welcome!

920-452-7051

RUFREE1@CHARTER.NET

Respectfully yours,

Jim Longo

At the general meeting we will maintain social distancing with the tables and chairs. Whether you choose to wear a mask or not, please be respectful of others.

LAKESHORE APARTMENT ASSOCIATION IMPORTANT DATES

Monthly Meetings Under Way!
Mark your Third Thursdays for LAA!

7pm at the Lakeshore Lanes

Invite a Real Estate Investor friend!

November 19th

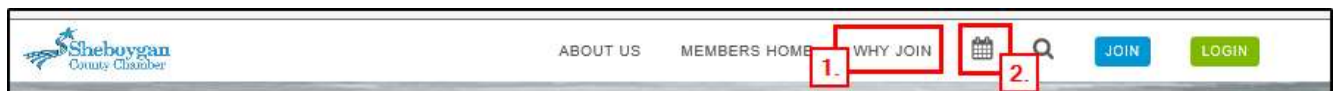
Guest Speakers:
Lobbyist Joe Murray

December 17th

Round Table / snacks and raffle

FEATURED MEMBER BENEFITS:

- LAA has a private **Facebook** page called “**Landlord Connections**”. Get access by sending a Friend request to **David Humbracht** and asking him for “Landlord Connections.” This is a great way to communicate with other members between our meetings. Ask for help or reply to another post! The power of Facebook! - David Humbracht
- LAA is a member of the **Sheboygan Chamber of Commerce**, which means you are too! They have orientation meetings on their calendar that you will to attend one time to unleash the full benefits of the Chamber. Directions: Go to <https://sheboygan.org/> =look at the top bar:



1. Explains why you should consider using the Chamber
2. **Calendar**... Chamber Calendar -click here to find the next **Member Orientation** event and register

- **LAA advertisers**... new ads for 2019! Many of our advertisers are offering **members-only discounts**... see last page for details!! -more to come



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MILLIONS OF TENANTS STRUGGLING TO PAY RENT—HERE'S WHAT LANDLORDS CAN DO



Nathan Miller

Expertise: Landlording & Rental Properties

26 Articles Written



Elevated unemployment rates and massive income loss across the country have left many households struggling with the cost of living expenses. One particularly vulnerable sector is the renter population.

Landlords and property managers are continuing to see a [downward trend in rent payments received](#) as many tenants face ongoing financial hardships. Even still, [Rentec Direct](#) reports that, "the majority of [renters are still making full or partial rent payments](#)."

This can cause a snowball effect of economic fallout as landlords are becoming more and more concerned about their financial futures. With the decline in on-time, in-full rent payments, the lost revenue, and the costs associated with tenant turnover, landlords are facing challenges of their own.

What can landlords with tenants who are struggling to pay rent do to prepare for the future and ensure their own financial security?

OPEN THE LINES OF COMMUNICATION

Now is a great time to be proactive, establish a relationship with your tenants, and make sure they know how and when to contact you with questions or concerns.

The sooner you know about a problem, the sooner you can address it, so encourage your renters to be upfront if they have lost their job, suffered from income loss, or are otherwise struggling financially during the

pandemic. Consider researching and sharing local, national, and federal programs currently offering assistance for renters to make sure your tenants are aware of the options available to them.

Keep detailed records so you can provide the necessary documentation to any assistance programs for which your tenant may apply. For renters who are

struggling financially, explore setting up a payment plan that will work for both of you.



Related: [I'll Never Evict a Tenant—Here's Why](#)

SIMPLIFY THE PAYMENT PROCESS

Data collected throughout the COVID-19 pandemic has shown that renters with online rent payment options are more likely to pay rent on time and in full. If you don't already [offer](#) online payment options to your tenants, my recommendation is to sign up as soon as you can.

There are many options on the market that allow your tenants to make payments by ACH (electronic payments from a bank account), credit or debit card, or even at a cash payment network location.

Not only are electronic payment options increasing in popularity due to social distancing requirements, but they also give renters the option to set up reliable automatic payments.

CONTACT YOUR MORTGAGE LENDER

Just as there is legislation in place to protect renters during times of economic turmoil, there are programs in place to protect homeowners and landlords who are facing financial hardship.

Reach out to your [mortgage lender](#) and ask about hardship plans they are offering during the pandemic. Likely they will have a couple of options to defer or pause mortgage payments.

It's important to keep in mind that forbearance is not a forgiveness program and your mortgage will still be due in full eventually, but this option does leave you with a little more cash flow during these uncertain times. If rent payments aren't coming in, this pause could be a lifesaver for your rental business.

Some mortgage lenders may be offering mortgage [loan](#) agreement modifications in the form of a longer-term loan period or a lower [interest](#) rate. Monthly payment amounts are typically reduced, leaving you with more room to cover income loss and other unexpected expenses.

Related: [The Essential Importance of Cash Reserves in a Crisis](#)

CONSIDER OTHER OPTIONS

There are a few out-of-the-box options many landlords are taking advantage of during these times:

- **Equity line of credit:** Some homeowners are leveraging their home [equity](#) with a line of credit, which is often faster than refinancing or forbearance, but still results in quick cash flow.

- **Private mortgage insurance:** Depending on your down payment, you may be paying for [Private Mortgage Insurance](#) (PMI). These payments generally follow a standard two-year requirement, so make certain that your payments have ended if you've passed the two-year mark. If you're still required to pay, contact your insurance provider to discuss hardship options; it might not be much, but any amount toward your mortgage payment helps.
- **Home valuation:** If you feel your home has significantly decreased in value for whatever reason, you could see considerable savings on your tax payments. It may require a new appraisal, but consider contacting your county tax assessor to discuss valuation.



RESEARCH AVAILABLE RESOURCES

State and federal resources are often allocated to city and county departments, so do some research on local [loans](#) or grants available in your area. Banks and credit unions are a great place to start as they are often the distribution center for community funds.

Several agencies are offering forgivable or low-interest loans and grants including the Federal Housing Administration, Small Business Association, and the Federal Rural Development by the U.S. Department of Agriculture.

These are unprecedented times for all of us, and working with a little empathy and compassion can go a long way. While it's clear that some renters are struggling to make rent payments, landlords and homeowners are still responsible for their mortgage payments and need to find solutions to keep their finances on track.

It's difficult to predict what comes next, but educating yourself on current legislation concerning landlords and renters and the resources available to each party will help you tackle what comes.



By [Nathan Miller](#)

Aside from being a landlord and real estate investor himself, Nathan founded Rentec Direct, a software company that serves the rental industry. Today he works with over 13,000 landlords and property managers by providing them automation software and education to effectively manage their rentals.

THE ECONOMIC IMPACT OF COVID-19: A VISUAL GUIDE



Andrew Syrios

Expertise: Mortgages & Creative Financing, Business Management, Landlording & Rental Properties, Commercial Real Estate, Real Estate Deal Analysis & Advice, Real Estate Investing Basics, Personal Development, Real Estate News & Commentary

210 Articles Written



While [real estate](#) has [not been negatively impacted](#) by what I will call the COVID-19 [Recession](#) of 2020 ([at least not yet](#)), pretty much every other part of the economy has been hit quite hard. Indeed, as the Visual Capitalist [clearly shows](#), the crash of the S&P 500 this year has been the fifth highest on record.

How the S&P 500 performed during MAJOR CRASHES

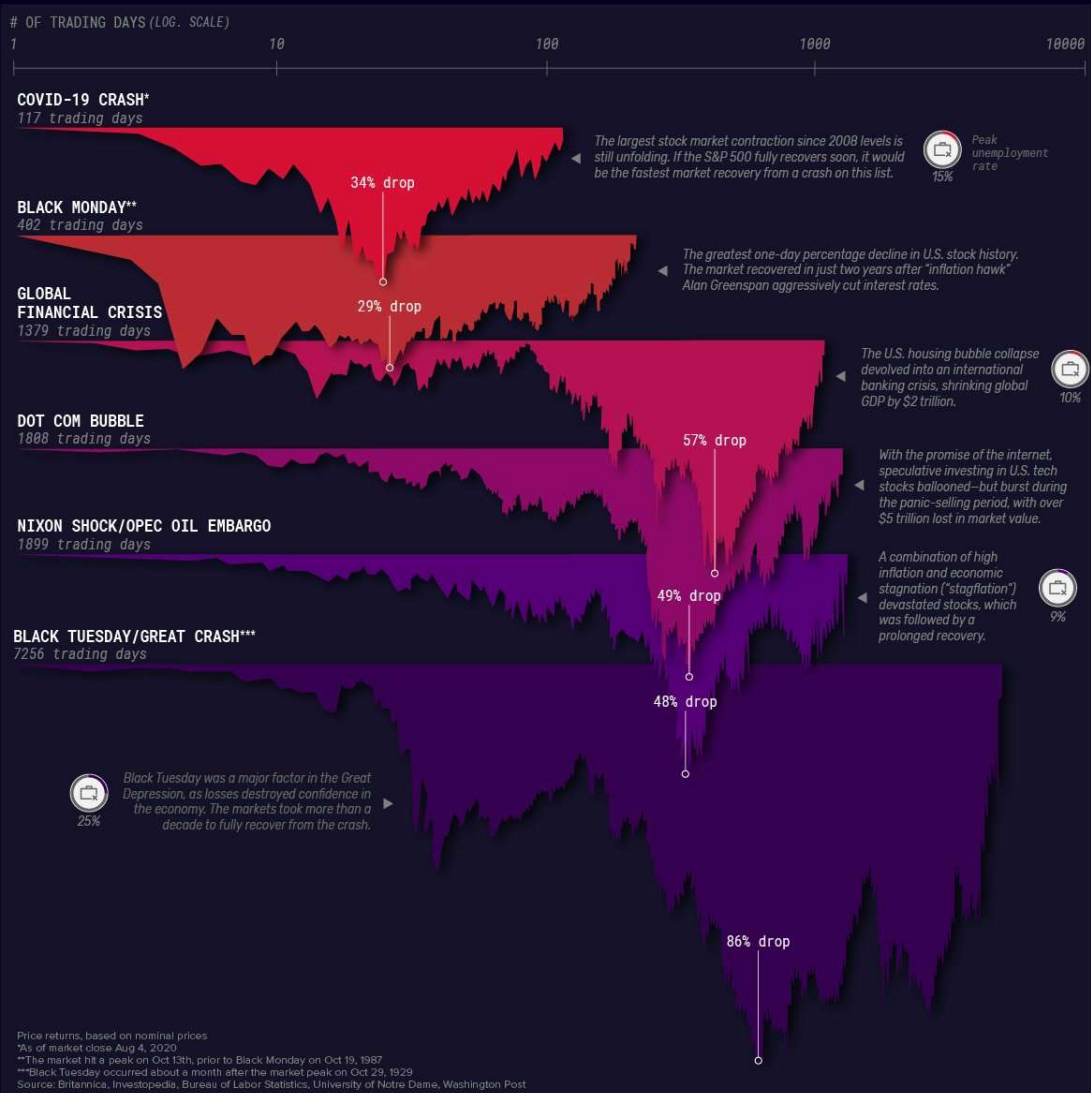
The COVID-19 disruption to stock markets caused a shock the world over. But how does the present market crash compare to previous crises we're familiar with?

Here, we examine how long major market crashes have lasted, and the percentage losses in the S&P 500.

Methodology

High/Low closing prices used to calculate % drop in the Index.

Duration covers the peak-to-peak recovery, from start to end.



Price returns, based on nominal prices
 *As of market close Aug 4, 2020
 **The market hit a peak on Oct 13th, prior to Black Monday on Oct 19, 1987
 ***Black Tuesday occurred about a month after the market peak on Oct 29, 1929
 Source: Britannica, Investopedia, Bureau of Labor Statistics, University of Notre Dame, Washington Post

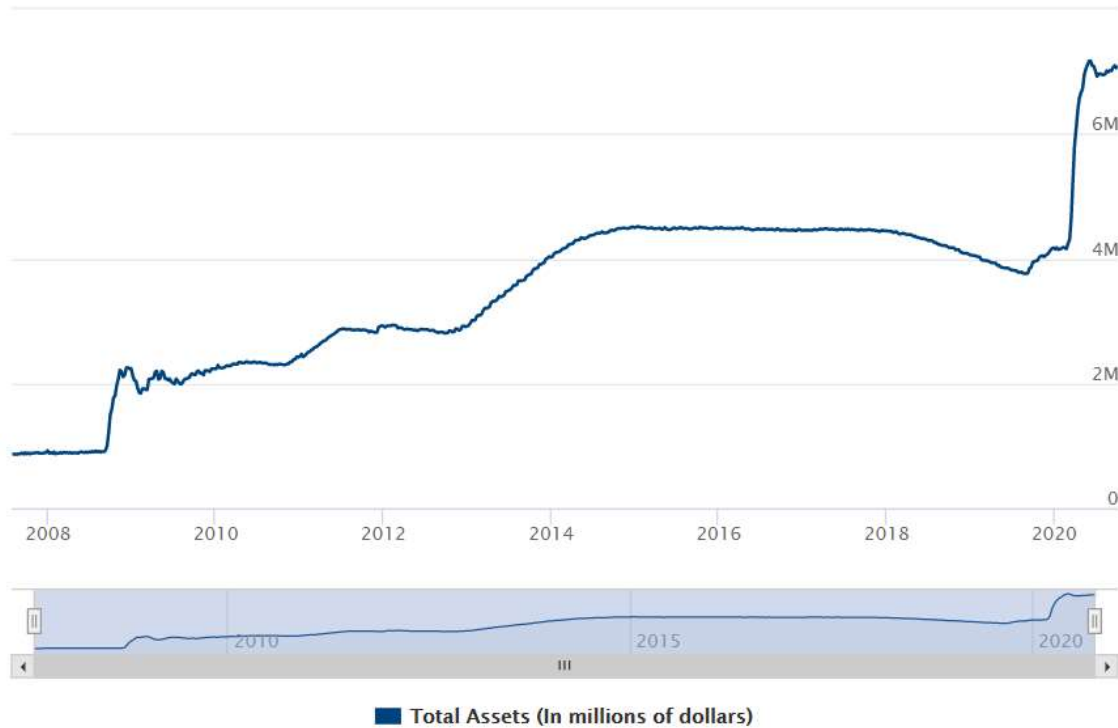


Per [Visual Capitalist](#)

While the time from trough to recovery has been of a much shorter duration, this crash was still 60% the size of the [2008 financial crisis](#) and almost half that of the Great Depression.

Related: [Why Your Home Market May Not Be the Best Investment](#)

Of course, the stock market has since recovered and actually hit [a new all-time high](#). This is a very odd thing to happen in the middle of a deep recession, though, and highlights just how much quantitative easing is going on right now. When shown visually, [the Federal Reserve's unprecedented actions](#) are easier to digest, albeit no less startling:



Per [FederalReserve.org](#)

At the beginning of March of this year, the Federal Reserve's total assets stood at just over \$4.2 trillion. Today, it is closing in on doubling that number at almost \$7.1 trillion. (For reference, it was less than \$900 billion at the beginning of 2008.)

[Inflation](#) is [currently very low](#), but we should not be surprised to see [stagflation](#) in the near future given how much money has been injected into the economy.

HOW THE COVID-19 RECESSION HAS AFFECTED THE REST OF THE ECONOMY

As you have likely noticed, the economy is still a mess right now—other than real estate, that is. A few critical statistics:

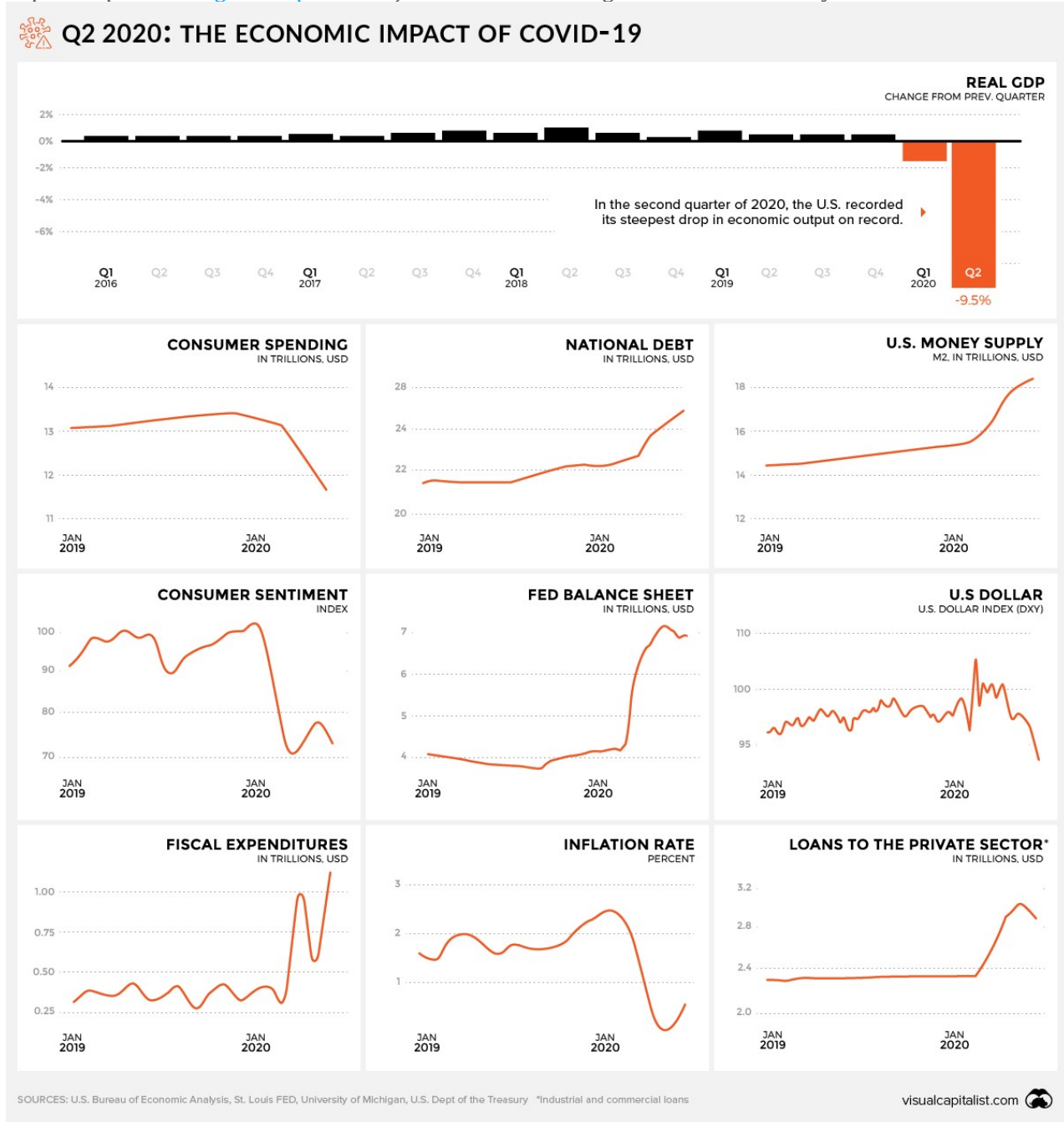
- The unemployment rate peaked at [14.7%](#) in April and is still at a very high level of 7.9% in September.
- The Consumer Confidence Index sits at [98.5](#), just above this year's trough in May, which was the second lowest rating it's ever had in the last 50 years.
- Household debt hit a record [\\$14.3 trillion](#) in March 2020 just before the pandemic hit—and is surely higher now.
- Over [400,000 small businesses](#) have already permanently closed and another million or so are at risk.

- The government has spent \$5.63 trillion and only brought in \$2.82 trillion through the first 10-months of fiscal 2020 for a mind-numbing deficit of [\\$2.81 trillion](#). In other words, the deficit is nearly equal to the total tax receipts of the federal government.
- The federal debt is expected to reach [102% of GDP](#), the highest level since World War II.

Furthermore, some [studies](#) warn of an impending wave of evictions and foreclosures, which could throw the United States into a double-dip recession once various moratoriums are lifted. Of course, similar predictions were made for the middle of this year and those did not pan out, so these predictions should be taken with a grain of salt.

Related: [Real Estate News Roundup: September Breaks Records for Home Sales, Price, Speed](#)

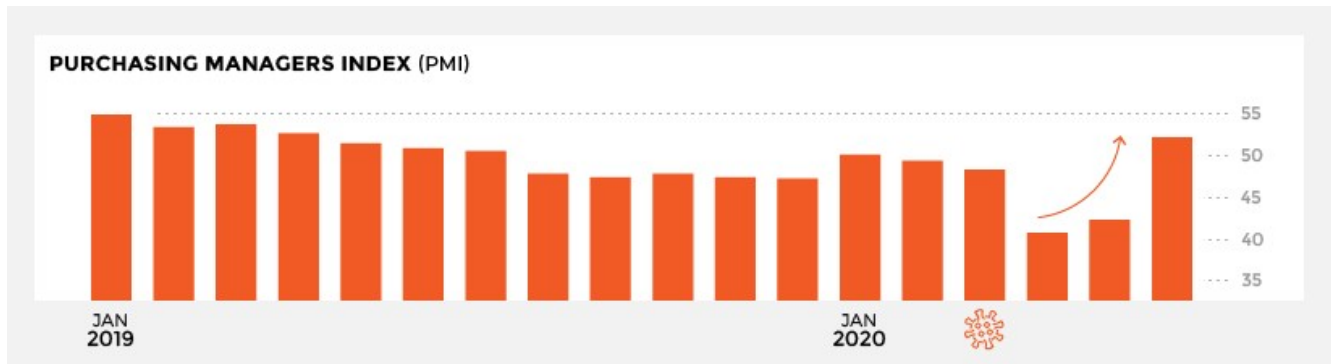
Needless to say, despite recent improvements, the economy is still in very rough shape. Again, the Visual Capitalist provides [a great depiction](#) of just how much damage has been done this year:



Per [Visual Capitalist](#)

Not all is lost though. Unemployment has been cut almost in half and most indicators are moving in the right direction (other than the federal debt of course). Below is the [Purchasing Managers Index \(PMI\)](#). According to Visual Capitalist:

“Widely seen as a leading business indicator, the PMI is also rebounding. Manufacturing output stabilized as production facilities slowly reopened. As a result, an expansionary manufacturing cycle is anticipated to begin.”



Per [Visual Capitalist](#)

Even still, a few positive indicators do not mean the economy is out of the woods yet. Not by a long stretch. Furthermore, the United States has accumulated an enormous and dangerous amount of debt while adding an unprecedented amount of currency into the money supply.

[As I've advised before](#), it is best to proceed with a good deal of caution for the immediate future.



By [Andrew Syrios](#)

Andrew Syrios has been investing in real estate for over a decade and is a partner with [Stewardship Investments, LLC](#) along with his brother Phillip and father Bill. Stewardship Investments focuses on the [BRRRR strategy](#)—buying, rehabbing and renting out houses and apartments throughout the Kansas City area. Today, they have over 300 properties and just under 500 units. Stewardship Properties on the whole has just under 1,000 units in six states. Andrew received a Bachelor's degree in Business Administration from the University of Oregon with honors and his Masters in Entrepreneurial Real Estate from the University of Missouri in Kansas City. He has also obtained his CCIM designation (Certified Commercial Investment Member). Andrew has been a writer for BiggerPockets on real estate and business management since 2015. He has also contributed to Think Realty Magazine, REI Club, Elite Daily, Thought Catalog, The Data Driven Investor and Alley Watch.



Charlton & Morgan Ltd.

Andrew H. Morgan
Attorney at Law

Telephone 920.458.4566
Facsimile 920.694.6022
ahmorgan@charltonlawfirm.com
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