LAKESHORE APARTMENT ASSOCIATION PO BOX 1312 SHEBOYGAN, WI 53082

ADDRESS CORRECTION REQUESTED

# LAKESHORE APARTMENT ASSOCATION 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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#### http://laa.rentals/

## PRESIDENT'S LETTER

Hello All,

The banquet and board elections went very well. Thank you to everyone that helped put it together and that attended. The board and I will be glad to serve you for another year!

This is a very interesting time and one that I believe is more important than ever to group together and be part of the LAA. We have a very good organization with great members. There is room to grow. Each and every one of us meet and know landlords and/or businesses that can advertise. Reach out to them and invite them to a meeting. We have printed flyers that you can hand out. Just ask for them. One by one we can grow. There is lots of room. The board is also looking into other marketing and advertising ideas. Together we will build for the future growth.

It's your choice if you want to wear a mask. If you are sick or just not feeling well then by all means please stay home. We are trying to make this comfortable for everyone.

Respectfully yours,

Jim Longo

President LAA

#### LAKESHORE APARTMENT ASSOCIATION IMPORTANT DATES



#### 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 <u>https://sheboygan.org/</u> =look at the top bar:

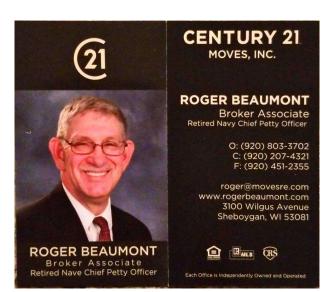


- 1. Explains why you should consider using the Chamber
- 2. **Calendar**... Chamber Calendar -click here to find the next **Member Orientation** event and register
- LAA advertisers... new ads for 2019! Many of our advertisers are offering members-only discounts... see last page for details!! -more to come











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Dear NAA Members,

Yesterday evening, the U.S. Centers for Disease Control and Prevention (CDC) **issued** answers to frequently asked questions to supplement their **federal eviction moratorium order**. There is no doubt that the National Apartment Association's (NAA) aggressive advocacy and legal efforts, including first-hand conversations with the Trump Administration and the U.S. Department of Justice (DOJ), played a major role in this guidance. NAA <u>voiced concern</u> over the outstanding issues related to the federal eviction restrictions and requested specific supplemental guidance to help housing providers operationalize these confusing and sometimes conflicting mandates, which ultimately culminated in the CDC's response. Though we continue to advocate against any extension or expansion of federal eviction restrictions, this significant development creates a path forward for the apartment industry.

Importantly, the FAQs clarify:

- The Order is not intended to terminate or suspend the operations of any state or local court. Nor is it intended to prevent housing providers from starting eviction proceedings, provided that the actual eviction of a covered person for non-payment of rent does NOT take place during the period of the Order.
- The Order does not preclude a housing provider from challenging the truthfulness of the resident's declaration in any state or municipal court. The protections of the Order apply to the resident until the court decides the issue as long as the Order remains in effect.
- Housing providers are not required to make their tenants aware of the Order and Declaration.

Other outstanding issues addressed by the FAQs are as follow:

- To seek the protections of the Order, each adult listed on the lease, rental agreement, or housing contract should complete and sign a declaration and provide it to the housing provider where they live.
- Covered people still owe rent to their housing provider. The Order halts residential evictions only temporarily. Covered persons still must fulfill their obligation to pay rent and follow all the other terms of their lease and rules of the place where they live. Covered persons must use best efforts to make timely partial payments that are as

close to the full payment as their individual circumstances permit, considering other nondiscretionary expenses.

- Anyone who falsely claims to be a covered person would be subject to DOJ prosecution.
- To make the Administration's stance on these issues abundantly clear, the FAQS represent the views of the U.S. Department of Health and Human Services (HHS), U.S. Department of Housing and Urban Development (HUD) and DOJ.

This development is a significant nod to the power of NAA as we continue to lead the fight for our members and the viability of the industry. An additional COVID-19 relief package is likely, and NAA is meeting with lawmakers and staff daily to tell them that apartment owners, operators and residents need direct rental assistance. Eviction moratoria are not the answer and will do nothing to solve renters' housing insecurity. Further, our lawsuit against the CDC is ongoing. While the new guidance provides some important clarification for the industry, we are seeking a final ruling that will decide whether the CDC exceeded its authority; that decision may not come until the new year.

NAA again wants to extend our sincerest thanks and gratitude to the thousands of you who have answered our many grassroots calls to action. With additional legislation pending, we will call on you again but are confident that you will continue to ensure the rental housing industry's voice is heard. It is truly inspiring to see so many of you give your time and energy to this cause.

Stay safe and well,

# Robert Pinnegar, CAE

President and CEO



Tim Ballering Tim@ApartmentsMilwaukee.com

# **TRISTAN'S LANDLORD-TENANT LAW BLOG**

# GUEST POST: CDC ATTORNEYS STATE THAT LANDLORDS CAN CHALLENGE TENANT'S DECLARATION IN STATE EVICTION COURT

Posted by Tristan R. Pettit, Esq. in <u>COVID-19</u> / <u>0 Comments</u>

This is guest post by Tim Ballering

Thanks to Attorney Heiner Giese for reading the 59 page federal court motion.

The CDC's attorneys have stated in federal court that owners are permitted to file evictions, as well as challenge the veracity of the tenants CDC Declaration. The CDC argues that owners can even obtain an eviction judgment, as long as the physical move is stayed until the end of the moratorium.

Most importantly, the Order does not prevent a landlord from filing an eviction action in state court. First, the Order expressly permits eviction for various reasons other than nonpayment of rent. See 85 Fed. Reg. at 55294 (property damage, criminal activity, etc.). Second, nowhere does the Order prohibit a landlord from attempting to demonstrate that a tenant has wrongfully claimed its protections. And third, even where a tenant is entitled to its protections, the Order does not bar a landlord from commencing a state court eviction proceeding, provided that that actual eviction does not occur while the Order remains in place. See id. at 55292 ("the order prevents these persons from being evicted or removed from where they

# are living through December 31, 2020"); id. at 55293 (defining "evict" as "to remove or cause the removal of").

# https://nclalegal.org/wp-content/uploads/2020/10/CDC-Response.pdf at page 42

The CDC attorneys further state that owners are permitted to sue tenants for nonpayment in civil court. This creates an interesting situation where an owner who is not receiving rent can garnish wages.

Where tenants fail to pay rent, nothing in the Order precludes landlords from filing a breach of contract action seeking payment. Plaintiffs may prefer a different remedy, but they plainly have access to a judicial forum.

# id. at page 43

This critical interpretation of the CDC Order is from its legal counsel, the US Dept. of Justice, in a brief in filed in the Brown v. Azar case, the federal court case in Atlanta seeking to overturn the CDC Order.

This is very different than what owners are being told by the tenant's attorneys as well as local courts.

Personally I am not opposed to the moratorium if the tenant truthfully fills out the CDC Declaration, which includes an actual substantial loss of income, partial payments to the best of the tenants' ability and having applied for all applicable government assistance.

The concern is when tenants are using the CDC Order as a "Get Out Of Rent Free" card and submitting knowingly false Declarations. For example we received our first Declaration last week. The tenant listed SSI as her sole source of income on her application, so she did not suffer a substantial loss of income. She also has failed to apply for either the Community Advocates nor the WRAP funding.



#### <u>ristan R. Pettit, Esq</u>

Tristan is the Executive Vice President and shareholder with the law firm of Petrie+Pettit and focuses his practice in the area of landlord-tenant law representing landlords and property management companies throughout Wisconsin.

# 12 RENTAL PROPERTY IMPROVEMENTS YOU CAN MAKE FOR UNDER \$500



#### **Sterling White**

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



Need to upgrade a rental unit on a <u>budget</u>? Here are a dozen improvements landlords can make for under \$500 each.

## 12 RENTAL PROPERTY IMPROVEMENTS YOU CAN MAKE FOR UNDER \$500

#### 1. PAINT

You may not be able to paint a whole house for \$500, but you can enhance key rooms and create accent walls. Trending colors this year include <u>shades of blue</u>, <u>pastels</u>, <u>and rich</u>, <u>moody</u>

<u>hues</u>.

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## 2. CHANGE OUT FLOORING

The same applies to flooring. In cheap rentals, you may be able to use vinyl or focus on small, key areas of flooring. Putting new flooring in small entry areas and bathrooms or replacing the carpet in that one ugly bedroom could make a big difference in renting quickly and for more money.

## 3. PATCH THE ROOF

Roof leaks can cause major havoc with rentals. They can quickly deteriorate your asset, cause ballooning repair bills, add to the maintenance interaction burden with tenants, and can lead to damage of renter belongings, which you may be on the hook for. In many cases, you don't need a new roof, just patches.



## 4. ADD SMART HOME TECH

Add some trendy new tech to make renters feel great about their choice. That could be smart locks or smart thermostats, better wifi, or new smart home devices (i.e., Alexa).

#### 5. BRING IN A BAR

You may be able to expand countertops or bring in a standalone bar, which really adds to the excitement and emotional appeal of a place.

#### 6. RESURFACE CABINETS

Replacing kitchen and bathroom cabinets can be expensive and a lot of work. Instead, look at options for resurfacing existing ones.

#### 7. ADD A BACKSPLASH

Kitchen backsplashes can make a massive difference in the appeal and perceived value of a home.

#### 8. CONSIDER FLEX OFFICE SPACE

Working from home is the new norm for many. But remote workers often find that working from the sofa isn't as effective as they expected. You may not want to reduce bedroom counts by turning one into a home office. However, you may be able to create some flex space with a cabinet, pantry, or Murphy bed that enables quick changes between daily living space and the office.



#### 9. FINISH THE GARAGE

Finished garage spaces add a big "wow" factor and more value. Even on a tight budget, you may be able to finish walls, add flooring, install storage, or put in office furniture.

#### **10. REPLACE HARDWARE**

Replacing front door and cabinet hardware can have one of the best returns of any home improvement.

#### 11. STAGE THE HOME

Staging can be powerful for marketing rentals. You can do this virtually for less than \$500—or bring in some extra furniture or rented furniture temporarily.

#### **12. REPLACE APPLIANCES**

Appliances are a big deal to renters. Replace microwaves or dishwashers that are broken, consider adding a washer/dryer, or lease new appliances as a staging move. You can choose whether or not to include the appliances for the duration of the lease.

Which of these would you consider implementing on your rental? What would you add to this list?



#### By <u>Sterling White</u>

Sterling is an multifamily investor specializing in value-add apartments in Indianapolis and other Midwestern markets. With just under a decade of experience in the real estate industry, Sterling was involved with the management of over \$10MM in capital, which is deployed across a \$18.9MM real estate portfolio made up of multifamily apartments. Through the company he founded <u>Sonder Investment Group</u>, he owns just under 400 units. Sterling was featured on the <u>BiggerPockets Podcast</u> and has been

contributing content to BiggerPockets since 2014, with over 200 posts on topics ranging from single family investing and apartment investing to wholesaling and scaling a business.

# 3 PROBLEMS I AVOID WHEN SHOPPING FOR A RENTAL PROPERTY



#### **Brandon Turner**

Expertise: Landlording & Rental Properties, Personal Development, Real Estate News & Commentary, Business Management, Flipping Houses, Mortgages & Creative Financing, Real Estate Deal Analysis & Advice, Real Estate Wholesaling, Personal Finance, Real Estate Marketing, AskBP, Real Estate Investing Basics



The following are three problems I try to avoid when I look for a rental property. This isn't to say I will never touch a property that has one of these issues, but there better be a really good reason for it, and I would have to factor it into my numbers.

## 3 PROBLEMS I AVOID WHEN SHOPPING FOR A RENTAL PROPERTY

#### 1. NEIGHBORHOOD

You cannot easily fix a neighborhood. Sure, you could join the local city council and start a neighborhood watch, but the neighborhood is not likely going to change because you want it to. Therefore, I don't want to buy a property where the neighborhood will always be an unsolvable problem.

#### Related: How to Weed Out the Top Tier Tenants From the Rental Destroyers

The property will continually be difficult to rent, the tenants will trash the house, I'll have to deal with evictions and late rent, and in the end, the property's value may never increase (and might actually decrease). I'm not saying I will only buy in a Class A neighborhood, but I'm definitely not going to buy in a Class D area.



#### 2. FOUNDATION ISSUES

Foundation issues scare me because they can be a money pit to fix, and the cost of a solution can sometimes eclipse six figures. This is especially true with foundation issues on a house with a basement or slab. I would also put any property that has water leaking in the foundation in this problem category and steer clear. Yes, there are investors who specialize in properties that have bad foundations, but for me, the risk is too great.

#### 3. SHARED DRIVEWAYS

I once bought a nice house in a nice area that shared a driveway with a neighbor's house. Literally, the two houses were 20 feet apart with the driveway in between, split evenly down the middle into "their side" and "my side." When I bought the house, I didn't see any issues with this situation, but within a few months, I learned a terrible truth: The neighbor was a driveway hoarder.

He started to pile up garbage, boats, engines, tires, and everything else you could imagine in the driveway. Although he was polite enough to keep his junk on his side of the shared driveway, it made my property look incredibly bad, and we had a terrible time trying to rent or sell it. The junk in the neighbor's driveway reduced the value of my property by 20%, and there was nothing I could do about it.

Now I don't buy properties where the neighbor could so easily affect my bottom line.



#### Related: The 5 Most Common Reasons Tenants Leave Your Rentals

In addition to these three, there are other location-specific problems, such as being directly below a flight path or next door to loud/angry dogs. Likely, you'll have your own list of "won't touch" property features, and that's OK. Success is found more often in what you say "no" to than what you say "yes" to.

You don't need to try to fix every deal you find. As the saying goes, "One man's junk is another man's treasure."



#### By Brandon Turner

Brandon Turner is an active real estate investor, entrepreneur, writer, and co-host of the BiggerPockets Podcast. He is a nationally recognized leader in the real estate education space and has taught millions of people how to find, finance, and manage real estate investments. Brandon began buying rental properties and flipping houses at age 21, discovering he didn't need to work 40 years at a corporate job to have "the good life." Today, Brandon is the managing member at <u>Open Door Capital</u>. With nearly 300

units across four states under his belt, he continues to invest in real estate while also showing others the power and impact of financial freedom.





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