

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

INSIDE THE DECEMBER ISSUE

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<http://laa.rentals/>

PRESIDENT'S LETTER

Hello All,

Wow!! What a crazy year this has been for us!

I would just like to recap our speaker from last month, Joe Murray. Joe is one of the few people in the state that looks out for and fights for the best interest of us landlords, and our rights. I hope this meeting was informative and encourage you all to continue to support and contribute to him.

This month is our Christmas party, December 17th @ lakeshore lanes. Last year we enjoyed lots of delicious food and socializing. This year we will also have a lot of delicious food, an "UGLY SWEATER" contest, raffles, and will be playing "white elephant", please bring something you already have at your home, whether it's new or used, and let's have some fun! Also please feel free to bring a dish to pass.

As this year comes to an end, may you reflect on both the positive and negative things that have occurred with you individually, and let's strive to set new goals both in our business and personal lives. The positive things that I think about for 2020; we may have had a pandemic but most tenants still paid rent, we live in a community with a lot of job opportunity for anyone who wants to work, and we have had great guest speakers at our meetings, and growth in our organization.

January we will be reviewing the eviction process and have a guest speaker for the Sheboygan County Chamber of Commerce, which as an LAA member gives you membership in the Chamber of Commerce and all the benefits they offer. Please look up their website, to see all the fun and informative things they offer.

I hope and pray you all have a safe and blessed Christmas and Happy New Year.

Respectfully yours,

Jim Longo

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

920-452-7051

RUFREE1@CHARTER.NET

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!



December 17th

Round Table / snacks and raffle



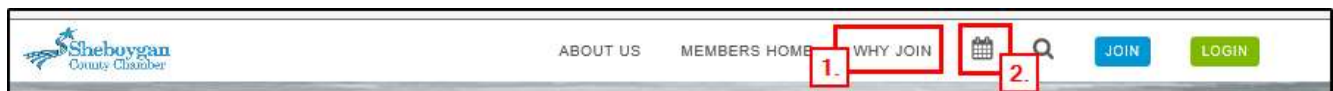
January 21st

Eviction Process / Chamber speaker



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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WHAT LANDLORD'S NEED TO KNOW ABOUT TRACKING EXPENSES FOR RENTAL PROPERTIES



Remen Okoruwa

Expertise: Landlording & Rental Properties

21 Articles Written



Let's face it, tracking expenses for rental properties is one of the most time-consuming aspects of being a [landlord](#). It's one of those tasks that no one wants to tackle. There is always something more important to do.

Of course, that is until it comes to filing a tax return, applying for a [loan](#), or facing the dreaded IRS audit. Just when you think you've got it sorted, you realize that an essential receipt or bill is missing. Keeping accurate records is essential for any landlord's peace of mind. Having everything in good order makes [filing tax returns](#) more straightforward, and you don't have to send the IRS more money

than you need to. You also know that every [contractor](#) or employee has been paid the right amount by the due date. You have a record of your tenants' payments. And if audited, it will be much faster and smoother with accurate record-keeping.

WHAT RECORDS DO YOU NEED TO KEEP AS A LANDLORD?

Accurate record-keeping is just as crucial as collecting rent on time. The bottom line is that your business depends on both.

Related: [Surprisingly Simple Solutions To Collect Rent on Time Always](#)

So, what are the essential records you must keep as a landlord? Here is a list of some of the most important documents:

- Tenant leases (past and present)
- Copies of all communication between tenants
- Legal documents, inspections, court appearances, eviction notices, and fines
- Limited liability corporation records if you chose to incorporate as an [LLC](#)
- Insurance policies
- Mortgage, loans, credit documentation
- Property deeds
- The previous years' taxes

You will also have to keep track of deductible expenses. This is often a little more complex as they may not occur regularly or are difficult to track when employees have an expense account. Some of these include:

- Proof of rental payments
- Salaries and benefits
- Office expenses, utilities, and supplies
- Legal and accounting fees
- Advertising costs
- Property maintenance and repairs



HOW TO TRACK RENTAL PROPERTY EXPENSES

While it is still common to have a hard copy of your documents, the digital transformation has encouraged more and more landlords to move to digital record-keeping. With so many records and documentation in real estate, it makes sense to look for industry-related digital solutions.

Property management apps or [rent collection apps](#) have an arsenal of tools to help you keep track of your finances, contracts, communications, and more. Let's look at some of the features that the best property management software has to offer.

1. MOBILE APPS

Landlords and property managers are busy people and can't be tied to a desk all day. You must keep on top of all business operations and have quick access to transactions and documentation. When your property management app is on your smartphone, you have the best of both worlds.

Related: [The Typical Day-to-Day Life of a Landlord—Explained](#)

2. KEEPING TRACK OF EXPENSES

You must keep copies of deductible expenses you claim in your tax returns. If you take a client out for dinner or fill up your gas tank, these expenses need to be recorded in case of an audit. Property management apps enable expense recording from your smartphone. You just need to take a photo of the receipt, name it, and categorize it. This way, you never have to worry about keeping paper receipts.

3. SET RECURRING PAYMENTS

Using a property management app allows you to set up recurring payments. This is an ideal solution for making mortgage payments or other fixed obligations—one less thing to worry about. Additionally, your tenants can also set up recurring payments for their monthly rent. Many landlords find that setting up automatic payments dramatically reduces the number of late rent payments to boot.

4. CONNECT YOUR BANK ACCOUNTS

By connecting your business bank account to your property management app, you can access—both incoming and outgoing—from the app. This feature enables you to attach transactions to specific properties and better understand the profitability of that property.



5. EXPENSES PAYABLE BY TENANTS

Property management apps are ideal for keeping track of maintenance requests. You can also keep a list of maintenance professionals in the app and assign tasks as they come up. What's more, you can track maintenance jobs and pay the contractor upon completion.

Suppose some expenses are the tenant's responsibility. In that case, you can easily pass those on to the tenant and track them through apps, as well.

6. REPORT GENERATOR

By tracking all income and expenses in an app, you can quickly generate several different reports. This is ideal when you must file tax returns or get documents ready for an audit. For example, you will be able to generate income expense reports, cash flow statements, rental owner statements, and balance sheets.

7. IMPORTING AND EXPORTING

If you use a property management app, you can speedily send financial information to your accountant. Or if you need to include them in your tax returns, you can download them as a spreadsheet or PDF. To get a better understanding of your financial situation, you can even download property specific reports.

OTHER BENEFITS FOR USING PROPERTY MANAGEMENT APPS

Now that your records are in top shape, you can start to explore some of the other advantages the best property management apps have to offer.

Here's a brief overview of what some of the top property management apps offer:

- **Collect rent payments online:** This feature not only makes your life easier but your tenants will also love the simplicity of paying rent electronically. You can also accept debit cards, credit cards, ACH transfers, or even eCheck rent payments.
- **Automation:** You can send out text and email reminders to reduce late rent payments. Tenants can also set up recurring payments, so they don't forget to pay monthly rent.
- **Notifications:** Receive notifications when you receive payments.
- **Collaboration:** Keep all your communications between yourself and your tenants in one place. You can reply to tenants faster and improve tenant engagement. If you have a maintenance request, you can assign the task to contractors from one location and even pay your contractors.
- **List vacant rentals:** The best apps [syndicate](#) your unit to rental listing websites to help you find new tenants.
- **Process rental applications:** Prospective tenants can fill out rental applications online. You can use the software to screen tenants, as well as carry out background checks and credit report checks.

KEEPING TRACK OF RENTAL PROPERTIES EXPENSES

Keeping documents in good order is a laborious yet essential task for all landlords. So, it makes sense to use digital solutions to keep all your expenses in one place. This way, you can automate many of the processes required to keep track of your financial obligations. Not only will you become a better landlord but you will also free up time to do other things.



By [Remen Okoruwa](#)

Remen Okoruwa is the co-founder of [RentDrop](#), a free software tool that helps landlords and property managers collect rent and maintain their units. Remen has a background in the software industry and business strategy, working as product manager at HubSpot and previously serving as a management consultant with McKinsey & Company.

HOW I'M PREPARING FOR A POTENTIAL REAL ESTATE MARKET CRASH



Engelo Rumora

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

247 Articles Written

I'm going to be a little bit selfish here today. I'm going to talk about myself and some of the things that I'm doing now and looking to do to prepare for a market crash. Now, I'm sure you've seen in the news that real estate prices are pretty much at all-time highs. The market is fairly expensive on the East Coast and West Coast.

We've had a great run, and everyone is talking about how awesome everything is. That is when you should start getting a little fearful. Personally, I think we are still at the top of the cycle. Only time will tell. It's really hard to predict these things.

But whether you are a Debbie Downer or an Optimistic Oscar, I still think that you should look at implementing or replicating what I'm about to share with you—no matter what the market is doing or what cycle the market is in.

Before I get into that, I want to share something that I have heard many times: Multimillionaires have multiple streams of income that are diversified across different asset classes and businesses to generate profit and income in various ways.



HOW I'M DIVERSIFYING WITHIN REAL ESTATE

OK, back to business. First of all, I run a [turnkey](#) company. We buy distressed properties, we fix them, and we sell them for a profit. I've been doing it for several years, and we've been doing really well.

Now, I understand that if the market does tank, a lot of investors are going to be on the sideline, and they're not going to be investing as actively as they are right now. That will affect sales, and if that happens, we make less money.

So, what else do I have to help us weather that storm? I also own a property management company that manages hundreds and hundreds of units. I always like to refer to the property management company as [recession](#)-proof because the two most important things to humanity are food and shelter. People need a roof over their heads—they will always need a place to live. Hopefully, they keep paying the rent, and as long as they keep paying and we keep managing well, we're going to get residual fees every single month.

Again, we have a [turnkey](#) company, we make large lump sum profits, and we have a property management company where we make residual fees every single month. Those are the two main income streams that I have today. In the meantime, I've been holding onto a lot of dry powder and waiting on certain things to happen in the market.

They say cash is king and cash flow is queen. That's another tip for the Debbie Downers: it's always good to sit on cash if you feel that we've reached a peak from a market-cycle standpoint. Why? Because you want to go all-in when everything hits the fan. That's historically when many of the millionaires are made.

And many of the companies that we know today were established in a market downturn. So, it's always good to have some dry powder like I do right now.

The most recent layer to my diversified strategy is buying a large number of single-family homes or purchasing distressed [multifamily](#) assets. Then, I fix them up, increase the occupancy, and simply hold them.



In the past, I was very active with a lot of my capital. I hadn't really been investing in [buy and hold](#) assets because I wanted to keep growing my wealth. However, I feel it's a good time to pull the trigger on something if the right deal comes along and create an additional stream of income.

Once again, I'm spreading out that risk by having multiple streams of income because that's what all the multimillionaires do.

Related: [9 Ways to Survive \(and Thrive\) During the Next Market Crash](#)

HOW I'M DIVERSIFYING MY PORTFOLIO WITH OTHER INVESTMENTS

Another thing I have been working on for quite a while is an online company. It's subscription-based and generates money very similar to the property management company with monthly fees.

Last but not least, I like stocks. Stocks do carry some risk, but if you know how to look at a company and estimate what you think its market value will be, you should be OK. I'm not going to say I'm an expert, but I've run various companies, I've been reviewing P&Ls and balance sheets, and I understand the economics within a company.

I suggest that you also go down that path in regard to focusing on multiple streams of income. I think you're playing a risky game if you solely depend on one business, one investment strategy, or one piece of real estate. I think you should have multiple things in the works because if one fails, you can always rely on the other one.

Warren Buffet calls this the "chain link of error." If one link is faulty, the chain is useless. Something that I tell our investors is if you just invest in one property and it becomes vacant, that is a 100% hit on your portfolio. However, if you have 10 properties and only one becomes vacant, that's just a 10% hit.

Related: [Should Real Estate Investors Sleep Soundly Despite Stock Market Scaries?](#)

THE BOTTOM LINE

Before I go, I want to leave you with this: If your bread and butter is real estate, stocks, or tech, I think that you should stick to what you know best. If you start diversifying into industries that you don't understand, it can be very risky.

For example, even though I have various companies and investments, they are fundamentally real estate-related for the most part. Even so, I'm not overly exposed in the real estate market.

I have a turnkey company where we buy, fix, and sell. I have a property management company where there are residual fees. I'm always looking to add on properties or a multifamily where I would get passive income. I dabble in stocks. I'm getting on board with online companies that provide residual income.

I've tried new things, and I feel that I'm pretty well diversified across various businesses and asset classes.



By [Engelo Rumora](#)

Engelo Rumora, a.k.a. "the Real Estate Dingo," quit school at the age of 14 and played professional soccer at the age of 18. From there, he began to invest in real estate. He now owns real estate all over the world and has bought, renovated, and sold over 500 properties. He runs Ohio Cashflow, a turnkey real estate investment company in the country (Inc 5000 2017 & 2018) and is currently in the process of launching a real estate brokerage called List'n Sell Realty. He is also known for giving houses away to people in need and his crazy videos on YouTube. His mission in life is to be remembered as someone that gave it his all and gave it all away.

Sheboygan County Chamber of Commerce Events: January - March

Jan 23	ECONOMIC OUTLOOK BREAKFAST & ANNUAL MEETING
23	YOUNG PROFESSIONALS GAME NIGHT
Feb 5	MEMBER ORIENTATION
7	FIRST FRIDAY FORUM
12	OUT FOR LUNCH with DEIDRE MARTINEZ
13	COASTAL YOUNG PROFESSIONALS WELCOME
20	CHAMBER CHAMPIONS GALA
March 6	FIRST FRIDAY FORUM
18	FOCAL POINT

CHAMBER CHAMPIONS GALA

Thursday, February 20, 2020

4:30 Check-in, 5:00 Reception, 6:15 Dinner, Awards to follow

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LOCATION
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SOUTH HIGH SCHOOL



business after hours

Jan. 9 Stefanie H Weill Center
Feb. NO BUSINESS AFTER HOURS
March 5 Terrace Place Senior Living



roundtables

Jan 8 Worksite Wellness
Jan 9 Strategic Sourcing
Feb. 3 Sales & Marketing Professionals
Feb. 5 Non-Profit
Feb. 6 Safety
Feb. 11 H R Managers
Feb. 12 BOSS
March 11 Worksite Wellness
March 12 Strategic Sourcing



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