

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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<http://laa.rentals/>

PRESIDENT'S LETTER

Hello All,

What a great summer! Hopefully you have been getting many projects started and finished. It's better for all of our businesses to improve and update. Helps increase rents and increase value of our properties and the community as a whole.

Thanks to you our group has been growing month after month. You asked to have monthly meetings through the year and we did. You asked to have guest speakers come in and we did. You have been networking with each other and that helps strengthen all of us. You asked to have more door prizes and we have with the help of our advertisers. This next year will continue with much of the same for you to look forward to.

The annual banquet is just around the corner, September 19th 2019 at Klemme's in Howards Grove. This year's banquet is going to be fantastic! Several of our advertisers will be there to help you with questions you may have. The banquet is when we have the election of board members. This year we have three board and the four executive committee members up for election. This is the time and place to bring a guest. Many of our members were first introduced to the LAA at the annual banquet then became members including myself. We all know other people who own rental properties but are not a part of this great origination. Invite them. Let them see other landlords and enjoy an exciting and fun evening. I challenge each of you to bring at least one person. You can do it! Together we will make this organization strong.

Respectfully yours,

Jim Longo

BOARD MEMBERS:

President

Jim Longo 920-452-7051

Vice President

Tony Weyker 920-331-0088

Secretary

Larry Strassburg 920-627-8002

Treasurer

Tim Herr 920-980-8886

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Gary Sixel 920-565-3071

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Chad Jones 920-627-3615

Doug Emerson 920-627-3684

Newsletter Editor

Doug Emerson 920-627-3684

Order Forms

Gary Sixel 920-565-3071

Past President

Roger Beaumont 920-207-4321

General Meeting Date:

September 19th – 5:30pm Banquet – Klemme's in Howards Grove

Board Meeting Date:

September 26th Klemme's Wagon Wheel at 6:30pm

SPECIAL ANNOUNCEMENT

Watch your mail for your special invitation to the Lakeshore Apartment Association Banquet 2019!! Be sure to fill out the bottom portion, include your check in the envelope we provide... its already stamped!! (dinner, prizes, free beer/soda)

LAKESHORE APARTMENT ASSOCIATION BANQUET

YOU ARE CORDIALLY INVITED TO ATTEND THE LAKESHORE APARTMENT ASSOCIATION'S ANNUAL BANQUET AND ELECTION OF OFFICERS

WHEN: THURSDAY SEPTEMBER 19, 2019

WHERE: ~~James's~~ Wagon Wheel
120 Wisconsin Dr
Howards Grove, WI

TIME: 5:30 P.M. COCKTAILS-- FREE PINTS OF DOMESTIC BEER AND SODA
6:30 P.M. FAMILY STYLE DINNER

MENU: BROASTED CHICKEN and TENDERLOIN TIPS with MASHED POTATOES, VEGGIES... family style

THERE WILL BE DOOR PRIZES!

Postmark by September 10th please

Keep the above information handy!

Example

Please return this portion with your payment of \$20.00 per person

Name _____ Phone # _____

Name _____ Phone # _____

Name _____ Phone # _____

Name _____ Phone # _____

Make the check out to "Lakeshore Apartment Association"

Mail payment & reservation to LAA P. O. BOX 1312 SHEBOYGAN, WI 53081-1312

This banquet is for General Members, Associate Members, Spouses and any friends that may be interested in our organization or having a fun night out.

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!

September 19th

2019 LAA Banquet at Klemmes in Howards Grove

Free beer and soda starts at 5:30pm!

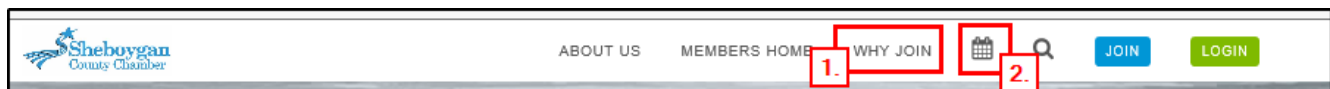
Dinner at 6:30pm

October 17th

TBD... back at Lakeshore Lanes

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

6 UNACCEPTABLE LANDLORD BEHAVIORS (AND HOW TO FIX THEM FOR HIGHER RETURNS)



G. Brian Davis

Expertise: Landlording & Rental Properties, Real Estate News & Commentary, Personal Finance, Real Estate Investing Basics



Landlords' returns are only as good as their property management.

Unlike owning, say, shares in a mutual fund, bonds or private notes, holding rental properties is not 100% passive. Rental income does require some work — and some skill to boot.

I see many mom-and-pop landlords make the same mistakes again and again and again. Here are six unacceptable things I see too many landlords doing — and how to make sure you approach your rental management better.

1. POCKETING ALL THEIR CASH FLOW

Everyone, landlord or not, should have a cash reserve. For personal expenses, financial experts refer to this as an emergency fund.

But landlords need to set aside a lot more cash than the Average Joe.

Remember when we [broke down rental property expenses visually](#)? Most landlord expenses don't come evenly every month; they happen in intensive, expensive bursts. A \$5,000 roof bill. A \$4,000 HVAC bill. Turnover expenses to prepare the property for new tenants. Vacancies. And so on.

Landlords need to set aside a certain amount of their rental income every month in a separate account to cover these large, irregular expenses. Failing to do so sets you up for a crisis: “What am I going to do?! I don’t have \$3,000 just lying around for those repairs!”

You should.

2. PUTTING OFF REPAIRS

The result of not keeping a rental reserve fund? Putting off repairs.

The longer you let repairs slide, the more expensive they tend to become. Physical problems with your property tend to get worse over time — sometimes quickly.

This goes doubly for roof and plumbing leaks!

But it’s not only the relatively urgent repairs like leaks that should be done immediately. Even cosmetic issues can lead your tenants to not renew their lease, creating a turnover (which is where landlords spend the most time and money).

Besides, during a turnover you’ll probably have to make the cosmetic repair anyway to attract better tenants moving forward.

When you conduct semi-annual inspections (more on this momentarily), ask the tenants about any needed repairs. If they name a series of repairs that are needed, and you can only afford to make one or two at the moment, take the tenant’s views into consideration when prioritizing the repairs.



3. NOT INSPECTING THE PROPERTY AT LEAST ONCE A YEAR

At a bare minimum, physically visit and inspect each rental unit at least once a year.

Better yet, inspect two, three, or four times a year.

Why?

First, to catch any needed repairs early, as discussed above. You can't count on your tenants informing you of repairs—I've had tenants fail to inform me of needed repairs because they didn't want anyone coming to the house and [discovering that their boyfriend had moved in](#).

It also keeps your tenants accountable. You'll discover the deadbeat boyfriend and can raise the rent ([or evict him](#)). You'll also be able to check for other lease violations and see how the tenants are treating your rental unit.

Beyond catching lease infractions, it also serves as a strong deterrent for violating the lease in the first place. If your tenants know you inspect the rental unit every few months, they probably won't let their deadbeat boyfriend move in at all.

Nor is it all about discipline and lease enforcement. Inspecting the property shows the tenants that you're not an absentee landlord and that you genuinely care about the property. That, in turn, sends the message that they should care for the property, too.

Far too many landlords get lazy and never visit their rental units as long as the rents keep flowing in on time. Make the effort — it will pay dividends in the long run.

4. DEDUCTING THE COST OF WEAR AND TEAR FROM THE SECURITY DEPOSIT

Landlords can deduct the costs to repair "damage" from the security deposit. They can't deduct the costs to repair "normal wear and tear."

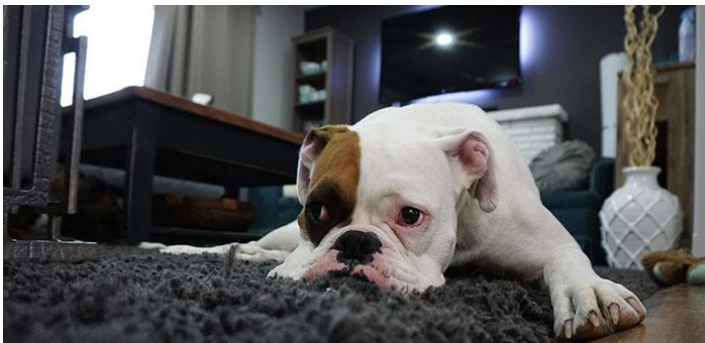
Which is all fine and dandy, except "normal wear and tear" is an incredibly subjective term. It leaves plenty of room for interpretation, which can make it a blurry line to draw.

A fist-sized hole in the wall is clearly damaged. A small nail hole in the wall is often considered normal wear and tear. But what about a large nail hole?

If a tenant moves out after one year and the walls are covered in scuff marks and needs repainting, it may be considered damage. But if a tenant moves out after five years, the same degree of scuffing is probably considered normal wear and tear.

If there's one lesson I've learned the hard way (many times, to my embarrassment), it's that you always need a detailed move-in/move-out walkthrough report, complete with time-stamped photographs of every wall, every floor, every door, etc.

Whenever you deduct money from the security deposit, be prepared to fight your ex-tenants in court over it.



5. NOT ALLOWING PETS

Ready for some controversy?

Many landlords absolutely will not allow pets. Hard stop.

And I get it. Pets do cause more wear and tear on your properties. In some cases, they can even create liability for you as a landlord.

Here's the thing, though: [More than two-thirds \(68%\) of American households own a pet](#). If you don't allow pets as a landlord, you're turning away all but 32% of prospective renters, before even looking at their other credentials.

Worried about pet wear and tear? Charge a non-refundable pet fee or a refundable pet deposit. I also charge \$15/month per pet in pet rent.

Worried about liability? Don't allow specific breeds that have breed-specific liability and require tenants to buy renters insurance that covers pet liability.

The other problem with a blanket policy barring pets? Many renters will simply sneak their pet in regardless.

Regulate pets, charge accordingly, and benefit from higher deposits, higher rents, and an applicant pool three times larger.

6. “SETTING IT AND FORGETTING IT”

I’m not one of those real estate evangelists who put everything in real estate and ignore other investments. For example, one of the great benefits of buying index funds for long-term investing is that they’re truly passive. I can buy index fund shares then forget about them.

Rental properties, for all their benefits, aren’t completely passive investments.

Most mom-and-pop landlords have a full-time job, which makes landlording essentially a side gig. A side hustle. A part-time job.

Whatever you want to call it, it does require some work. Not daily work, and sometimes not even monthly work, but work nonetheless.

Far too many landlords think they can simply sit back, collect rents and call it a day. That’s unreasonable for any landlord who wants to earn a decent return.

Improve your property management, and improve your returns!



By G. Brian Davis

G. Brian Davis is a landlord, personal finance expert, and financial independence/retire early (FIRE) enthusiast whose mission is to help everyday people create enough rental income to cover their living expenses. Through his company at SparkRental.com, he offers free rental tools such as a [rental income calculator](#), free landlord software (including a free online [rental application](#) and tenant screening), and a free masterclasses on how to reach financial independence within 5 years.



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RENTAL PROPERTY INSPECTIONS: 4 TYPES THAT CAN SAVE YOUR PROPERTY (AND SANITY)

By: Peterg

Expertise:

88 Articles Written



I am always amused by the responses I receive from real estate investors when I ask them [when they had last inspected their properties](#). It is obvious from their contorted facial expressions that they most likely have never “formally” inspected their properties.

While performing “safe and clean inspections” during a tenancy is important, ensuring that “move-in” and “move-out” inspections are performed at the beginning and end of a rental relationship can mean the difference between you as the landlord retaining all or a portion of the security deposit to compensate you for damages or losing it (possibly with triple damages) at the hands of a judge.

WHICH ONE SOUNDS BETTER TO YOU?

I am a huge proponent of inspections. At the beginning, the end, and the entire time during the rental relationship.

How did I get that way? Simple... I got my head handed to me by a judge and ended up paying triple damages. OUCH! Experience is a cruel and exacting teacher.

Regrettably, many landlords and way too many property managers have not assigned the same degree of importance to "inspections" as I have. And this in my opinion, puts them at the mercy of the tenants, and if they are dealing with savvy tenants it will get painful!

WHAT DO YOU AS A LANDLORD DO AND WHAT SHOULD YOU EXPECT FROM YOUR PROPERTY MANAGER REGARDING INSPECTIONS?

Lets first start with some general definitions and a brief discussion regarding the four types of inspections I have found to be very useful as a landlord.

THE FOUR KEY KINDS OF LANDLORD INSPECTIONS

1. **Move-in Inspection** – This inspection, of course, is conducted during the move-in process. It must be conducted by the tenant and it must be documented. And, if you think you can move a tenant into a property without physically being present you are fooling yourself. So, as part of your move-in package, you will have a "Move-in" inspection sheet(s). The tenant needs to walk through the property and document issues with the property that could be a deduction from their security deposit when they leave. This inspection is not intended as a wish list for things they want done to the property. Of course, we are assuming the property was ready for the tenant or you wouldn't have placed them.

You want this inspection to be conducted by the tenant so that they can never say that they did not know the condition of the property when they moved in. Once the inspection is completed, the tenant should sign and date the document and hand it back to you. If there are issues such as a small stain in the carpet or a ding in the wall you should take a picture of it, print the picture and place it with "Move-in" inspection.

2. **Routine Safe and Clean Inspections** – This is exactly what it says — a routine inspection, performed by you to ensure that the property is safe and clean. This inspection should be conducted every 3 – 6 months; to go any longer and you may lose control of the overall condition of your property. Realize that when you are conducting this inspection you are looking for issues which the tenant has caused, such as pulling a door off its hinges, and those items you are responsible for such as a leaking faucet. Again, this inspection is documented, supported by pictures, signed by you with a copy provided to the tenant. If there are any issues, a follow-up inspection should be scheduled so you can verify the tenant has corrected the issues they are responsible for. As for those issues you need to address, get on it!

3. **Drive-by Inspections** – This inspection needs no pre-notifications. All you're doing is driving by and observing. Again, if there are issues observed on the outside of the property (the biggest one for me is typically pets that aren't allowed), you should notify the tenant (in writing) and of course, schedule a "safe and clean" inspection.

4. **Move-out Inspections** – The "move-out" inspection is your opportunity to determine the overall condition of the property when the tenant moves out. This inspection should be conducted by you at the time you receive the keys from the tenant. Realize that if you have the tenant drop the keys off at the office or put them in the mail, they will be able to deny everything you find on the "move-out" inspection because you weren't there when they last locked-up and they will be able to blame you for all of the issues you claim when retaining their security deposit. *The only way to protect yourself is to conduct that inspection with the tenant in the property.* Ideally you want the tenant to sign the inspection findings, but many times the tenant will decline, believing that if they don't sign they won't be responsible. One last item here — remember that your camera is your best friend; it is very hard for a tenant to deny in front of a judge what is obvious in a picture.

These four inspections can and will help you to keep your properties in good repair, hopefully well-maintained by your tenants, and protect you when you find yourself in front of a judge defending your security deposit decisions.

Best of luck!

By Peterg

Peter is an active and successful real estate investor in the Baltimore Maryland region for the past 8 years and is one of the founders of The Club Mastermind a real estate investing coaching program focused on local coaches helping investors to perfect their game.



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