



<http://westmontlandlordassociation.org>

Newsletter

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Happy Holidays!

Tentative Schedule – 2011

February 9th: Open Landlord Meeting at the Westmont Public Library
(Wednesday) 6:30 – 8:30pm



May 18th: Open Landlord Meeting at the Westmont Public Library
(Wednesday) 6:30 – 8:30pm



August 17th: Open Landlord Meeting at the Westmont Public Library
(Wednesday) 6:30 – 8:30pm



November 16th: Open Landlord Meeting at the Westmont Public Library
(Wednesday) 6:30 – 8:30pm



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Plan for successful Inspection...

Reminders...

Do a pre-inspection of your property using the 'Inspection Checklist' (Download from the Village Website) as a guideline.

Create a 'to-do' list of things you see during your pre-inspection that you think may need any correction. Should the inspector point out any of those to be corrected, you can show your 'to-do' list to the inspector and it might avoid the need for re-inspection if those items are already scheduled for attention.

Remove the clutter during your pre-inspection. Out of sight, out of mind, remove any loose items in hallways and old newspapers near the entrance, etc. Clear any clutter or loose items around and behind the laundry machines, around the building hot water heater, and around or near the building heating unit, etc. because these could be considered hazards by the inspector.

Look at all your electrical outlets, wall switches, and their wall plates just to make sure there aren't any that are cracked or broken and none are painted. Unplug any extension cords and store them away.

Look at all your sink drains and mop up any standing water below them.

Just by doing a pre-inspection and doing a few this and that's and creating a 'to-do' list you might be able to avoid a re-inspection.

Should there be any issues, stay on top of the corrections/repairs so you don't run out of time before any scheduled re-inspection. If, for any reason, you need more time to complete the corrections/repairs call the Village Building Dept and request more time. Some work could put you beyond the allotted time and that could lead to an expense (fine) you could have avoided by just a phone call. ❖

Meeting with the Village...

Bill Baum
President
Westmont Landlord Association

We presented our proposed changes to the Village at the Code Enforcement Committee Meeting on Dec 6th.

The invitation to this meeting said for either me or a representative of the Westmont Landlord Association to come to explain the changes.

I presented these changes and provided booklets we assembled with all the information we had including a copy of the Ames, Iowa Ordinance and the Lincoln, Nebraska tri-fold brochure and portions of the Ames, Iowa Survey that pertained to rental housing.

This was a Village Meeting, a closed door session, we were only invited to give an explanation of the changes we are asking for so I can't include any of the discussions.

The matter is in the good hands of the Village and they will make whatever determinations they believe will be in the best interest.

Immediately following this Code Enforcement Committee Meeting was a normally scheduled Village Board Meeting and all the Village Trustee members were there so before I left I made an open prediction that the Village Board will be pressed to install a private residential property maintenance ordinance and the reason for my crazy madness was because I've been told that invariably where these rental housing inspection ordinances are installed that a private residential ordinance follows soon after.

By the way, at the Village Board Meeting, they lifted the hiring freeze to hire another inspector. ❖

*Merry Christmas
&
Happy New Year!*

A Sharp Pencil in 2011...

By Robert L. Cain, Copyright 2010 Cain Publications, Inc.

Paul has a sharp pencil. If a property doesn't pencil out, no way he is going to buy it. One of our long-time subscribers, he told me that he has saved thousands of dollars—in properties he didn't buy. He saved the money because the properties he passed on were bad investments. Paul has a degree in finance, so that helps. He also works on the philosophy that every property has to pencil out, or he's not interested.

Would that all real estate investors had Paul's attitude. The real estate market is littered with broke real estate investors. Those were the investors who were agog over increasing real estate prices, mirror-fogging loan requirements, and the panic over maybe "missing out" on the real estate boom. They missed out, all right. They missed out on smart investments.

Smart investments are those that actually make an investor money; they pencil out. Completely left out of the category of "smart investments" are those that depend on the stars lining up in perfect accord, the moon becoming full three times in a month, and all the traffic lights turning and staying green from here to the next state. Smart investors factor in all the what-ifs they can think of and learn about. If the what-ifs look more ominous than the yes-it-probably-wills, smart investors move on to the next property—and don't look back. Do they ever miss out on a good investment? Sure. Are they ever happy they passed on investing in something? Like Paul, often.

No economic situation is forever; the stars don't all line up, the moon never is full three times in a month, and the traffic lights are sure to change. Nonetheless, these broke real estate investors seemed to believe the very same real estate market that crashed and burned four years ago was the exception.

Their one and only criterion for success seemed to be how many properties they owned or controlled; and they bragged about their "success." What they rarely bragged about was how much money they were making.

When I began investing in real estate in the early 1980s, property was cheap and easy to come by; no-money-down deals were one a block. But rents were too low to cover the mortgage payments on those properties. But since we had some nifty depreciation options, such as 15-year, double-declining that would just about ensure that investors at least broke even at tax time, investors bought properties anyway. They apparently counted on making up their losses with volume.

As with the real estate market of the late '90s and early 2000s, nothing is forever. The good times of the '80s changed, albeit not with the myriad disasters that befell investors beginning in 2006.

Here's the important point about investing in real estate. It's not how many properties you own; it's how much money you make.

Back when I started investing in real estate, I met all kinds of people who bought properties, fed them every month, and counted on making up the difference with their tax return. I am a conservative investor. I believe, as Paul does, that my investments have to actually make money. No way would I acquire property that didn't at least break even every month from day one. Starting out underwater made no sense to me. Other investors made fun of me with statements such as "Oh, you're one of them!" Yep. And it has paid off. Every property I have invested in has turned a profit.

My investment plan was and is to buy properties where I show a profit from day one and that sit in a neighborhood I would live in. Those are my hard and fast rules. In planning for next year, smart investors are joining Paul and creating hard and fast rules under which they will buy a property. Every property has to pencil out. The investors who are broke are flat out of the business of investing in real estate. Their pencils are broken. Unlike Paul and me, they are still littering the real estate market. ❖

Just a Reminder...

The Village requires us to have recycling. If you don't, already, have a recycling bin call Waste Management about the recycling requirement.

The following is a graphic (recycle.jpg) from Waste Management showing the items that can be placed in the recycling bins. We have it posted in our 'Links/Downloads' (recycle.zip) if you'd like to include it in any letter to the tenants.



Flattened Cardboard



Magazines



Office Paper



Brown Paper Bags



Newspapers



Paperboard
Cartons



Paper Cardboard,
Dairy and Juice
Containers



Junk Mail



Phone Books



Plastic Bottles and
Containers #1-7



Glass Bottles and Jars



Aluminum Cans,
Aluminum Foil,
and Pie Tins



Tin or Steel Cans

Do not include food waste, films, plastic bags, plastic wrap, or foam cups and containers.



Westmont Landlord Association
P.O. Box 629
Westmont, Illinois 60559

ADDRESS CORRECTION REQUESTED

Westmont Landlord Association

<http://westmontlandlordassociation.org>

Board of Directors:

President:..... Bill Baum

Vice-President:..... Dave Scroll

Secretary:..... Grace Snyder-Kubica

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