

Ernst & Haas Management

Quarterly Newsletter

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Message from the Broker

Happy New Year! Typically, January is a very busy month for our office. We have to prepare our normal month-end reports, close out fiscal year 2005, archive all of our records for the previous year, Prepare year end reports, and finally, gear up for a usually very active month with move-ins and move outs. We are anticipating a large pent-up demand for housing as many families wait until after the holidays to look for new places to live.

Please remember, we will be reviewing rental rates and posting notices on units before the end of January. If you would like to discuss possible rent increases at your property, please contact me at the office any time, just make sure it's before the end of the month. Also, Owner tax forms (1099-misc) will be issued this month sometime before January 31st.

Like the broader housing market, the local rental market has been very fickle, particularly in the last month of 2004. Rent values have remained high but demand for rental housing has dropped off and we are seeing some units sit on the market longer than expected. The market appears to be flush with supply, which has our vacancy factor hovering at 5.2% in December and our average vacancy time up from 11 days to 19 days. We are expecting January to bring a higher level of prospective applicants to help bring those figures back down.

We have found that the units that are priced at market levels and show well, are renting much quicker than those units that are

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10 Simple rules we follow to ensure our relationships with tenants run smoothly.

1. We don't rent to anyone before checking his or her credit history, references and background. Haphazard screening and tenant selection too often results in problems such as a tenant who pays the rent late or not at all, trashes your place or moves in undesirable friends -- or worse.
2. We get all the important terms of the tenancy in writing. Beginning with the rental application and lease or rental agreement, we are sure to document important facts of the relationship with our tenants -- including when and how we handle tenant complaints and repair problems, notice given to enter a tenant's apartment and the like.
3. We establish a clear, fair system of setting, collecting, holding and returning security deposits. We inspect and document the condition of the rental unit before the tenant moves in to avoid disputes over security deposits when the tenant moves out.
4. We stay on top of repair and maintenance needs and make repairs when requested. If the property is not kept in good repair, you'll alienate good tenants. And they may have the right to withhold rent, sue for any injuries caused by defective conditions, or move out without notice.
5. We don't let our tenants and properties be easy marks for a criminal. Our firm and the property owner could well be liable for the tenant's losses. Landlords are sued more than any other group of business owners in the country. The average settlement paid by a landlord's insurance company is \$600,000, and the average jury award is \$1.2 million.

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**Just a Reminder that we can be reached on-line at:
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website: www.ErnstandHaas.com**