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MORRISSEY MONEY MATTERS
The Property Management Firm
By George Morrissey Real Estate Broker / Property Manager
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WE HELP PEOPLE BUY AND SELL HOUSES TOO AND HAVE FOR DECADES.

MORRISSEY MONEY MATTERS RENTAL HOUSE NEWSLETTER

Las Vegas Rental Newsletter –Since 1981 - JANUARY 2017 ISSUE, copyrighted George Morrissey/PSI *written by*
George Morrissey, Real Estate Broker, Investor, Tennis Player, Property Manager,
GRI, E-Pro Certified, Bachelor of Science in Finance, NARPM, UNLV Alumni, Alpha Kappa Psi

THE FIRM is a Full Service Real Estate Company •All Agents Are Realtors© in Good Standing + Members of the MLS
We work with Buyers, Sellers, Tenants, Lease Options and Exchanges Concerning New or Resale Real Estate in Southern Nevada as well as with Referrals Across the Country. We also Specialize in Property Management. 9 - 5 PM Mon - Fri and by appointment No representation, warranty or guarantee to the accuracy, express or implied to this newsletter information is made. Any actions taken or not taken based on this information should only be considered after consulting with appropriate advisors. Written entirely by George Morrissey (this is not a "purchased" letter from a provider like many others have).

SUBJECT: THE FIRM OPENING, AND RENT MATCH COMPARISONS

WELCOME TO THE PROPERTY MANAGEMENT FIRM!!! The staff, agents and co-owners welcome you to our new adventure! We think this will benefit everyone! Tenants, Owners, Vendors, the staff, and all those related will see many benefits by us combining the best of 3 companies!

ALL THE FIRMS CLIENTS WILL NOW GET A NEWSLETTER EVERY MONTH (from this writer)) USUALLY INCLUDED WITH YOUR SERVICES HERE AT THE FIRM! WE MAY HAVE A GUEST SOMETIMES so look for that! WHEN THINGS HAPPEN IN LAS VEGAS THAT AFFECTS OUR CLIENTS AS WELL AS OURSELVES – AS WE OWN RENTALS LIKE OUR CLIENTS - THEN WE KNOW IT AFFECTS EVERYONE, SO WE WILL WRITE ABOUT IT!!!

Here are some answers to some frequent questions that some of you have asked...

Q: Why such short notice? A: Because we needed to make sure everything was in place and "working" before we could go live. We must downsize our old companies and update the new one! We have spent the last four weeks - everyone - putting in all the data from the houses and condos we manage - this takes time! Robyn the office manager gets a SUPER THANKYOU for all her challenging work!!! We also had to draw up the agreements among the partners, update the software, get a new business and state license, and basically do EVERYTHING that a new business does to open! And because we CURRENTLY manage over 500+ combined houses and condos ALREADY we are dealing with a moving train that must be taken care of while we make this move! But once we finalized everything we were ready to go and so made the announcement - even though it was not that much notice! Our goal was to have this take place at the end of the year for 2016 for a variety of reasons. One big reason is that each company (remember we have 3 companies that are merging together to form a new one) - do NOT want to do our annual records for our clients TWICE! So, if we end things on Dec 31st with the old company and start Jan 1st with the new company then the new company can do the 1099's and annual records for 2017 and our old companies only must (one more time) do the 1099's and annual records for 2016!

Q: Why not just keep your company going and stay in depended with no partners? A: Well from this writer (George Morrissey), I have been on call for 24 years now - 24/7 - all the time - and this can wear you down! With a bigger staff and two other brokers to back me up, I can leave town and not have to call the office daily to help! (I back them up too of course). Clients don't realize that one thing you are paying for is for us to be on call for that after-hours service that is needed, that strange question that must be handled. Or for that semi or emergency service that taking care of now - does not make it worse later! And of course, essential services we must always attempt to support a tenant and the property with. If not the tenants (this is allowed by law) could stop paying rent and going to a hotel (within certain guidelines) and we normally do not want that to happen! Essential services are usually labeled as: Air Conditioning and Heat, Running Power, Running Water, Running Sewer, living in a secure (so it can be locked) property. So, we need to make sure there are working locks on all the doors - and no doors are busted out that don't lock. And getting the "after hours" request" and handling it then really cements that relationship foundation with the tenants (and the owners) so they know we care and are trying to help them. Besides if we can do a work order now (instead of the next work day morning) our vendors will give our tenants "first service" and hopefully this means they get the work done faster and sooner than "the other guys" so everyone is taken care of - and sooner usually is better!

Q. Where are Karen and Law going from Property Services? A: Karen is semi retiring. We did offer her a position at the new firm, but she declined as she has other projects to pursue. We will miss Karen! She will be available at times to address her vast knowledge of the past (thousands) of transactions Property Services, Inc. has done over the years. Karen worked for my father, before working for me, so she has helped my family about 30 years now! Law will be helping with the transition from Property Services, Inc. to the FIRM for now and does work for the firm now – George.

Q. Is Property Services, Inc. (George Morrissey, Broker) and Rowan Real Estate (William "Bill" Rowan Broker) and Help U Sell (Kelly Kuntz) going to close? Not exactly. Property Services,

Inc. is going to shrink and only have one worker there (that would be me - George). Rowan Real Estate I am told will also wind down with one worker (Bill). Help U Sell is staying in business too. UPDATE - Kelly rejoined Help U Sell in late 2017 and plans to stay with them so is no longer working with Bill and George at our new company.

Q: What about the Staff at Rowan Real Estate - are they changing? Well, 100% of the staff at Rowan will be going to work at the FIRM! So that is good news as they are a cracker jack staff and really care about helping tenants, owners and solving problems. Bill and George are the two Brokers along with Robyn Stone the Office manager, who are going to share all their ideas over time and try to come up with their "Best Practices" in how they handle a myriad set of options running a property management company. Bill, George, and Robyn bring a lot of experience to the company - WITH OVER 100 YEARS OF COMBINED PROPERTY MANAGEMENT EXPERIENCE! THIS IS THE WISDOM AND STRATEGY (WHICH IS RARE IN THIS FIELD) AVAILABLE TO US TO TACKLE AND RESOLVE MANY ISSUES AND KNOW SUPERIOR STRATEGIES. THIS IS VALUABLE AND ONE REASON WE JOINED TOGETHER! THIS BACKGROUND IS VERY VALUABLE FOR OUR STAFF, OUR CLIENTS, AND EACH OTHER!!!

We hope to come up with our different approaches - to find the best ideas on how to handle a variety of situations and problems that would be the most efficient, and effective ways to solve these problems - and to maximize advantages for owners if we can! This of course may streamline some recent problems to become easier to resolve, offer more services to owners, and make our tasks easier to accomplish by using our "best practices" to take care of everything! This will give us a competitive advantage. I bet many of our owners do not know that we "syndicate" your rental listing for rent to over 100 websites on the Internet Including Zillow, Trulia, Realtor.com and our competitor sites (why not?) as well including REMAX, and Coldwell Banker! Hey, if they can see our property, they can show it, and 12,000 or more local realtors might beat a path to our door with an applicant we like - who we do rent to - thus keeping our vacancy numbers down and the house rented faster! This is good!

Q: What about your old vendors? Will you still use them? A: Yes! That is another advantage we have for our owners. Vendors are hard to find - especially here in the Wild Wild West here in Las Vegas - where they come and go so much! Once we find a good vendor we want to keep them. Did you know we do NOT markup maintenance at all! We don't make a dime by pricing maintenance up (other management firms do when they charge the bottom of the barrel fees they make up their profits by marking up -sometimes illegally - maintenance and repairs!). We will and are combining the best vendors from the three companies, so we have 2, and even 3 to choose from for a variety of skills and services! This will help keep our bids competitive which should save our owners money! We will have many new tools to use for our owners. One of which I am mentioning here. As our owners know, when a rental property tenant "gives us a notice to move" it is time for the Owner to re-rent the property - we must check the market AT THAT TIME to see what properties are renting for and what the competition is renting for too. We don't want to be "too high" and we don't want to be "too low" either. Just being a "bit" below the "other guys asking prices" gets our properties rented faster. And since each day for a \$1,200 house costs \$40 per day, if we rent our house 2 weeks faster than "the other guy" then we save our guy \$40 per day, or \$560.00 in this example - and that's a lot! This \$560 will pay a bunch of

the turnover costs and every dollar is important so we want to have a very competitive rent - to get our properties shown and seen more often, which then gives us more applicants to choose from, which usually means we get better applicants that we accept! This makes money for the owners...



AppFolio Property Manager is a powerful cloud-based property management software that allows apartment, residential, commercial, student housing, and HOA property managers to more effectively market, manage and grow their business.

Our online property management software includes complete accounting and property management functionality, including the ability to:

- Provide instant access to reports and statements directly through the Owner Portal
 - Post vacancy ads to your website and hundreds of listing sites on the Internet
 - Accept online rental applications and leases
 - Quickly screen residents
 - Streamline dues increases and rent collection online
 - Perform mobile inspections
 - Communicate with residents through text messages
- AppFolio is headquartered in Santa Barbara, California, and creates easy-to-use, cloud-based software that helps small and mid-sized businesses improve their workflow, so they save time and make more money. Our company was founded by a team of technology leaders with proven backgrounds in creating revolutionary software for businesses.

ONE APPFOLIO FEATURE WE NOW USE IS A RENT MATCH COMPARISON REPORT

They are considered the #1 software for managers in use today - that is - for those managers who rent individual houses and condos for owners. This CAN be used for multi apartment units, but most of those commercial managers use older (proprietary) software - and the "old school" is hard to change.... Anyway, because hundreds of managers in Las Vegas (and thousands in the U.S.) use this software, the data "comparing" those houses for rent "already occupied" and in another managers database is VERY HELPFUL for us to see! These "Rent Match" shows what others ARE CURRENTLY RENTING THEIR PROPERTIES FOR" and we now are sharing that with you. We can still "Homework" looking at the market in the MLS "on our own" to see if my data and the AF data are 1) the same or 2) much different or 3) a little different. We will continue to do this also, but we have found - since it is real world and real time - that the

APPFOLIO DATA FOR THEIR RENT MATCH COMPARISON REPORT IS VERY ACCURATE!!!

So, we do LOOK at the APPFOLIO data, are sharing it with you, and are comfortable that this data is presenting an accurate RANGE of current rental prices from a variety of other property managers in the Las Vegas area. And these are REAL prices! We are confident that the APPFOLIO range is worth considering using.

Some notes from APPFOLIO on RENT MATCH COMPARISONS...

Rent Match is a rent comparison tool that helps you to quickly analyze your rental prices compared to other units of comparable size and bedroom count in the same geographical area.

Overview

Rent Match provides its data by aggregating other AppFolio customers' anonymous rent information to provide comparative rental rates in the area. Comparisons are made based on the similar bedroom and bathroom count, unit location, square footage, and advertised rent amount. A page containing your unit's basic rental information, a graph, and table comparing rental rates for similar units in the same geographic region will immediately open.

- The availability of data depends on the amount of AppFolio customers and similar units in the area. Rarely – but sometimes – if not enough significant data is found, you will receive a message that states, "We do not have enough information about units in your area."

FAQs –

Where does Rent Match data come from?

Rent Match gathers anonymous, actual rental information from other AppFolio customers' units in your area (in this case Las Vegas and Henderson - George). Comparisons are made based on the similar bedroom and bathroom count, unit location, square footage, and advertised rent amount. The data for Rent Match data does not pull data from other third-party sources. The units used for comparison do not include your own units (this does not include other properties that THE FIRM manages). AppFolio ensures anonymity by requiring that a minimum number of data sets from other customers be in the sample for any desired location. If there is not enough data to ensure confidentiality and anonymity to protect customer information, no data is displayed. Rent Match data is displayed only if it is statistically significant and sufficiently anonymous.

How can I use this information?

Rent Match is not intended to recommend a rent amount or be a Lease Rent Optimizer (LRO). It is simply a comparison tool that can be used as a guide when pricing your units. (But this is a powerful tool as it shows us the data from many OTHER actual rental units managed by other "Professional" Property Management Companies - George).

How is this different from other rent comparison tools available?

Rent Match provides comparison data based upon actual rents charged (market rent), not just advertised rent. (Actual rents are usually "lower" and "better" than asking rents as the actual rents are more realistic. However, if a tenant has been there a "long time" and the rental market has risen a bit - then the "actual rents" could be a lower than what should be asked for today – but this can ONLY be determined by looking at the market closer in your actual MLS area - which we do - George).

How do I read the graph?

The top of the graph provides the basic information of the unit you are comparing, including the units listed Advertised or Market rent. The graph displays the lowest comparative rent on the left, median in the middle, and highest on the right. The vertical axis shows the number of units in each price range provided. Square footage and rent amount are rounded to the nearest quarter (increments of 25).

How is Similarity % determined?

Similarity % is based upon the most number of matching criteria including: number of bedrooms and bathrooms, unit location, square footage, and start date of the current lease. The plus and minus signs show where a comparing unit is different in some way. We are only comparing units of the same property type, meaning we only compare Multifamily (MFR) units to other MFRs and Single family (SFR) units to other SFRs. (This is good - since they won't compare a large apartment with a house - George).

Where does the location name come from?

The neighborhood location name comes from Google. If a compared unit is not located in a definite Google Maps neighborhood, we will show the distance to that unit instead.

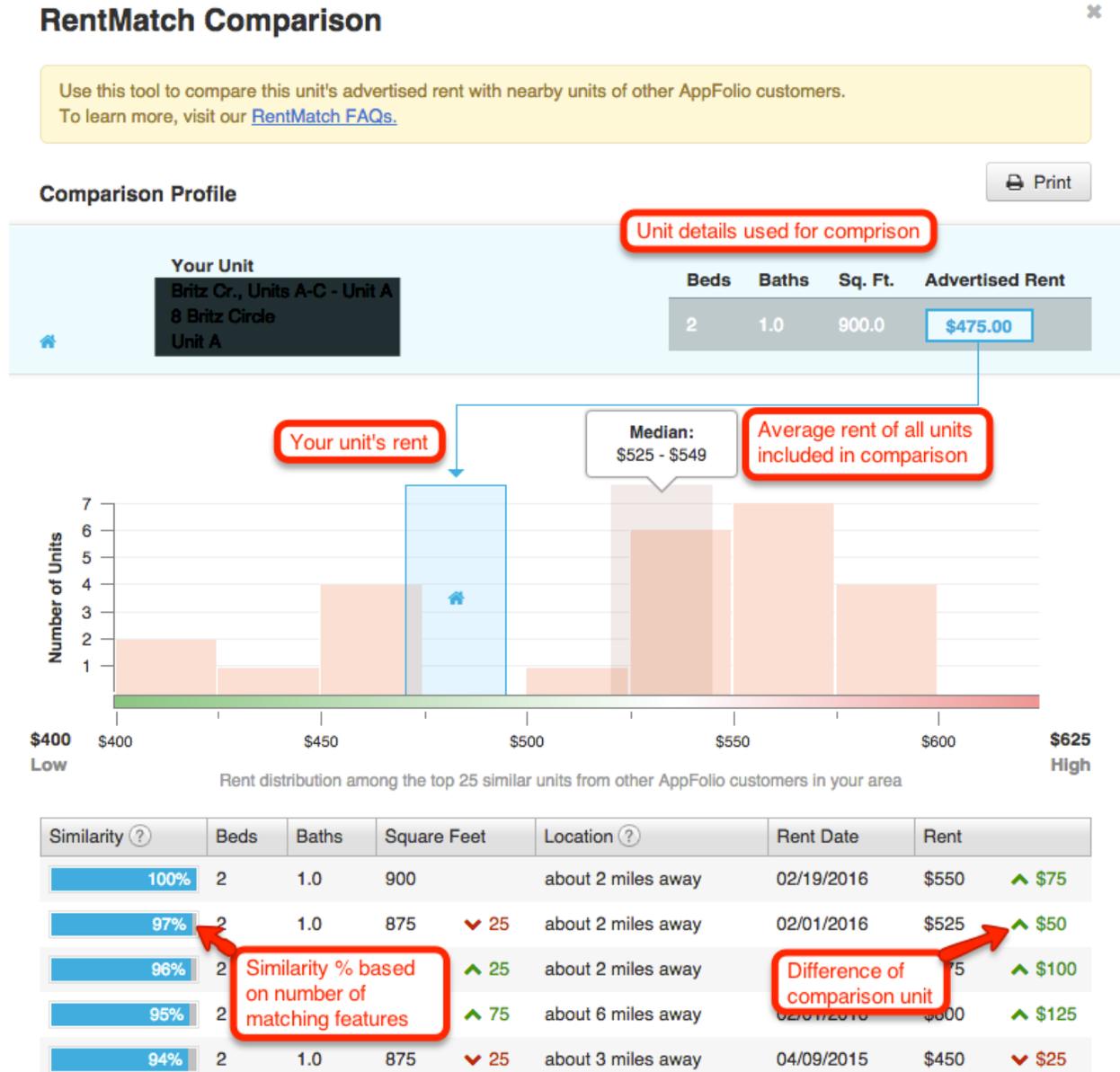
Are amenities included?

Amenities are not included in the comparison calculation. George writes.... This means they are NOT including clubhouses, tennis courts, parks, free alarm, and other meaningful "terms" which come into play and make one property more competitive than another. With , rest assured, our terms are VERY competitive as we have one of the LOWEST move in tenant fee packages for those applying with us in all of Las Vegas! Some examples of us being "more competitive" are that we..... do NOT charge a tenant "processing fee" - many others do. We do NOT charge a cleaning deposit (many others do) - but we WILL charge for cleaning when they move out. We do NOT charge a monthly pet fee as we have seen this turn off MANY tenants, but we do require them to buy "renters insurance". Why leave a house vacant for two weeks because you want \$10 more a month for a pet AND require them to pay \$25+ for renter's insurance = again we don't do that! So, we do NOT have nickel and dime fees for tenants to rent property from us, so many more WILL apply with us, and rent our property FIRST and FASTER than the competition, thus we avoid much more vacancy for our clients as compared to others!

APPOLIO has some tremendous features, too many to list here but over time we will tell you more about them and why they give us such an advantage - which helps all of us - managing property. Technology is constantly changing, and Appfolio adds features anytime they want as they are based "in the cloud". I was one of the few brokers they interviewed BEFORE they went Live with their software years ago at a National Association of Rental Property Managers

(NARPM) conference in Arizona - to find out what I as a long-term manager wanted "in the software". Fortunately for our clients, Kelly and Bill have used the software for a long time, and we will now be getting the most we can out of this software for all clients!

for a long time, and we will now be getting the most we can out of this software for all clients!
HERE IS AN EXAMPLE OF A REAL RENT MATCH COMPARISON REPORT....



SO, FOR THOSE RENTAL PROPERTIES THAT ARE “IN OUR SYSTEM” FROM CURRENT CLIENTS - LOOK FOR OUR APPFOLIO RENT MATCH COMPARISON NEXT TIME YOU HAVE A TURNOVER, OF IF YOU JUST WANT AN OVERVIEW OF HOW YOUR RENTS ARE DOING AS COMPARED TO THE COMPETITION!!!

COLLIERS INTERNATIONAL A REAL ESTATE FIRM
SAID RECENTLY THIS ABOUT LAS VEGAS

The average rent charged by Landlords in Southern Nevada this year (2016) is \$918.

Last year that same figure was \$889.

The local Vacancy today is 4.2%. Last year that same figure was 5.1%.

Investors are paying \$110,000 per rental unit (these are apartments not houses) this year as compared to last year when they were paying \$71,840 a unit.

Over time we are going to try to offer more services to owners some of which are in place now but many of you don't know about it.

Do you want an air conditioning metal cage over your air unit, so it cannot be vandalized or stolen? We now offer that service as many houses are getting their outside and on the roof air units vandalized for \$75 worth of recycled metal!

Do you an alarm system installed when your house goes vacant temporarily? We offer that too.

We have some other projects that we are working on and putting into our system for the (again) benefit for everyone!

We will do a more personal newsletter occasionally, so you can get to know us better. Here are some statistics from my experience and perspective (I will have to ask Kelly, Bill and Robyn theirs for another time).

This writer (George) bought my first rental in 1977 as a teenager here in Las Vegas. I still own it! I have had about 3,400 tenants move in and out (turnovers) for the properties I have managed over the years. My most expensive rental was one for \$6,000 a month on the Red Rock Country Club Golf Course. I have dealt with: A world famous magician or two, some state politicians, a Diana Ross female impersonator, Showgirls, Strippers (of the 12 we rented too guess how many we evicted? did damage? showed up later? That is for another newsletter...), famous comedy teams, lawyers, cab drivers, casino dealers, casino executives, and many others. The most things I see repeatedly that "work" I recommend to our owners, and time and time again, when owners try to do it "their way" and try to swim upstream against the tide of what we as managers have seen work for over 35 plus years now - it usually costs those owners money -and sometimes quite a bit! So, when we give you recommendations, and it makes sense, please realize we are trying to help you maximize your rent and keep your expenses low - and we have

seen these situations a lot! Remember over A CENTUREY OF COMBINED REAL ESTATE AND PROPERTY MANAGEMENT EXPERIENCE!!!

WE ARE BIASED, AND THINK MOST LONG-TERM OWNERS OF RENTAL PROPERTIES WILL SEE THE MOST BENEFITS! IF YOU ARE EVER INTERESTED IN BUYING OR SELLING LET US KNOW! AND ASK ABOUT SOME OF OUR DISCOUNTED SALES FEES! WELCOME AGAIN TO BEING WITH (WE THINK) THE BEST RENTAL PROPERTY MANAGEMENT COMPANY IN SOUTHERN NEVADA! NEW BUT NOT ROOKIES! THANK YOU AS WE APPRECIATE YOUR PUTTING YOUR TRUST IN US! GEORGE MORRISSEY, REAL ESTATE BROKER, CO OWNER/THE FIRM

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