

The CORNERSTONE Review



Keeping Our Property Owners Informed

1st Quarter Newsletter, 2017

1st Quarter 2017

MARKET UPDATE

As the first quarter of the year draws to a close, we see that the market is still relatively slow. Some homes are taking months verses weeks to rent out. In past years, it was rare for homes to sit vacant more than a few weeks.

These days – and other property management companies verify they are experiencing the same thing – it is taking twice as long or longer.

One factor to consider is supply vs. demand. We are seeing that when people come to a showing, they might really like the house, but they have about five other potential places to consider.

We also need to factor in price. In this slow market, if your property is priced too high, the prospective renters will more than likely go with one of their cheaper options.

SHOWINGS

The question often comes up, “How and when do you show your properties?” First, the prospective tenants contact us via the internet or by phone. We then ascertain which property or properties they are interested in seeing, then find out when *they* are available to see the unit. We try to make it as easy as possible for them to see your available units.

If we already have an appointment to show a property in the near future, we will first see if they can see it at that time.

If they can’t make the appointment, we try to arrange a showing around their schedule. Sometimes we will show the same property two or three times in the same day!

We do not like vacancies. Especially in this flat market it is very important to show our vacant units whenever someone wants to see it.

PROPERTY SURVEYS

Our general policy is to do a survey of your rental property at least once a year, more often if needed. Why would we go more than once a year? If there are red flags!

A red flag could be any of the following: constant late payments; as one of us drives by the unit, we notice that the yard is overgrown; one of our vendors reports that while they were working at the unit, they noticed it was unusually messy/untidy; neighbors or a resident manager notices a dog or a cat that shouldn’t be there; neighbors or a resident manager notices a lot of traffic going in and out of the unit; etc. Our vendors, the neighbors, and the resident managers are our extra set of eyes and ears!

Usually, if there is nothing to report... we don’t! If one of our Property Managers sees something at their walk through that needs your attention, we will certainly inform you at that time.

Surveys are important for making sure tenants are maintaining the property and to see if there are any

maintenance issues that need to be addressed. Some tenants are reluctant to bring up repair issues because they think we will in turn raise the rent.

We reassure them that this is not the case. We would rather have the unit kept in top shape than to let things fall apart.

And of course, when you are in town please call us so we can set up a time for you to visit the unit. If you do inspect your unit during a trip back to Hawaii, you may be able to write it off as a business expense. And don’t forget! We offer a Comprehensive Photo Survey for only \$50!

DRAIN PROBLEMS

Who pays to snake the drain? This is a common question from both owners and tenants. When we field the e-mail about a clogged drain, we always include the following when we reply to the tenants:

“Aloha Miss Smith, we just wanted to inform you that we have just placed the work order with Carol at ABC Plumbing 808-123-4567, our plumber, to service your request for: slow shower drain. Depending on the plumber's assessments, it may be a tenant's charge and you may be responsible to pay for the billing. Our vendor will be contacting you to schedule an appointment. If you do not hear from him by Friday, please give him

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a call to schedule an appointment.”

It’s amazing that by just adding that verbiage a lot of our drainage problems suddenly disappear!

Most drainage issues are the tenant’s responsibility – but not all! If the plumber cannot identify the cause of the blockage, we do not charge the tenant. Sometimes lines get clogged over a period of time, like a gradual grease buildup. It’s hard to pinpoint it to one particular tenant. It’s like hardening of the arteries, is it the cheeseburger I ate last week...Or the one ten years ago?

Then there are these... shared drainage lines or “back-to-back” plumbing. Is the cause our unit? Or the one that shares our unit? Or neither?

We handle it this way: If our tenant calls, we call the plumber and send them out. What would happen if we couldn’t negotiate on who is going to send the plumber and who is going to pay for it... nasty water would be backing up into the tenants tub. It’s best if we take care of the issue as soon as possible.

After reviewing the bill and we determine that if it is shared costs, at that time we attempt (not always successfully....) to collect from the neighbor. However, we have to pay the vendor right away! We called them out, and they fixed the problem, so we pay them. We can’t expect them to be waiting around for payment. I know as an owner, you may not like this policy but I think it’s fair and reasonable.

TRIVIA

The first person to e-mail Carl at carl@cornerstonehawaii.com the correct answer will win a gift card!

Which city had the first public library in the U.S., established in 1698?

1. Charleston, SC
2. Hartford, CT
3. New York, NY
4. Trenton, NJ

QUOTES TO LIVE BY

“So don’t worry about tomorrow, for tomorrow will bring its own worries. Today’s trouble is enough for today.”

Matthew 6:34 NLT

“If you think you can do a thing or think you can’t do a thing, you’re right.”

Henry Ford

“We are what we repeatedly do. Excellence, then, is not an act, but a habit.”

Aristotle

