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WMC Maximizing Value for Our Clients

In February of 2007, Wisconsin Management Company began a new strategic planning process. Our commitment to partners and clients is "We are accountable for maximizing real estate value. We quickly adapt to the diversity of our individual investors, markets and residents through sound leadership and unparalleled industry expertise, innovation and unwavering commitment to service."

We realize these words are a huge commitment. Our management employees are more involved and

accountable than ever before. We are providing them with improved training in many different areas. Most recently our property managers are in the midst of a 4 month sales and marketing training program. Having a full grasp of marketing and sales helps to ensure that your property is being marketed well and leased for the best possible price and terms.

Property manager portfolios have changed to allow managers more involvement in day-to-day management. With fewer properties under their

supervision, more of the time and energy will be addressing property concerns and will allow for more time spent physically on their properties.

We have made significant improvements to our company website. While just a few years ago inquires about apartments to the web were just a trickle, they now represent a significant number of inquires that turn into leases. Things have changed a great deal in the past 30 years and will certainly change dramatically in the years to come.

Smoke Detector Ordinance Affects Madison Landlords

The new smoke detector ordinance for installation and maintenance of smoke alarms in the City of Madison will take effect on August 15, 2009. The ordinance requires all residential buildings to have smoke detectors in place that meet one of the following requirements:

- A smoke detector with two independent power sources and a non-removable battery that has a battery life warranty of at least 10 years.
- The smoke detector shall be installed in each bedroom and within six feet of each door leading to the bedroom. Either detectors shall be a photoelectric smoke detector.
- Smoke detectors that become inoperable before August 15th should be replaced with the detectors that meet these ordinance requirements.

Contact HomeTEK at 608-284-HOME for more information about installation and pricing on the new smoke detectors.

**Let HomeTEK
install your
smoke detectors!
Call
608-284-HOME**

A New Outlook for Adams County Housing

In 2007, the Adams County Housing Authority went through drastic changes. Rural Development (RD) required new management for their three properties and Wisconsin Management Company answered the call. Wisconsin Management Company (WMC) was awarded the management contract due to

properties now have a combined occupancy of over 98%. In the first year of new management, the rent increases and better occupancy allowed all vendors to be paid in full and the tax payments brought current.

Herb Theisen, Chairman of the Board for Adams County Housing, states, "There has been a marked improvement in the property since Wisconsin Management Company came on board. Our occupancy is higher and our residents are pleased with all the improvements made to the buildings. We look forward to our continuing relationship with Wisconsin Management Company."

Assessing the capital needs of the project had Wisconsin Management Company looking for innovative solutions to bring the property's infrastructure current. It was

This program allows for a limited number of grants and new loans for the properties. Most importantly, it allows for debt to be deferred on all loans prior to 1992 for up to 20 years. The money that is deferred is then placed in a replacement reserve account for capital improvements to the property over a 20 year period.

WMC has taken the first step in applying for the program for Adams County Housing. Benz Architecture was contracted to do a 20 year capital improvement plan for all 4 buildings. Once this plan is approved by RD, the application process can go forward. This plan could mean over 2.5 million dollars of improvements to the properties over the next twenty years.

Since starting management in Adams County, Wisconsin Management Company has been contracted to manage 2 other properties in Adams. The improvements to Adams County Housing Authority's projects, the good rapport with the current residents and dedication to the future plans for the properties not only ensure the success of the project as a whole, it keeps Adams County Housing Authority's investment in the community positive.



positive referrals and the length and breadth of experience with the Rural Development program.

Prior to 2007, the previous management had been struggling to pay the bills for the property, keep up with routine maintenance, and track all the regulations of the RD program. To cover the expenses of the property, the decision was made to request a rent increase from RD. After meeting with RD and providing the proper paperwork and notification, Rural Development approved the increase in contract rents. Since the residents at the property only pay 30% of their income towards rent, the majority of the residents' rent was not affected. The majority of the rent increase came directly from RD funds.

Concurrently, WMC was dealing with a 17% vacancy rate for the properties. A new marketing campaign in the local newspaper, new signage and word of mouth started the turn around for the property. Since the takeover, the three

during this time period that Rural Development awarded funds to five projects managed by Wisconsin Management Company. The MPR program, Multi-family Housing Preservation and Revitalization, is a plan for older projects to afford the capital improvement needs in order to compete with the new housing projects that were built during the recent housing boom.

"There has been a marked improvement in the property since Wisconsin Management Company came on board. "

-Herb Theisen



Unable to Sell a Home, WMC Finds “A Better Way...”

Houses are a significant investment for anyone who owns one. It's well understood that real estate is not a liquid investment and in 2008 it became very clear how challenging the market was. The home owners put their house up for sale because they no longer lived in Madison. After a year of little activity they asked Wisconsin Management to rent the house as an alternative to selling it for less than its true value.

Wisconsin Management sprang into action. The first task to complete was a property site visit and an analysis of the house's rental possibilities. The last time the property was leased was in 2007 at a rate of \$1,695. Upon completion of the property analysis an asking rate was set at \$2,275. The analysis revealed that the asset value of the property could command a higher rental rate. Although a higher rate would exclude some people from the market, given the conditions of the real estate market Wisconsin Management knew that there would be many well-paid professionals who would be interested in renting a house instead of buying in the turbulent market.

After a few weeks of marketing the property, a good lead was found and nurtured. A relocation specialist was interested in the property for a client who was relocating from France for a three year assignment in Madison. Realizing the potential of the lead, Wisconsin Management's staff

embarked on a one month negotiation with the client. The prospective resident loved the layout and location of the house, but was displeased with the carpeted upper level and older appliances. Rather than let the deal fall apart, the property manager contacted the owner and got \$11,000 of improvements approved including refinishing the hardwood floors under the carpet and replacing the major appliances. In exchange for upgrading the house to the client's specifications, the lease rate was increased by \$325 for a total of \$2,600 a month giving the owner full payback over the three year lease. Once the lease is over the owner will still have an improved asset for the next tenant or potential sale. To help the remodeling get completed on time for the client's arrival, Wisconsin Management used HomeTEK and the WMC service department whenever possible to prepare the site for contractors and complete regular maintenance. This saved the owner money compared to the contractor's rates and allowed more control over the entire project.

On January 2, 2009 the new residents moved into their new home. They were pleased with the improvements and are



excited to explore Madison, their new home, for the next few years. To help the tenants settle in, Wisconsin Management's property manager provided a list of local services to the tenant for which they had indicated an interest. He also made a visit to the house to help setup utilities and appliances which may be unfamiliar to someone from outside of the country. The tenants will continue to receive the best service available from a property management company over the course of the contract.

If you know someone who is unable to sell their house, have them give Wisconsin Management a call. Our experienced property managers can find the best residents at the best rates. Wisconsin Management provides “A better way of living” for all residents and owners we serve. Call 608-258-2080.

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Owner Testimonial

We have been very pleased with the services of Wisconsin Management Company. The peace of mind and professionalism we have experienced is very comforting to us, especially since we are so far away. Our property manager is courteous, keeps us informed, and has really complemented our experience in working with a property management agency. We feel our home is in great hands. - Carol Cain - Current WMC Client



“A Better Way...of Business”

WMC Awarded Receiverships of Two Troubled Properties

Wisconsin Management Company's services extend beyond traditional management of properties. In today's economic times and condition of the current rental market it has been harder for some owners to care for their properties in the manner in which they would like. Unfortunately, there are also properties that have to go to foreclosure where the banks are left wondering what to do with the property.

WMC is a receiver for these types of properties. A property manager is assigned the property and we can perform a variety of functions for the property. Some examples of what we have done in the past are:

- Lease vacant units

- Provide management services for a property in transition
- Day to day upkeep of the grounds and building

Two examples of recent receiverships are a 4-unit building at 910 West Badger Road and a 16-unit building at 2617-2621 Pheasant Ridge Trail. These properties needed additional services.

The Badger Road property had a significant number of police calls and the city was forced to take over the property. The City of Madison asked the court to award WMC receivership of the property. After given court orders to vacate the property, we worked with the current residents to find new housing. We then winterized the property and boarded it up.

We continue to do basic upkeep and care for the property.

Pheasant Ridge Trail was a larger challenge. WMC was asked by the Town of Madison to work with the owner to manage the property. After trying to work with the owner to fix the problems that existed, the Town of Madison recommended to the court to award WMC the receivership.

In the next month, our asset manager, Jeff Beatty, had the land and building reassessed and successfully lowered the assessed value of the building by over 50%. WMC is currently working to relocate the current residents by order of the courts.