



Newsletter January 2010

CDARPO

Capital District Association of Rental Property Owners



*Here's to a happy, healthy,
and prosperous 2010!*

**Annual Dinner Meeting
Thursday, January 21st**

Speaker – Hal Zucker

Motivational Speaker
and Real Estate Instructor

Please RSVP. Details on page 5.

Advice to the Houseborn

by Mac Mowbray

A new landlord from Latham asks these questions: I recently inherited my mother's 1925 two-family house in Cohoes. It is currently vacant and, as you can imagine, it needs some work. However, it is in fundamentally good condition. The wiring, plumbing, and heating systems have been well maintained. Some people are willing to move in as-is for a slightly reduced rent.

- (1) Is that a good idea?
- (2) What do I do first?
- (3) What tools will I need to maintain a big house like this?



I am currently a renter and am happy where I am, so I do not own many tools. My friends are trying to get me to buy out Home Depot's tool department.

Mac advises: Slow down, newbie!! Before you spend lots of money, take an assessment of the house. You say it is in basically good condition, but before you believe yourself, figure out what you know about older houses, so you can actually decide what has to be done before you decide not to do it. It is much, much easier to work on a house which has no tenants in it. First, you can see what needs work. Once the tenant's "stuff" is in there, you can't see anything, much less get at it to work on it.

Make yourself a list starting with the top and working down. How much life is in the roof? This will depend on the type - slate, shingle, flat, pitched, etc. If you don't know, get someone you trust to tell you. Roofs are expensive and you don't want to replace it, if there is 5 or 10 years left. If there is 5 years left and a new roof will cost \$5000, put away a hundred dollars a month and you will have the money, when the time comes. This will save the cost of borrowing. Next, check the insulation. Again, have a trusted one advise you on this. Even if your tenants will be paying the heating bills, if they are too high, they will be looking for a new flat after one winter.

Next, check out the top floor apartment. Are the doors and windows in good shape? If the primary windows (usually wood) are in decent shape and they have good storm windows, replacing would be expensive and the payback would not be good enough to justify the big expense. Replacing a few missing storms is very cheap, compared to the thousands good replacements would cost. Cheap replacements are a waste - they give you trouble early on and are difficult, if not impossible, to repair. Make sure there are enough outlets in each room. (Check local codes.) Pay special attention to the kitchen. Major appliances should have their own circuits. Make sure you check your city codes to find out what kind of security you have to provide on the doors and windows. Check on smoke and carbon monoxide detector requirements.

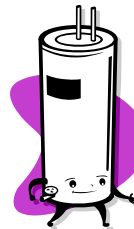
Check the plumbing. Make sure the drains flow freely. Make sure the faucet washers are new. Make sure there is a new flushing mechanism in the toilet and that the water pressure is adequate. There should be a good shower enclosure that does not leak. If there is no shower curtain, provide one. If a tenant moves in and has forgotten to buy a curtain, there is always the temptation to "take just one shower" without the curtain and that's all it takes to flood the downstairs apartment.

Next, determine if the place needs painting. It is so easy to paint with no "stuff" in the apartment. Use good paint, especially on the woodwork. A good quality semi gloss paint is best. Flat paint on woodwork gets dirty easily and is almost impossible to wash.

Take the time to wash the windows. The apartment will show 100% better with clean windows. Even if the place is freshly painted, if the windows are filthy, the whole place looks dirty. Next, check the floors. The vinyl in the kitchen and bath should be in good shape, no holes or tears. If there is carpet, have it cleaned. If there is hardwood and it looks dull and scuffed, scrub it well and give it a coat or two of good polyurethane varnish. Do an assessment of the appliances. If you would not want them in your house, replace them. CDARPO has relationships with people who supply reasonably priced appliances (no frills) to landlords.

Do essentially the same thing with the downstairs apartment. Pay special attention to door and window security on the first floor. Make sure the rear entrance to the basement area is secure.

Moving on to the basement. Check the age of the hot water heaters. After the warranty is over, you are on borrowed time. It could last another 5 to 10 years, or it could die tomorrow. Make up your mind whether you want to wait or replace it now. Have a pro check the boilers (or furnaces, as the case may be) and give you an estimate as to how much life is left in them. Check any other equipment that might be down there - sump pumps, water purifiers, air conditioning units, etc.



The outside of the house -- just eyeball the paint, the landscaping, driveways, etc. and make your decisions based on what you want to spend.

There are probably more things to check, but I have not seen the house, so I can't guess what they might be.

continued on page 6.

CDARPO does not give legal, tax, economic, or financial advice and disclaims all liability for actions resulting from communications with officers or members. Opinions contained within this newsletter are not necessarily those of the organization. Individuals are encouraged to consult legal or financial advisors for professional advice regarding such matters.

President's Message

Here we are once again at the beginning of a new year. For some, this brings reflections of the past year to mind. For others, it's the impetus to make renewed efforts towards personal goals. For all of us, it's time to pay the property tax bill. With that, I'll say **HAPPY NEW YEAR!** I hope that we all find our way to meet the challenges ahead in 2010, and that CDARPO contributes to that success.

Last month, at the last Albany Common Council meeting of the year, Council member John Rosenzweig of the 8th Ward made a very disturbing comment while supporting the passage of some licensing ordinances that would effectively eliminate property owners from doing their own plumbing and heating within the city limits. He stated that landlords are not at all concerned about the welfare or safety of their tenants. Landlords' only concern is making a buck. Surprisingly, not a reaction was heard from any of the Council or the audience (aside from my muttering "no way" and shaking my head). If such derogatory statements were made in regard to other societal groups, it would be unacceptable today. I can only imagine the uproar that would have ensued. So

why did his stereotypical comments solicit not a word in our defense? I'd like to know that myself. I think it was because there were only three of us there to defend ourselves. Other groups make themselves visible in numbers, speak out, and demand they be heard. That's what we as responsible landlords must do. So, I will be writing a letter to the Council expressing my offense to Mr. Rosenzweig's remarks and my concerns that someone of this mindset sits in such a respectable position in City government.

So, for 2010, I resolve to no longer be tolerant of disparaging remarks about landlords. No more lumping me in with the bad apples. I will respond to every occasion with my message that not all of us are bad, and blanket statements like those of Mr. Rosenzweig are wrong, undeserved, and unjust. I hope you will join me. Stand up! The next time you hear someone malign landlords, take a few minutes and educate them.

There's one place where there won't be any maligning of landlords... I hope to see you at the dinner!

-- Bob McRae

Lead Safe Work Practices

LSWP Trainings are offered by Cornell Cooperative Extension in Albany, Rensselaer, and Schenectady at no cost. The next program is on January 15th in Schenectady. For more information about this and future offerings, see their website at www.ccealbany.com or send e-mail to Nancy Lerner at NKL1@cornell.edu.



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December Meeting Highlights

On December 10th, Troy City Councilman Ken Zalewski made a repeat visit to a CDARPO meeting. Rather than a formal presentation, he utilized the opportunity to obtain feedback from our members regarding recently enacted and proposed legislation affecting landlords in the city of Troy.

Discussion of Troy's newly enacted Landlord Registry Program pointed up some initial problems in communication that had left landlords wondering why and how the program was to function. Better clarity in this regard has alleviated some of the startup problems and has resulted in a high degree of compliance.

A planned Certificate of Occupancy program will not have an onerous provision that had been enacted by less forward thinking municipalities who require a new CO upon each new occupancy. Ken listened well at his previous visit, when we clearly indicated the negative impact on landlords and severe financial hardship that would result if enacted in that form.

Troy, a municipality with a substantial majority of occupants in multiple dwellings, is attempting to legislate means to deal with vacant buildings and buildings being broken up into many smaller units, to the detriment of the community.

Troy remains a landlord-friendly municipality and considers the valuable role played by landlords in enhancing the living standards of the residents. Among the exceptions to this are the excessive water rates charged, which disproportionately affect the economic well-being of landlords contrasted with the negligible impact on single or two-family residences.

Recent Albany Legislation

In contrast to Troy, the city of Albany recently enacted legislation limiting landlords accomplishing some electrical repairs in the guise of improving safety for tenants by having them completed only by city-licensed contractors.

In actuality, many advisable electrical repairs or improvements will remain undone because of the high cost of hiring expensive contractors and the fear of the recent twenty-fold increase in fines for non-compliance. Many marginal landlords who survived only by doing their own work may decide to abandon their properties, raise rents, or reduce discretionary spending (painting, landscaping, etc.) because of increased financial burdens resulting from this and other proposed, but not enacted, heating and plumbing regulations.

Peter Stephens and Paul Forget with the Stephens Agency, Allstate Insurance Company discussed renter's insurance policies and how they benefit landlords. It appears from the presentation and subsequent discussion that it would be most advisable for landlords to mandate tenant liability insurance paid for by the tenant to protect the landlord, in addition to the tenant. It may even be worth slightly reducing the rent, if they carry the insurance with the landlord named as additional insured. The total cost to the tenant is less than \$100/yr for substantial liability coverage.

Glenn Bartley and Norm Martin from Grossman's Discount Center gave us some insight into the operations at Grossman's. A 3% discount is available to Landlords and more information about their Landlord programs is on their website. Register yourself as a Landlord. Identifying yourself as a CDARPO member to the store manager may result in even better deals. [See their ad on page 7 for a discount on kitchen cabinets in January.] And, whenever you shop at Grossman's, be sure to tell them you saw their ad in the CDARPO newsletter!

The slate of Officers and Directors for 2010 (see below) was accepted by acclamation. Congratulations to our new administration.

President	Robert McRae
Vice President	Daniel Malsan
Secretary	Maria Eastwood
Treasurer	Joseph VanAlphen

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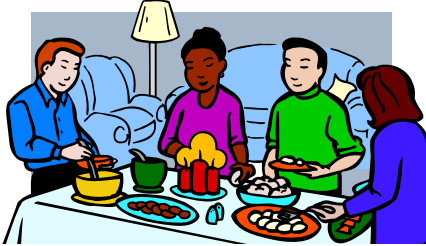
RSVP for Annual Dinner

CDARPO's Annual Dinner and Installation of Officers will be held on Thursday, January 21st, 2010 at the Crossgates Banquet House on Washington Avenue Extension in Albany.

Reservations must be received by January 15th. A reservation form was included in the December newsletter and is also available at www.cdarpo.org.

No payments will be accepted at the door.

Our Guest Speaker will be nationally-known Real Estate Instructor, Landlord, and Motivational Speaker Hal Zucker. Hal and his wife, Claudia, own "Living Structures" in Cairo, NY. He will speak about "green" construction and renovation issues relating to property management.



The cocktail hour beginning at 6 PM will feature a cash bar along with cheese and crackers, snack foods, vegetables and dips. This will be followed by a dinner buffet including Chicken Marsala, Sole Almondine, Eggplant Parmigiana, Ziti, Meatballs in Sauce, Red Bliss Potatoes, Snap Peas and Carrots, Seasonal Vegetable Blend, Salad Bar, Rolls and Butter. Dessert will be Hot Fudge Sundaes, coffee and tea.

Plan to attend and share libations and a fine dinner with your CDARPO friends. You'll also learn about the new technologies available to reduce heating and energy costs in an environmentally-responsible way.

New Year Thoughts from the Editor

I saw the following in the Michael Masterson Journal and thought it serves as a positive direction for all of us in the new year.

-- Ray Koloski, Editor

Become a better person. Do this by making a commitment to...

- criticize only when your criticism is helpful
- focus on opportunities, not problems
- listen first, talk later
- never speak badly about anyone
- never complain about anything
- perform an act of kindness every day
- pay less attention to yourself and more attention to other people

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Resource Table

Check out the Resource Table at each meeting for useful landlord information and contacts.



Alice in Legaland

Dear Alice in Legaland:

I have bought property before. At my last closing, the paperwork was more voluminous than ever. Are lenders requiring more loan documentation now and, if so, why?

-- Rental Property Owner

Dear Rental Property Owner:

Yes, lenders are requiring purchasers to execute many more documents at their closings than they did before. The reason for this is that many lenders have had their lending practices challenged. Some purchasers receive predatory loans and/or poor documentation of their loan terms and face potential foreclosure. They often engage the services of an attorney to attempt to find loopholes in the loan documentation and use those loopholes as a basis to renegotiate the terms of the loan. Since my office is involved in this type of work, I can assure you, the lenders had previously left many openings for this type of interference by attorneys. Now they are attempting to close those gaps.

-- Alice in Legaland

CDARPO members may call to schedule an appointment to discuss their legal problems.*

Law Offices of Alice K. Berke, P.C.

930 Madison Avenue
Albany, New York 12208

(518) 489-1117
aliceinlegaland.com
akberke@aliceinlegaland.com



* This column is provided for informational purposes only and should not be considered to be a substitute for individualized legal counsel. All legal situations are unique. Accordingly, the author of this column cannot incur any liability for the information contained within.

Advice to the Houselorn - *continued*

Back to your questions. Say "No" to the tenant who wants to "move right in" for a reduced rent. It is not a good idea. That is another whole discussion to which I could devote a whole column. Please - just take my word for it for now.

As to the tools: Start with the basics. As you get to each repair, you will find that you need additional items. At that point, you have to decide whether you want to rent, buy, or borrow that item. It makes sense to buy small inexpensive tools, as you find you need them. You can pick up many of these things at garage sales and thrift shops. When it comes to big ticket power tools, you have to make up your own mind. However, remember you are maintaining a house; you are not BUILDING one. Many items are fun toys, but they are a waste of money if you seldom use them.

Basic tools: Hammer, combination screwdriver, one each good size flat head and Phillips screw drivers for heavier work. Electric drill with a complete set of good quality bits. Heavy duty staple gun (no Dollar Store items, please). Regular pliers, needle nose pliers, channel lock pliers. Crescent



wrench, pipe wrench, open wrench (3 sizes), nut driver or a socket set. A combination wood saw (cross cut & rip blade), a hack saw for cutting metal. A couple of files - one for wood and one or two for metal, a utility knife for general cutting and sheetrock work (the kind with replaceable blades). A putty knife and a 5 or 6 inch broad knife for sheet rock work.

All of these tools have supplies which are used with them. When a job occurs, you will determine what it is you need. If it will be paint, putty, wood, nails, screws, washers, packing material, staples, electrical and duct tape is determined by the job. I have omitted the specialty items that would go with electrical and plumbing work. That is for you to decide, depending on how extensive your repairs will be.

I hope this begins to answer your questions. As situations arise, give me a call and I'll do my best to help. Do not be afraid to ask questions of me or any CDARPO member at our meetings. We are all anxious to help.

Keep those calls coming (463-4310) or send e-mail to gmm400@hotmail.com.

2010 Board of Directors

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See our reasonable rates on the web at www.cdarpo.org.

Know of a potential member or a landlord who needs help?

With their permission, send their e-mail or address to cdarpo@yahoo.com or call (518) 433-7377.

We will send them newsletters and information. Good Hunting!

CDARPO NEWS is published by the Capital District Association of Rental Property Owners.

Inquiries regarding the newsletter or advertising should be directed to:

Ray Koloski, Editor
 P.O. Box 11097, Albany, NY 12211-0097
 e-mail: rek10s@nycap.rr.com
 tel: (518) 588-6588

Proud to be a New Member of the Capital District Association of Rental Property Owners!

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CDARPO

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**E-Mail:
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Requested**

CDARPO can help.

We offer 10 newsletters each year, general meetings with professional speakers, and members with years of experience.

Next Meeting

Thursday, January 21st

Annual Dinner

Crossgates Restaurant

Details inside. You must register.

**February 11th (Albany City Code Enforcement),
March 11th, April 8th,
May 13th, June 10th**

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