



CDARPO

Capital District Association of Rental Property Owners

Newsletter June 2016



Please submit your photos and descriptions to Engels Rojas (engelsrojas82@gmail.com) or Ray Koloski (rayhats@gmail.com)

Featured Speaker(s):

President of Albany Extinguisher Sales & Services
Tom Kretzler

Next Meeting

@ *Best Western plus Franklin Square Inn*
(Across from Dinosaur BBQ)
Thursday, June 9th

Can I Afford to Buy Rental Property?

By: Emily Du Plessis

If you haven't taken the plunge into investing in rental property yet, this is a question that you have probably asked yourself. A lot of newbie investors or people interested in REI quickly write it off because they think it may take an exorbitant amount of money to buy a property. The reality is that there are a lot of different paths to investing in rental property. Each path may have a different threshold for how much money you actually need to start putting more cash in your pocket. For instance, if you decide to house hack your way to your first property (buy a house and turn it into a rental when you leave) then you can get into a property for a much lower amount of money.

If you are planning to go the traditional financing route, then you are going to have to put in a higher amount- typically 20%. But you still may be asking....Can I actually afford this? Or What can I actually qualify for? These are 2 great questions and I hope to answer both of them by focusing specifically on the second question. I should note before I go into the details, that you should most definitely meet with a certified mortgage planner to help you get an accurate idea of what you can qualify for. I'm not a CMP. (however my husband is) But if you're looking to run a quick analysis of what you can qualify for to just get an idea...follow these steps.

1. Take your total gross monthly income
 2. Subtract your monthly debts (car payments, credit cards, current mortgage etc.)
 3. Take that number and multiply it by 45%
 4. Your total monthly payment can't exceed this number.
 5. Check out mortgage charts online to see the total mortgage you can qualify for. What's this actually look like in real numbers? Check out the example.
- \$4,500 (Gross monthly income)
 -\$2,100 (Subtracted by your monthly debts)
 \$2,400 (Total)

$\$2,400 \times .45 = 1,080$ (multiply what is left by 45%- this is the typical DTI calculation)

(Continued on page 6...)



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**EPA Certified Renovator Initial (RRP I) training
EPA Certified Renovator Refresher (RRP R) training
June 2016**

CLASS SIZE IS LIMITED—REGISTER TODAY—ALL TRAININGS ARE FREE

Funding for RRP classes is provided by Albany County Department of Health, Rensselaer County Department of Health, and Schenectady County Public Health Services



Effective April 22, 2010, workers performing renovation, repair and painting projects that disturb lead-based paint in homes, child care facilities, and schools built before 1978 must follow specific work practices to prevent lead contamination and must be certified. This federal EPA Renovation, Repair, and Painting (RRP) rule applies to contractors, painters, plumbers, carpenters, electricians, window replacers, roofers, and landlords.

Trainings to become EPA certified are offered by Cornell Cooperative Extension Albany County, an EPA accredited training provider. This course is approved for purposes of certification under Section 402 of Toxic Substances Control Act (TSCA) for the respective discipline.

Upon successful completion of the **RRP Initial course** including passing an exam at the end of the class, participants are EPA certified renovators. This certification is good for 5 years. Certified renovators must take a **RRP Refresher course** before their certification expires.

Failure to comply with EPA's RRP program requirements could result in penalties of up to \$37,500 per day per violation.

Questions can be answered by:
Alex at 518-765-3529/ARK249@cornell.edu
OR Nancy at 518-765-521/NKL1@cornell.edu
PARTICIPANTS MUST PRE-REGISTER

Please register online:

https://pub.cce.cornell.edu/event_registration/mainevents.cfm?dept=201

RRP INITIAL CLASSES

June 9, 2016

Tri-City JATC

**428 Old Niskayuna Road
Latham, NY 12110**

7:45 am registration/breakfast

8:00 am - 4:30 pm training

June 22, 2016

**Steinmetz Homes Community Room
120 Emmons St.**

Schenectady, NY 12304

7:45 am registration/breakfast

8:00 am - 4:30 pm training

June 28, 2016

**Capital South Campus Center
20 Warren Street, Albany, NY 12202**

7:45 am registration/breakfast

8:00 am - 4:30 pm training

RRP REFRESHER CLASSES

June 16, 2016

Schenectady JCC

2565 Balltown Road

Niskayuna, NY 12309

7:45 am registration/breakfast

8:00 am - Noon training

New York State code officials successfully completing Cornell Cooperative Extension Albany County's 8 hour EPA RRP Initial training course will receive 8 CEUs. (Individuals must sign in, complete all paperwork, have their picture taken, pass the exam, and sign out. All students must follow these procedures to receive in-service training credit for this class.)

Name: _____ RRP Initial training _____ RRP Refresher training _____
Address: _____
City: _____ State: _____ Zip: _____
Company or Organization: _____
Phone: _____ Email: _____
Cell Phone: _____ Time: _____



Cornell University
Cooperative Extension
Albany County

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Cornell Cooperative Extension is an employer and educator recognized for valuing AA/EEO, Protected Veterans, and Individuals with Disabilities and provides equal program and employment opportunities. Please contact the Cornell Cooperative Extension Albany County office if you have any special needs.

Advice to the Houselorn

by: Mac Mowbray

This is the last article of season. It will resume in the fall with the September issue. However, I am always available by phone or e mail if you have a problem. I will probably use them in the fall unless the problems have recently been dealt with.

Colonie has a paint problem.

I have an older fourplex with lots of wooden steps and porches. I have owned this building for four or five years and I have had to paint these almost every year. This is an area of high end rentals and I really can't have things looking shabby. I have used, latex, oil, gloss, semi-gloss and NONE of it seems to hold up. I am sick of all this painting. I now know why everyone puts vinyl siding on their houses; nothing seems to hold up on wood. The latex seems to hold up well on the brick and very well on the interior walls. Not quite so good on interior wood work where frequent washing is required. What do you suggest?

Mac says: I have the same problem with my front steps. They take a beating from the salt and heavy traffic in the Winter and I have to repaint almost every year. Unfortunately, New York State has very strict rules about how paint can be formulated, both oil and latex. You have several options. Hire someone else to do the painting, use a two part epoxy, try marine paint or travel to another state to purchase paint where the rules are not so strict. It was suggested to me to mix my own paint using old time formulas. However, I don't know a thing about it. But at 75 I remember when paint lasted a LOT LONGER.

Downtown Troy also has a paint related problem.

I has just purchased a large 3 unit building which is in good shape. The flats just need painting, I have noticed that several of the ceilings which the former owner had just painted a year or two ago have many hairline cracks.

The plaster is solid and the paint is not chipping. These rooms are HUGE and I do not want to be painting every few years, especially when the tenants have filled the rooms up with their stuff. The apartments are empty now.

Mac says: Old plaster sometimes does this. No need to speculate on the reasons because there is a good solution regardless of the cause. Unless you are a professional, best no to try this yourself. It will cost you, but you probably will not have to worry about these ceiling for many years to come. Have the painter or the drywall installer put fiberglass mesh on the ceiling and skim coat it with joint compound. Make sure the person has done this before. It is NOT for amateurs. Better yet, ask to see some of his or her work. Done improperly this could be a mess. But as I said, done right, you will be pleased. This can be done with problem walls also.

None of you asked this question, however, summer brings heavy rain. Get up on those roofs and check the drains and downspouts. Make sure all the gutters are clean. We have had some windy days and leaves and those maple tree helicopters clog the drains. All you need is a summer downpour and you could have Lake George on your flat roof. Same goes for all exterior drains.

See you in the fall.

Call 463-4310 or E mail gmm400@hotmail.com

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Terrible Tenant

The Fake Landlord

On the surface, Enercida Garcia seemed to be a success story: She was a former Section 8 tenant who had become a landlord. But as a landlord, she wouldn't be allowed to continue receiving rent subsidies. She didn't like that idea.

City officials say she had her son, Victor, pose as a tenant in order to maintain the subsidies. Then she concealed from officials her ownership of the house.

In May 2002, Victor Garcia purchased a house at 70 Glen Street in Brooklyn. He applied to the state to become a landlord that could rent to tenants who receive Section 8 subsidies. He then rented to his mom, Enercida Garcia, and told authorities that the two were not related. Enercida lived in the Glen Street building with her other son, Joel Garcia. Then, in 2004, Victor transferred the title of the Glen Street house to his mom. Two years later, his mom applied for an apartment in public housing, telling authorities that she did not own nor did she have any interest in owning real estate.

An investigator from the city's Department of Investigation reviewed Victor Garcia's marriage license and found that Enercida was his mother. The investigator then cross-checked Enercida's name with Joel's birth certificate and, bingo! We have a match!

In May 2010, Enercida and Victor Garcia were accused of fraud. They have pled not guilty.

NYC's Ten Worst Tenants

By: Elizabeth Dwoskin

<http://www.villagevoice.com/news/nycs-ten-worst-tenants-6430228>

Troy's Treasure: The Tiffany Windows

Troy has the greatest concentration of Tiffany Windows anywhere in the world. Last year, we had a tour of most of the Tiffany Windows and I have heard from many who wished they had been on the tour. We are having another tour at 4 pm before the meeting on June 9th. THE TIFFANY WINDOWS. This year we are concentrating the tour on St. Josephs, which has the greatest concentration of Tiffany windows in the area. We will have an extensive guided tour and have an informational brochure. We will gather at our regular meeting place at 5:00 sharp. The tour (car will begin at 5:15 at St. Joseph's. There will be a \$10 per person charge based on at least 15 people.

Please e-mail me at rayhats@gmail.com by June 5th if you plan to attend, and the numbers. All are welcome!!! It is a great opportunity to share a Troy Treasure.



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Can I Afford to Buy Rental Property (Continued...)

E-Z Calculator Chart

To calculate payment find approximate loan on the left column then slide across to desired interest rate.**

** Example a \$225,000 loan amount at 6.5% would equal approximate principal and interest payment of \$1423.

	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%	8.50%	9.00%	9.50%	10.00%
\$125,000	\$ 671	\$710	\$750	\$790	\$832	\$874	\$917	\$961	\$1,005	\$1,051	\$1,096
\$150,000	\$ 805	\$852	\$ 899	\$ 948	\$ 998	\$1,049	\$1,100	\$1,153	\$1,206	\$1,261	\$1,316
\$175,000	\$ 940	\$994	\$1,049	\$1,106	\$1,164	\$1,224	\$1,284	\$1,345	\$1,408	\$1,471	\$1,535
\$200,000	\$1,074	\$1,136	\$1,200	\$1,264	\$1,330	\$1,396	\$1,467	\$1,538	\$1,609	\$1,682	\$1,755
\$225,000	\$1,208	\$1,278	\$1,349	\$1,423	\$1,497	\$1,573	\$1,650	\$1,731	\$1,810	\$1,891	\$1,975
\$250,000	\$1,342	\$1,420	\$1,499	\$1,581	\$1,663	\$1,748	\$1,834	\$1,922	\$2,011	\$2,102	\$2,193
\$275,000	\$1,476	\$1,562	\$1,649	\$1,739	\$1,829	\$1,922	\$2,017	\$2,115	\$2,212	\$2,312	\$2,413
\$300,000	\$1,611	\$1,704	\$1,799	\$1,895	\$1,995	\$2,097	\$2,201	\$2,306	\$2,413	\$2,522	\$2,632
\$325,000	\$1,745	\$1,846	\$1,949	\$2,054	\$2,162	\$2,273	\$2,384	\$2,498	\$2,615	\$2,732	\$2,852
\$350,000	\$1,878	\$1,987	\$2,098	\$2,208	\$2,328	\$2,458	\$2,588	\$2,691	\$2,816	\$2,943	\$3,071
\$375,000	\$2,013	\$2,129	\$2,248	\$2,370	\$2,494	\$2,622	\$2,751	\$2,883	\$3,017	\$3,153	\$3,290
\$400,000	\$2,147	\$2,271	\$2,398	\$2,528	\$2,661	\$2,796	\$2,935	\$3,075	\$3,218	\$3,363	\$3,510
\$425,000	\$2,281	\$2,413	\$2,548	\$2,686	\$2,827	\$2,971	\$3,118	\$3,267	\$3,419	\$3,573	\$3,729
\$450,000	\$2,415	\$2,555	\$2,697	\$2,844	\$2,993	\$3,146	\$3,301	\$3,406	\$3,620	\$3,783	\$3,950
\$475,000	\$2,550	\$2,697	\$2,847	\$3,002	\$3,160	\$3,321	\$3,485	\$3,652	\$3,821	\$3,994	\$4,168
\$500,000	\$2,684	\$2,838	\$2,998	\$3,160	\$3,326	\$3,496	\$3,668	\$3,844	\$4,023	\$4,204	\$4,387
\$525,000	\$2,818	\$2,980	\$3,147	\$3,318	\$3,493	\$3,670	\$3,852	\$4,036	\$4,224	\$4,414	\$4,607
\$550,000	\$2,952	\$3,122	\$3,297	\$3,476	\$3,659	\$3,845	\$4,035	\$4,229	\$4,425	\$4,624	\$4,826
\$575,000	\$3,086	\$3,264	\$3,447	\$3,634	\$3,825	\$4,020	\$4,219	\$4,421	\$4,626	\$4,834	\$5,046
\$600,000	\$3,220	\$3,406	\$3,597	\$3,792	\$3,991	\$4,195	\$4,402	\$4,613	\$4,827	\$5,045	\$5,260

\$1,080- A monthly payment, on an investment property, can not exceed this number.

***According to the chart linked to above- this payment with interest rates at 5% would allow you to qualify for a property up to \$200,000.*

Now that you are able to run a quick analysis of what you could actually afford. Now you can decide whether you want to start looking to see what is on the market. Again, I would meet with a CMP early in this process so that you're not wasting your time looking for properties that you can't afford. So the reality is, don't assume that you can't get started in rental properties because you don't have a ton of cash or you think you don't make enough. Run an analysis to see if it is possible for you and then get out and start looking. The reality is reaching your financial goals is not going to happen by simply doing nothing!

Source: <https://www.biggerpockets.com/blogs/5417/50015-can-i-afford-to-buy-rental-property>

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It's quick and easy to list your rental unit.
For additional information Albany Housing Authority at: (518) 641-7500 or on the web at www.albanyhousing.org

On resource table at meeting.



**\$0.50 each
Includes
Confirmation
Letter**

We are the Capital District Association of Rental Property Owners

**CDARPO members represent the entire Capital District –
Albany, Rensselaer, Troy, Saratoga, and Schenectady counties.**

Please join us!

Dues are \$45 emailed newsletter or \$50 snailmail newsletter.

Already a member? Renew your CDARPO membership for 2016.

Find our membership form on-line at www.cdarp.org.

Know of a prospective member or a landlord who needs help? With their permission, give their e-mail or address, call (518) 433-7377. We will send them newsletters and information.

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Display Size	3 mos	6 mos	1 year
Business Card	\$ 68	\$ 132	\$ 200
¼ Page	\$ 120	\$ 225	\$ 345
½ Page	\$ 225	\$ 375	\$ 600

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CDARPO NEWS is published by the
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Inquiries regarding the newsletter or advertising should be
directed to:

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See us at:

www.cdarpo.org

CDARPO

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CDARPO can help.

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

Next Meeting Thursday, June 9th

*Best Western plus Franklin Square Inn
(Across from Dinosaur BBQ)
Troy/Albany
7:00pm – 9:00pm*

1 4th Street
Troy, NY 12180

Meetings are held on the 2nd Thursday of each month
September – June.

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