



ARROWPOINT CHRISTMAS PARTY! We hope you are enjoying a wonderful holiday season, and we wish you the best New Year ever in 2010! This year, Linda and I hosted at our home the very first ever Arrowpoint Realty Holiday Party for over thirty of our staff and friends. Check out the photos at <http://arrowpointrealty.com/resources/2009christmasparty.html>. A great high point of the evening, along with some great filet mignon roast beef, was having Aaron Sak and Lou Rich share the story of Chanukah with everyone!

As much as a celebration of the season, the party also marked what will be this coming April, our 25th Silver Anniversary of Arrowpoint, a theme which will be appearing throughout 2010. In an era when so many real estate companies, large and small, have perished, and the majority of small businesses fail in the first year or two, this is an incredible milestone for a small firm that was started in 1985 with an initial investment of \$1500. Now we are looking forward to our 50th!!!

CLOSING OUT 2009 As I begin writing this at 11:45 pm on the night of Tuesday, December 29th, 2009, we are in the midst of another important time at Arrowpoint Realty, Inc. – the week between Christmas and New Years when we scramble to put together our annual year-end mailing. Our target is to get everything done and in the mail before we close the office for New Year's Eve (some time around 1pm, Thursday December 31st), so the year end packages can arrive during the first week of January for those over achievers among you who get your taxes done well before the April 15th deadline. Here are things to look for when your year end package arrives:

If you are a continuing client in 2010 –

- 1) **2 copies** of the **2010 Management Agreement**. Sign and return only **one** copy to Arrowpoint using the pre-addressed **green envelope**, and file the other copy for your records. You can also fax the signed contract to us at 480-947-9525 or scan and send it by E-mail to any of our agents or to Michael@ArrowpointRealty.com. There are no substantive changes in either fees or terms since last year's agreement.
- 2) A **Client Information/Update Form**. This is much more detailed than the previous version and is for use by brand new clients to provide us with information necessary to manage their rental property, but also for established clients who want to make sure all of their information is current. If you use the form, be certain to complete the **NAME** and rental property **ADDRESS** sections and return the form with your 2010 management agreement or any time afterwards.

If you had any financial activity on your property account during 2009, you will receive –

- 3) A **2009 Year-To-Date Owner Statement**, detailing an itemized listing of all financial transactions in and out of their trust accounts for the entire year.
- 4) A **12 Month Year-To-Date Revenue and Expenses Spreadsheet** which will assist in preparation of your 2009 income tax return. Remember that you or your accountant will still need to factor in mortgage interest, depreciation, insurance, property taxes, HOA dues, or any repairs, maintenance or services not paid through our trust account.
- 5) A **1099-MISC IRS form** totaling the gross income we received on your property on your behalf. The amount on the 1099 is is **NOT** the total of the owner disbursement checks we sent to your during the year. The 1099-MISC shows the total of all rents, non-refundable cleaning and non-refundable pet fees we collected from tenants on your behalf and deposited into your trust account during 1099.

If you own multiple properties under management with Arrowpoint Realty, you should also find –

- 7) A **Multiple Property Addendum** to the 2010 Management Agreement, so that you do not have to sign and return additional copies of the agreement for each of your properties.
- 8) **Unit Cash Flow Statements**, showing the separate cash flow for each of your properties.

If you feel any pertinent items are missing from your package, let us know and they will be sent to you promptly by E-mail. Conversely, if you receive a form that you do not require, simply ignore it!

HOW IS THE RENTAL MARKET? Much as the real estate market in general, the rental market continues to be soft. In

Phoenix, rental demand comes in part from new arrivals, and those have leveled off due to high unemployment and the economic downturn in general.

A BRIGHT SPOT! Typically, the slowest time of the year for long-term unfurnished properties is over the year end holidays, Thanksgiving through New Years, and immediately beyond. This year, we had a surprising run of properties getting leased after a relatively short period of time on the market.

Three properties in particular – a 1600 square foot townhome in Tempe went for \$995 per month, A 3-bedroom 1400 square foot Scottsdale Vista Townhome at 94th Street north of Cactus leased in a week for the full asking price of \$1295, and a very nice 4-bedroom 2000 square foot single family home with a pool brought \$1525 per month from a \$1595 list price. A pleasant surprise.

A CHANGE IN OFFICE STAFFING Tamra Gwyn, who served as our office manager for the past 2+ years has left to pursue a career in home health care. She will be replaced by **Melissa Reece**, a licensed REALTOR who brings to us considerable experience in property management, and familiarity with the Promas property management software we use, and also with Quickbooks, our bookkeeping software.

Melissa is scheduled to begin work on or before January 15th, once she gets relocated from Casa Grande, finds suitable housing and gets her children in school. Until then, company CEO Michael Novotny, will be doing double duty as both our broker and our bookkeeper, assisted by Chris Prieser who is filling in temporarily helping to get out the year end mailings and answer the phones.

For the time being, we will continue to use Tamra's former E-mail address, Tammy@ArrowpointRealty.com, for correspondence relating to your account, until Melissa begins and we establish a new E-mail address for her use.

NEW IN 2009 We began implementing some **new policies**, which have been disrupted a bit with the change in staffing, but which we will continue to develop in the coming year. We are calling on vendor work to see if tenants are satisfied that the work was done in a timely and workmanlike fashion. We don't have the manpower to call on every job, but **spot checking** will help insure quality control regarding maintenance and repair issues.

Back in the summer, we had our **offices repainted and brand new carpeting installed** – making for a brighter, cheerier workplace. Also, we installed a **secure wireless network**, so that agents can come into work with their laptops and instantly connect to the Internet. This is part of some long term planning trying to anticipate the new Internet-based technologies we will employ in the future.

Our biggest investment was in a new **Ricoh wireless hi-speed Multi-purpose Fax/Copier/Scanner/Printer**, which is accessible by any computer on our office network. Among many other

benefits, we are now building a scanned library of townhome and condo CC&Rs and Rules and Rules and Regulations, making them readily available for attachment to new leases.

This equipment will be even much more important in the weeks and years ahead, as we put more and more transaction documents on the Internet for you to view from our website.

We also added multi-user functionality to our Promas Property Management Software. This now permits our agents to run their own reports and answer their client's account questions without needing to wait for the Office Manager to access the data. This is already having a pronounced benefit in our daily operations.

Several of us recently took a class in the use of **FACEBOOK** as a marketing tool. We know that social networking is the communication method of choice, rapidly replacing traditional advertising and even E-mail among younger Gen-X and Ys.

For the past four five years, our Designated Broker, Michael Novotny, has served on the Board of Directors of the 32,000 subscriber Arizona Regional Multiple Listing Service, and was recently appointed Treasurer for 2010.

As a result of extensive visits to various National conferences, and the annual National Association of REALTORS® Convention and Trade Show, Michael has brought back to Arrowpoint a heightened awareness of **new technologies**, mostly Internet-based, which will be at the core of future real estate marketing venues, including residential rentals.

WHAT'S AHEAD FOR 2010? We have a number of goals in our strategic planning, some of which we had hoped to implement before year end, but which got pushed back a bit because of the staffing turnover.

Look for increasing innovation in accessing your information and and greater flexibility in receiving your owner disbursements. More about those things in the future issues of Arizona Sunlands.

Most importantly, we have never been content to rest on our laurels, or to just continue doing business as usual. Even though we are a small firm, we have long-enjoyed a fine reputation as an innovative industry leader in residential property management.

A MINOR NOTE I just discovered that the last two issues of Arizona Sunlands were labeled ISSUE 91, so one of them was actually Issue 92 – which makes this issue, Issue 93!

Best wishes for 2010,

W. Michael Novotny, Designated Broker