

# AASEW

# OWNER

Apartment Association of Southeastern Wisconsin, Inc.

E-mail: [membership@AASEW.org](mailto:membership@AASEW.org)

Website: [www.aasew.org](http://www.aasew.org)

Representing the Interests of the Rental Housing Industry in Southeastern Wisconsin



## AASEW Virtual Meetings

**AASEW has opted to go virtual.**

**Meeting invites have been going out periodically helping landlords and property managers navigate this time.**

**We ask that everyone register in advance using the links in the email so that we have a good headcount.**

**Details on how to connect to the calls will be sent out to attendees prior to the call.**

**If you missed any of the calls, meeting recaps and recordings of the seminars are available here:**

**[www.aasew.org/previous-meetings](http://www.aasew.org/previous-meetings)**

### **AASEW Mission Statement:**

**"The Apartment Association of Southeastern Wisconsin is your primary resource for education, mutual support and legislative advocacy for the successful ownership and management of rental property."**

# The Apartment Association of Southeastern Wisconsin Inc.

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Apartment Association of Southeastern Wisconsin, Inc.

PO Box 4125  
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Phone: (414) 276-7378

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## PRESIDENT'S

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## CORNER

Opening a letter from the city that shows your newly assessed property value. Might bring joy, and a feeling of wealth. Or confusion, or even worry, depending on how that assessment has changed. Why, you ask? By simply reading your City of Milwaukee tax assessment letters.

The Assessor's office says assessments reflect a strong real estate market as of Jan. 1 2020. Milwaukee's average assessment increased by 9.14% from 2019, according to the Assessor's Office. However, the city does not have the staff to visit properties every year to reassess them. A property's assessed value is determined primarily by using the sales of comparable properties in the area for the previous year. Thus, property owners can see values go up even if they have not made improvements.

Does your assessment seem inaccurate or unfounded? Do you believe your properties to be assessed at an artificially high value? The Assessor's Office suggests you file an appeal.

### **How to Appeal Your Assessment: Step-By-Step Instructions**

Property owners in Milwaukee have until 4:45 p.m. on May 18 to file an appeal of their assessments. Due to the pandemic, there won't be any in-person appeal meetings this year. The first step to filing an appeal is to contact the Assessor's Office.

*Continued on page 3*

Continued from page 2

The Assessor's Office can be reached:

- Online at [city.milwaukee.gov/assessor](http://city.milwaukee.gov/assessor)
- By email at [assessor@milwaukee.gov](mailto:assessor@milwaukee.gov)
- Phone from 8 a.m. to 4:45 p.m. Monday through Friday. The number for the hotline available from April 27 through the end of the appeal period on May 18 is 414-286-6565 while the Assessor's Office general phone number is 414-286-3651.

**You must act now, December will be too late.**

When you receive your tax bill in December of 2020 it will be too late to file an objection. Paying your taxes under protest does not constitute an assessment objection unless you have first filed an appeal with the Board of Review.

Keep in mind that your evidence must be strong enough to prove that the assessor's value is incorrect. The best evidence for this would be recent sale prices for similar properties in your vicinity. Other evidence would include a recent appraisal of your property.

**STATING THAT PROPERTY TAXES ARE TOO HIGH IS NOT RELEVANT TESTIMONY.**

Act now to ensure your options.

There will be no in-person Open Book appointments. The office will be closed to the public.

Important Dates:

- Assessment Notices mailed: 4/24/2020
- First day of Open Book: 4/27/2020
- Last day of Open Book: 5/18/2020
- Deadline to File an Appeal: 4:45PM Monday, May 18, 2020

If you wish to file an appeal, visit this website for step by step instructions:

[city.milwaukee.gov/AppealsandAssistance674.htm](http://city.milwaukee.gov/AppealsandAssistance674.htm)

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## CARES Act Eviction Restrictions Apply to More Landlords Than You Think

By Attorney Jennifer Hayden of Petrie + Pettit S.C.

We've previously discussed the impact of the recent extension of the Stay at Home Order by Governor Evers. However, under Section 4024 of the CARES Act, Landlords who have residential tenants in a "covered dwelling" that participates in a "covered housing program" (as defined in section 41411(a) of the Violence Against Women Act of 1994 or the rural housing voucher program under section 542 of the Housing Act of 1949 or has a "Federally backed mortgage loan" or a "Federally backed multifamily mortgage loan", have additional prohibitions on what they may or may not do with regard to terminating a tenancy and filing an eviction against their tenant until July 25, 2020 (120 days after the enactment date of March 27, 2020).

Just a warning, this post is a little dry and technical but the law is dry and technical so there is not a lot to work with. Try not to fall asleep as this is important.

### What is the eviction moratorium under the CARES Act?

It consists of two key provisions which contain two sub provisions.

The first provision is:

Through July 25, 2020, a landlord of a "covered dwelling" may NOT do any of the following:

(a) make, or cause to be made, any filing with the court of jurisdiction to initiate a legal action to recover possession of the covered dwelling from the tenant for nonpayment of rent or other fees or charges; or

*Translation: You can't file an eviction based on non-payment of rent or other amounts owed to you by the tenant.*

(b) charge fees, penalties, or other charges to the tenant related to such nonpayment of rent.

*Translation: You can't charge a late fee if your tenant doesn't pay rent.*

Continued on page 5

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*Continued from page 4*

The second provision is:

2. Additionally, a landlord of a “covered dwelling” also may not:

(a) require the tenant to vacate the covered dwelling unit before the date that is 30 days after the date on which the lessor provides the tenant with a notice to vacate; or

*Translation: You must give a tenant at least a 30 day notice to vacate.*

(b) issue a notice to vacate for the non-payment of rent until after the expiration of the 120 day period.

*Translation: You can't serve a notice to vacate for failure to pay rent until after July 25, 2020.*

### **So what does all of this mean exactly?**

It means that a landlord of a “covered dwelling” cannot serve a notice to vacate for the failure to pay rent until after July 25, 2020 and even if a landlord waits to serve a notice to vacate for failure to pay rent after July 25, 2020, that notice must give the tenant 30 days.

### **What is the end result of all of this?**

A landlord of a “covered dwelling” is prohibited from filing an eviction against a residential tenant until after August 27, 2020.

Interestingly, the Act doesn't mention anything about notices or evictions for non-rent breaches. Thus, it appears to leave open the possibility that a landlord can serve a 30 Day Notice for a non-rent breach during the 120 Day Period.

### **Do these restrictions apply to my rental property?**

These restrictions apply to landlords that own properties in federal housing rental programs covered by VAWA (Violence against Women Act), which includes:

- Public housing
- Section 8 Housing Choice Voucher program
- Section 8 project-based housing
- Section 202 housing for the elderly
- Section 811 housing for people with disabilities
- Section 236 multifamily rental housing
- Section 221(d)(3) Below Market Interest Rate (BMIR) housing

*Continued on page 6*



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Continued from page 5

- HOME
- Housing Opportunities for Persons with AIDS (HOPWA)
- McKinney-Vento Act homelessness programs
- Section 515 Rural Rental Housing
- Sections 514 and 516 Farm Labor Housing
- Section 533 Housing Preservation Grants
- Section 538 multifamily rental housing
- Low-Income Housing Tax Credit

### What does a “Federally backed mortgage loan” or a “Federally backed multifamily loan” mean?

The language used to define a “Federally backed mortgage loan” or a “Federally backed multifamily mortgage loan” encompasses more properties than anticipated.

The CARES Act defines a “federally backed mortgage loan” as any loan which:

1. is secured by a first or subordinate lien on residential real property (including individual units of condominiums and cooperatives) designed principally for the occupancy of from 1 to 4 families, including any such secured loan, the proceeds of which are used to prepay or pay off an existing loan secured by the same property; and
2. is made in whole or in part, or insured, guaranteed, supplemented, or assisted in any way, by any officer or agency of the Federal Government or under or in connection with a housing or urban development program administered by the Secretary of Housing and Urban Development or a housing or related program administered by any other such officer or agency, or is purchased or securitized by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association.

A “Federally backed multi-family mortgage loan” is similarly defined to include any loan other than temporary financing such as a construction loan which:

1. is secured by a first or subordinate lien on residential multifamily real property designed principally for the occupancy of 5 or more families, including any such secured loan, the proceeds of which are used to prepay or pay off an existing loan secured by the same property; and

2. is made in whole or in part, or insured, guaranteed, supplemented, or assisted in any way, by any officer or agency of the Federal Government or under or in connection with a housing or urban development program administered by the Secretary of Housing and Urban Development or a housing or related program administered by any other such officer or agency, or is purchased or securitized by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association.

So once Governor Evers’ Order prohibiting the service of notices terminating tenancy and the filing of evictions has passed on May 27, 2020, landlords that own a “covered dwelling” will still have their hands tied behind their back by the CARES Act, until July 25, 2020.

It is important to be aware that both Legal Action and Legal Aid have been requesting that Commissioners and Judges confirm that a landlord (plaintiff) is not prohibited from filing an eviction based on the CARES Act. So expect challenges on this issue and bring proof showing that your rental is not a “covered dwelling” and that you do not have a “Federally backed mortgage loan” or “Federally Backed multifamily loan” on the rental property.

It is also important to remember that like its Wisconsin Safer at Home counterpart, the CARES Act does still require the tenant to pay rent during the 120 day period. **But if they don’t, a landlord cannot do anything about it until July 26, 2020.**

[www.LandlordTenantLawBlog.com](http://www.LandlordTenantLawBlog.com)





## Why Hiring the Lowest Bidder is not Always Wise

*By Dawn Anastasi, AASEW Board Member*

Landlords like to save money, right?

Even though it's recommended to get 3 bids on any new job, hiring the lowest bidder doesn't always get you the best end result, especially when that work isn't done correctly and will lead to damage or re-work in the future.

The AASEW had a meeting about contractors and the importance of good contracts back in April 2019. If you missed this meeting, the presentation is available online at:

[www.aasew.org/previous-meetings](http://www.aasew.org/previous-meetings)

One method to finding a good contractor is to ask other landlords who they use, and why they like working with that contractor. This is why networking with other landlords is extremely important.

## Looking for Multi-Family Real Estate Financing?



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## NMHC Rent Payment Tracker Finds Rent Payment Rate at 95% of Prior Month

*National Multifamily Housing Council (NMHC)*

The National Multifamily Housing Council (NMHC) found that 89 percent of apartment households made a full or partial rent payment by April 19 in its survey of 11.5 million units of professionally managed apartment units across the country, up 5 percentage points from April 12.

NMHC's Rent Payment Tracker numbers also examined historical numbers and found that 93 percent of renters made full or partial payments from April 1-19, 2019, and 93 percent of renters in March 1-19, 2020. The latest tracker numbers reflect a payment rate of 95 percent compared to the same time last month. These data encompass a wide variety of market-rate rental properties, which can vary by size, type and average rental price.

"It is encouraging that apartment residents continue

to meet their rent obligations whether that's with the support of the federal relief funds, credit cards and alternative, flexible options provided by the industry's owners and operators," said NMHC President Doug Bibby. "But their financial security is unclear as many may not qualify for federal relief, while others are drawing down savings and facing greater financial challenges, including higher health care costs. For that reason, lawmakers need to act now to enact a direct renter assistance program."

"We are committed to working with our residents as federal relief funds begin flowing," said David Schwartz, NMHC Chair and CEO and Chairman of Chicago-based Waterton, "But that is happening on very different timetables across the country as states struggle to keep up with unemployment that approaches Great Depression levels. While April rent payments were better than anticipated, clearly, there are significant macroeconomic risks that require lawmakers to provide residents with the resources they need for household essentials such as food, shelter and healthcare."

*Continued on page 9*



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Continued from page 8

The NMHC Rent Payment Tracker metric provides insight into our residents' financial health over the course of each month, and, as the dataset ages, between months.

However, noteworthy technical issues may make historical comparisons imprecise. For example, factors such as varying days of the week on which data are collected; individual companies' differing payment collection policies; shelter-in-place orders' effects on residents' ability to deliver payments in person or by mail; the closure of leasing offices, which may delay operators' payment processing; and other factors can affect how and when rent data is processed and recorded.

Total unit counts may change as units are leased or vacated and survey methodology is refined.

NMHC Rent Payment Tracker:

[www.nmhc.org/research-insight/nmhc-rent-payment-tracker/](http://www.nmhc.org/research-insight/nmhc-rent-payment-tracker/)

The NMHC Rent Payment Tracker FAQ:

[www.nmhc.org/research-insight/nmhc-rent-payment-tracker/nmhc-rent-payment-tracker-faq/](http://www.nmhc.org/research-insight/nmhc-rent-payment-tracker/nmhc-rent-payment-tracker-faq/)

*Based in Washington, D.C., the National Multifamily Housing Council (NMHC) is the leadership of the trillion-dollar apartment industry.*

*The NMHC brings together the prominent apartment owners, managers and developers who help create thriving communities by providing apartment homes for 40 million Americans.*

*NMHC provides a forum for insight, advocacy and action that enables both members and the communities they help build to thrive.*



- ✘ Have you ever asked, "Should I do that?" or "Can they do that?"
- ✘ Do you want an attorney, but don't think you can afford one?
- ✘ Do you have an attorney, but don't call because you hate billable hours?
- ✔ What would you ask, if you had unlimited consultation on unlimited issues?

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Business Card	6	\$200
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	12	\$500
Half Page	1	\$80
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	12	\$550
Full Page	1	\$150
	6	\$600
	12	\$1,000

#### Notes:

- Ads are black and gray scale in print unless other arrangements are made. Ads will appear in color in the electronic copy of the newsletter if color ads are provided. Ads may appear in color when printed if they are on the inside back cover at the time of printing.
- If an ad is changed during a run, blocks may still be purchased, however, there will be a \$25 charge for each new/changed ad.
- Additional costs may be incurred if your ad needs to be designed or modified. Please contact the AASEW office with any questions or changes. (414) 276-7378
- Ad space for more than one run must be purchased in blocks of 6 or 12 consecutive runs, and must be paid in full to receive block prices.

## DATCP's Temporary Emergency Rule Prohibiting the Charging of Late Fees Is In Effect

By *Tristan R. Pettit, Esq.*

On, April 25, 2020, with little publicity, the Department of Agriculture, Trade and Consumer Protection (DATCP) published a temporary emergency rule (20-R-02) modifying Wis. Admin Code ch ATCP 134 ("Residential Rental Practices") creating a temporary prohibition on the charging of late fees or late rent penalties for any missed rent payments during the COVID-19 health emergency and during the 90 days following the health care emergency or until August 27, 2020 unless the public health emergency is extended.

This rule only applies to residential housing.

The emergency rule will expire at the earliest of:

1. 150 days after the emergency rule is published,
2. 90 days after the expiration of the public health emergency (which is currently set to expire on May 26, 2020) , or
3. 90 days after the rescission of the proclamation of the public health emergency.

[www.LandlordTenantLawBlog.com](http://www.LandlordTenantLawBlog.com)

There is a mandatory 45 day comment period. You can also (politely) comment at:

[docs.legis.wisconsin.gov/feedback/agencyform?cite=EmergencyRules/EmR2002](https://docs.legis.wisconsin.gov/feedback/agencyform?cite=EmergencyRules/EmR2002)

Please do not make comments that feed into the negative stereotype of landlords.

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## Rental Property Doesn't Cash Flow? What to Do If You Own a Dud

By Andrew Syrios, *BiggerPockets.com*



Just as every seasoned flipper has lost money here and there, every buy and hold investor has bought a property that just doesn't cash flow.

We recently repositioned an apartment we had owned for quite a while with the hope that the units could rent for \$895/month. Unfortunately, the apartment was right on the edge of two neighborhoods, and the lower quality one won out. We only got between \$695 and \$750/month.

While this apartment still cash flows at those rents, most often when you miss by as much as we did on that occasion, the property will not cash flow.

### So, You Aren't Cash Flow Positive—What Now?

The first thing to do in such a situation is to take the emotion out of it. Who cares if you feel ashamed of a bad purchase and think you should dump it no matter the cost? Or who cares if you really love the property and feel like you should keep it no matter what?

In business, we need to think calmly and rationally. So, we start with the dispassionate questions:

1. Does the property actually not cash flow?
2. Is it temporary?
3. Is it fixable?
4. Is it tolerable?

Let's delve deeper into each.

### 1) Does the Property Actually Not Cash Flow?

This is a question that can be approached from two sides. If a property just barely cash flows while occupied, then it doesn't actually cash flow. Eventually, the property will become vacant, and that loss needs to be accounted for on whatever cash

*Continued on page 15*

# AASEW Business Member Directory

## APPLIANCES

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## ATTORNEYS

### **Attorney Tristan R. Pettit**

Petrie & Pettit  
250 E Wisconsin Ave #1000  
Milwaukee, WI 53202  
[tpettit@petriepettit.com](mailto:tpettit@petriepettit.com)  
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### **Attorney Mary Ann McCarthy**

826 N Plankinton Suite 600  
Milwaukee, WI 53203  
[marymccarthylaw@att.net](mailto:marymccarthylaw@att.net)  
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Waukesha, WI 53186  
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t: (414) 459-4568  
[www.wsbonline.com](http://www.wsbonline.com)

## FIRE DAMAGE, FLOOD & RESTORATION

### **Giertsen Company of Wisconsin**

Lynn  
W223 N798 Saratoga Dr  
Waukesha, WI 53186  
[lynnr@giertsenco.com](mailto:lynnr@giertsenco.com)  
t: (262) 717-1300

### **ServiceMaster Kwik Restore**

Russ Otten  
2122 22nd Street  
Kenosha, WI 53140  
[OttenR@SMkwik.com](mailto:OttenR@SMkwik.com)  
t: (888) 504-6053  
[www.servicemasterkwikrestore.com](http://www.servicemasterkwikrestore.com)

### **Sid Grinker Restoration**

Shari Engstrom  
Emergency Service 24/7/365  
Milwaukee, WI  
t: (414) 264-7470

## FITNESS

### **Johnson Commercial Fitness**

Ryan Nielsen  
7585 Equitable Dr.  
Eden Prairie, MN 55344  
[ryan.nielsen@johnsonfit.com](mailto:ryan.nielsen@johnsonfit.com)  
t: 262-328-4566  
[Commercial.2ndwindexercise.com](http://Commercial.2ndwindexercise.com)

## FLOORING

### **Carpetland USA**

Troy Allgood  
1451 S 108th St  
West Allis, WI 53214  
[troya@carpetlandwi.com](mailto:troya@carpetlandwi.com)  
t: (414) 331-2851

### **Carpetland USA**

W188 N9875 Maple Rd  
Germantown, WI 53022  
[stevem@carpetlandwi.com](mailto:stevem@carpetlandwi.com)  
t: (414) 727-3000  
[www.carpetlandusaflooringcenter.com](http://www.carpetlandusaflooringcenter.com)

### **Milwaukee Carpet**

Victoria Bell  
1728 W Mitchell St  
Milwaukee, WI 53204  
[Milwaukeeecarp@sbcbglobal.net](mailto:Milwaukeeecarp@sbcbglobal.net)  
t: (414) 702-1989  
[www.Milwaukeeecarp.net](http://www.Milwaukeeecarp.net)

# AASEW Business Member Directory

## FORMS / LEASES

### **WI Legal Blank**

Steve Russell/Rick Russell  
749 N 37th St  
Milwaukee, WI 53208  
[info@wilegalblank.com](mailto:info@wilegalblank.com)  
t: (414) 344-5155  
[www.wilegalblank.com](http://www.wilegalblank.com)

## HARDWARE

### **Home Depot**

Michael Dwyer  
2% Cash Back On All Purchases  
[Michael\\_dwyer@homedepot.com](mailto:Michael_dwyer@homedepot.com)

## INSURANCE

### **P&C Insurance**

Bob Dummer  
405 N Calhoun Rd #203  
Brookfield, WI 53005  
[bdummer@pc-insurance.net](mailto:bdummer@pc-insurance.net)  
t: (262) 784-0990  
[www.pc-insurance.net](http://www.pc-insurance.net)

## LIGHTING & ENERGY

### **Energy House LLC**

Doug McFee  
N52W27222 Elizabeth Dr.  
Pewaukee, WI 53072  
[dmcftee@wi.rr.com](mailto:dmcftee@wi.rr.com)

### **WE Energies**

Missie Muth  
231 W Michigan P488  
Milwaukee, WI 53290  
[Missie.Muth@we-energies.com](mailto:Missie.Muth@we-energies.com)  
t: (414) 221-3290  
[www.we-energies.com](http://www.we-energies.com)

## PAINT & PAINTING SUPPLIES

### **Sherwin Williams**

Milwaukee, WI  
[swrep6301@sherwin.com](mailto:swrep6301@sherwin.com)  
t: (262) 549-9007  
[www.sherwin-williams.com](http://www.sherwin-williams.com)

## REAL ESTATE BROKERAGE

### **Benefit Realty**

Tamara Towns-Pozorski  
N1571 County Road H  
Palmyra, WI 53156  
[tamara@benefit-realty.com](mailto:tamara@benefit-realty.com)  
t: (262) 470-2300  
[www.benefit-realty.com/](http://www.benefit-realty.com/)

## ROOFING

### **SJS Roofing & Construction, Inc.**

Steven J. Swenson  
9825 S. 13th Street  
Oak Creek, WI 53154  
[SteveS@SJS-Construct.com](mailto:SteveS@SJS-Construct.com)  
t: (414) 899-7043 (cell)  
t: (414) 304-5089 (office)  
[www.SJS-Construct.com](http://www.SJS-Construct.com)

## SEWER / PLUMBING & DRAIN CLEANING

### **ABC Sewer & Drain**

Bill Peretz/Tammy Hammond  
4359 S Howell Ave #108  
Milwaukee, WI 53207  
[bill@abcsewer.com](mailto:bill@abcsewer.com)  
t: (414) 744-6060

### **Mattox Plumbing**

Harold Mattox  
1634 S 108th St  
West Allis, WI 53214  
[hmattox@mattoxplumbing.com](mailto:hmattox@mattoxplumbing.com)

## TITLE & SERVICES

### **Land Title Services**

Jacky Brown  
7700 West Bluemound Road  
Wauwatosa, WI 53213  
[jbrown@landtitleservices.net](mailto:jbrown@landtitleservices.net)  
t: (414) 259-5060  
[landtitleservices.net](http://landtitleservices.net)

## TOWING & RECOVERY SERVICES

### **Always Towing & Recovery, Inc**

3700 W Wells St  
Milwaukee, WI 53208  
[melgaglione@icloud.com](mailto:melgaglione@icloud.com)  
t: (414) 933-7666  
[www.alwaystowingandrecovery.com](http://www.alwaystowingandrecovery.com)

## WATER HEATERS

### **Reliable Water Services**

2400 S 102nd St, Suite 103  
Milwaukee, WI 53227  
[info@reliablewater247.com](mailto:info@reliablewater247.com)  
t: (800) 356-1444  
[www.reliablewater247.com](http://www.reliablewater247.com)

## WINDOWS & DOORS

### **Milwaukee Windows**

Ihsan Atta  
PO Box 638  
Milwaukee, WI 53201  
t: (414) 375-2020

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I've just found  
10,000 ways that  
won't work.”  
— Thomas A.  
Edison**

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# AASEW Business Member Directory

## AASEW OWNER

Would you like to submit an article for publication in the AASEW newsletter?

Here are the current submission guidelines:

Deadline for all submissions is the first of each month.

The newsletter will be delivered electronically to the membership around the 10th of the month.

Limited print copies of the newsletter will be available at the General Membership Meeting following its publication.

We are happy to accept one article per author per newsletter.

Please keep the article to approximately 500 words in length.

Any edits made to an article (generally for length) will be approved by the contributor before it is published.

All articles must be properly attributed.

The Editorial Staff reserves the right to select articles that serve the membership, are timely, and are appropriate.

## PROPERTY MANAGEMENT

### **Affordable Rentals**

Tim Ballering  
Wauwatosa, WI 53212  
[tim@apartmentsmilwaukee.com](mailto:tim@apartmentsmilwaukee.com)  
t: (414) 643-5635

### **Aspen Crossing Apartments**

Layne Hurst  
9239 N 75th St. #1  
Milwaukee, WI 53223  
[LHurst@wallick.com](mailto:LHurst@wallick.com)  
t: (614) 552-5647  
[www.wallick.com](http://www.wallick.com)

### **Bartsch Management LLC**

Brian Bartsch  
PO Box 26915  
Milwaukee, WI 53226  
[info@bartschmanagement.com](mailto:info@bartschmanagement.com)  
t: (414) 763-7160

### **Fiduciary Real Estate Development, Inc**

Steve Ciesielski  
789 N Water St, Ste 200  
Milwaukee, WI 53202  
[sciesielski@fred-inc.com](mailto:sciesielski@fred-inc.com)  
t: (414) 226-4535

### **Forest Green Realty & Management**

Sarah Auer  
Greenfield, WI 53228  
[sauer@forestgreenrealty.com](mailto:sauer@forestgreenrealty.com)  
t: (414) 425-3134

### **Horizon Management**

Becky Hildebrandt  
5201 East Terrace Drive, Suite 300  
Madison, WI 53718  
[b.hildebrandt@horizondbm.com](mailto:b.hildebrandt@horizondbm.com)  
t: (608) 354-0908

### **WJP & Associates 1, LLC**

Valerie Swenson  
705 Sunnyslope Road  
Elm Grove, WI 53122  
[valswenson1@gmail.com](mailto:valswenson1@gmail.com)  
t: (262) 787-0898

## PROPERTY MANAGEMENT

### **MPI Property Management, LLC**

6700 W. Fairview Ave  
Milwaukee, WI 53213  
t: (414) 933-2700  
[www.mpiwi.com](http://www.mpiwi.com)

### **Nimius LLC**

Dennis Schramer  
815 S. 9th St  
Milwaukee, WI 53204  
[dennis@nimiusllc.com](mailto:dennis@nimiusllc.com)  
t: (844) 464-6487  
[www.nimiusllc.com](http://www.nimiusllc.com)

### **Performance Asset Management**

Gino Passante  
2658 S. Kinnickinnic Ave  
Milwaukee, WI 53207  
[gino@pammke.com](mailto:gino@pammke.com)  
t: (414) 622.1296  
[www.pammke.com](http://www.pammke.com)

### **Porch Light Property Management**

[info@porchlightproperty.com](mailto:info@porchlightproperty.com)  
t: (414) 678-1088

### **Prospect Management Company**

224 N. 76th Street  
Milwaukee, WI 53213  
[help@pmcwi.com](mailto:help@pmcwi.com)  
t: (414) 540-0004  
[www.pmcwi.com](http://www.pmcwi.com)

### **Real Property Management Greater Milwaukee**

Kristin Rehbein  
2312 N. Grandview Blvd., Suite 210  
Waukesha, WI 53188  
[krehbein@rpmgreatermilwaukee.com](mailto:krehbein@rpmgreatermilwaukee.com)  
t: (262) 409-2050

### **Wisconsin Lakefront Property Management LLC**

Eileen Robarge  
[info@windwardcovellc.com](mailto:info@windwardcovellc.com)  
t: (866) 542-5851  
[www.lakefrontpropertyllc.com](http://www.lakefrontpropertyllc.com)

### **Please note:**

All Business Members listed in this directory are current business members in good standing with the AASEW and are offered only as such.

*Continued from page 11*

flow analysis you put together. The rule of thumb is 10%, but it depends on your market.

In addition, the property will require capital expenditures from time to time (like a new roof). These need to be accounted for as “recurring capital expenditures” or “replacement reserves” (as Wall Street calls it).

Furthermore, if a property just barely cash flows after taking vacancy and recurring capital expenditures into account, it should be viewed as highly suspect.

On the other hand, you may have a property that just had a bad year. For example, if you own a fourplex and had a wave of move outs and capital expenses, it may just be an anomaly. Under normal circumstances, the property would cash flow just fine.

Figuring out what is actually going on will require digging into the numbers and working out why it isn't (or is) cash flowing to determine whether this is a structural issue or not.

## 2) Is It Temporary?

As I write this, we are in the middle of the coronavirus outbreak and resulting economic turmoil. Black swan events are difficult to predict and can make normal business operations go completely haywire.

One estimate concluded that one-third of apartment renters didn't pay their rent in April. While we haven't seen anything even close to that, these are still obviously tough times. The question you need to ask is whether the property can cash flow under normal circumstances.

Also, consider how long you can accept the current losses you're experiencing, given we don't know how long this abnormal situation will last. If the property was cash flowing prior to this crisis, it will likely continue after the crisis has abated (whenever that will be).

## 3) Is It Fixable?

A property that doesn't cash flow might not be stuck in such a situation. Some owners, unfortunately, like to cheap out on everything. Oftentimes, this leads to a bad tenant base that won't pay rent and will trash the units. Simply upgrading the property could fix the situation.

Or perhaps there's something more creative that can be done. Can the property be rented to students for a higher monthly rate? Or can it be used for military or corporate housing? Maybe try Section 8?

Can you add an accessory dwelling unit (ADU) or turn it into a duplex? Can you subdivide the back lot and sell that? Can you charge back the utilities?

Could you make some alterations and increase the rent enough to offset the cost? For example, is there any potential for a garage conversion, attic conversion, adding a bedroom or bathroom, building a fence in the backyard, etc.?

These are possibilities you should consider before making a decision.

## 4) Is It Tolerable?

“Negative cash flow should never be tolerated!” I hear the critics yelling. Well, true enough. But you already own the property. What's done is done, and every decision has tradeoffs. If you have a decent-sized portfolio, it might make more sense to hold than to sell. That decision is based on the market.

## Determining the Best Course of Action

Ask these questions next:

1. Can you refinance your way to cash flow?
2. Is there big upside potential?
3. Should you sell?

Again, in each of these instances, dig deeper.

*Continued on page 17*



**INCLUDED:** 100 plus page manual to help you put what you learn into practice.

**Landlord Boot Camp** is taught by Attorney Tristan Pettit, who drafts many of the landlord tenant forms for Wisconsin Legal Blank.

**Landlord Boot Camp** covers everything that you need to know about residential Landlord Tenant law in Wisconsin, as amended in March 2012 by Act 143, in March 2014, in March 2016 with the passage of ACT 176, and again in March 2018 with ACT 317.

This event has SOLD OUT in the past, so please be sure to register your seat for this event.

[www.landlordbootcamp2020.com](http://www.landlordbootcamp2020.com)

You may also register by calling 414-276-7378.

**This event has been RESCHEDULED**

## Landlord Boot Camp 2020

**NEW DATE:** October 3rd, 2020

### WHERE:

Four Points by Sheraton  
5311 S. Howell Avenue  
Milwaukee, WI 53207

**TIME:** Registration opens at 7:10 am. The seminar is from 8:30 am to 5:00 pm with a 30 minute break for lunch. There will be a one hour question and answer session afterwards, ending promptly at 6:00 pm.



Attorney Tristan Pettit has given similar landlord-tenant law seminars to fellow attorneys, landlords, and property manager organizations that charge their members \$400-\$500.

This is your opportunity to learn all of the same information at a huge discount through the AASEW.

*Continued from page 15*

### 1) Can You Refinance Your Way to Cash Flow?

This isn't common, but with rates at historic lows, refinancing might be a solution in some cases. This is especially true if you have a high interest private or hard money loan on the property.

We've had bank loans in the high-5s before; right now we can refinance in the low- to high-4s. Needless to say, that type of change in interest rate can have a major effect on cash flow.

### 2) Is There a Big Upside Potential?

It's sometimes been said that the difference between investing and speculation is that investing brings in cash flow. Appreciation is a bonus, whereas speculation is simply relying on appreciation. This is, however, simplistic.

Speculation, in my opinion, is more like when you are blindly hoping for appreciation.

If you buy a property across the street from a site where a major mixed-use development is being built, you can be pretty sure it will soon appreciate considerably.

So, if you are in the "Path of Progress" and there is a very good reason to believe that your property will soon appreciate substantially, tolerating negative cash flow may be acceptable—although I wouldn't consider this approach unless you have a sizeable portfolio and other cash-flowing properties to make up the gap.

Furthermore, be careful with this. Entrepreneurs are imbibed with a bias toward optimism. Merely hoping the property will appreciate is insufficient. There needs to be a really good reason to believe it will soon appreciate—and by a large margin.

### 3) Should You Sell?

Right now, the real estate market is in significant turmoil. It's hard to tell if prices have dropped much, but sales certainly have.

Therefore, prices are likely to follow.

In this instance, it makes sense to hold off until the coronavirus lockdown is over to list a property. But that being said, don't get too cute with trying to "time the market." This is often just a euphemism for procrastination.

Furthermore, if you have a house that cash flows just barely while rented but won't cash flow overall, I would usually wait until it becomes vacant before selling. That's especially true if the property is nice enough it would attract homeowners and not just investors.

### Conclusion

Negative cash flow sucks. I can't tell you what to do in a broad sense—there are so many possible situations.

That being said, the key thing is to ignore your emotions and look at all of your options. Figure out the best path forward in a logical sense.

There are many things to consider, but do make sure you consider them all before jumping to a conclusion.

---

*Andrew Syrios has been investing in real estate for over a decade and is a partner with Stewardship Investments, LLC along with his brother Phillip and father Bill. Stewardship Investments focuses on the BRRRR strategy—buying, rehabbing and renting out houses and apartments throughout the Kansas City area. Today, they have over 300 properties and just under 500 units.*

*Stewardship Properties on the whole has just under 1,000 units in six states. Andrew received a Bachelor's degree in Business Administration from the University of Oregon with honors and his Masters in Entrepreneurial Real Estate from the University of Missouri in Kansas City.*

*He has also obtained his CCIM designation (Certified Commercial Investment Member). Andrew has been a writer for BiggerPockets on real estate and business management since 2015. He has also contributed to Think Realty Magazine, REI Club, Elite Daily, Thought Catalog, The Data Driven Investor and Alley Watch.*

## Changes to Menards Store Policy

*Information from Menards.com*

Menards has made a change to their store policy. It is now **required** that individuals who will be shopping in their store wear masks or face coverings. If you do not have a mask or face covering, Menards has masks that you will be able to purchase. Individuals without masks or face coverings will not be allowed in the store.

Menards has implemented elderly & vulnerable Guest special shopping hours. These are Monday through Saturday from 6 to 7 AM and Sunday from 8 to 9 AM.

While elderly & vulnerable Guests are welcome to shop during any of our hours of operation, this time is reserved specifically for them and Menards asks that other Guests please refrain from shopping during this time.

Menards stores continue to have reduced store hours to allow for additional cleaning and disinfecting.

Store hours:

- Monday - Saturday: 6:00am - 8:00pm
- Sunday: 8:00am - 7:00pm

Home Depot and Lowe's have not (as of this writing) required masks to be worn in their stores however they do still have reduced hours for additional cleaning procedures.

Home Depot is offering curbside pickup in their stores. After ordering online, you will receive a notification that your items are ready to pick up. Curbside pickup is available until 6:00pm daily. You will need a photo ID to use this service.

Likewise, Lowe's has also implemented a curbside pickup service.



**Eric Swanson**  
General Manager  
erics@giertsenco.com

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## BREAKING DOWN \$1 DOLLAR OF RENT

There exists a misconception that rental housing owners enjoy large margins and can continue operating in the absence of rent payments.

With so much discussion around rent payments during COVID-19, the rental housing industry would like to explain the breakdown of \$1 dollar of rent.



*Between mortgage payments and investor returns, which help support many Americans' retirement plans, and dollars put back into the apartment community to ensure quality living for residents, a rent payment is much more important than one might otherwise realize.*

Source: National Apartment Association 2019 Survey of Operating Income & Expenses in Rental Apartment Communities; U.S. Census Bureau 2015 Rental Housing Finance Survey; Real Capital Analytics; Redstone Residential

Note: Figures based on averages and approximations; because apartment community spends vary based on size and location, among other factors, one cent remains that can fall into any of the listed categories.

## Upcoming Events ...

### **AASEW General Meeting - Webinars**

Please register in advance using links sent out in emails.

The link to join the call will be sent out to registered attendees before the meeting.

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#### **Table of Contents:**

Page 2 -- President's Corner

Page 4 -- CARES Act Eviction Restrictions Apply to More Landlords Than You Think

Page 7 -- Why Hiring the Lowest Bidder is not Always Wise

Page 8 -- NMHC Rent Payment Tracker Finds Rent Payment Rate at 95% of Prior Month

Page 10 -- DATCP's Temporary Emergency Rule Prohibiting the Charging of Late Fees Is In Effect

Page 11 -- Rental Property Doesn't Cash Flow? What to Do If You Own a Dud

Pages 12-14 -- AASEW Business Member Directory

Page 16 -- Landlord Boot Camp (Rescheduled)

Page 18 -- Changes to Menards Store Policy

Page 19 -- Breaking Down \$1 of Rent

**Please watch your emails for future online AASEW events where we will discuss topics of great importance for our membership!**



**Landlord Bootcamp**

**Rescheduled to October 3rd 2020**

**Register Here:**

[www.landlordbootcamp2020.com](http://www.landlordbootcamp2020.com)