

N e w s l e t t e r

October 2006

Newsletter for
clients and friends
of SUMMiT Properties

PERSONNEL CHANGES

Joy Mena has joined our staff at SUMMiT Properties as receptionist. Joy's previous experience in mortgage lending gained her an understanding of real estate that will serve our customers well. Joy looks forward to greeting you in person or on the phone and helping to ensure your needs are met. In addition to welcoming Joy, we are also happy to announce some other personnel changes. Former receptionist, Lynn Spears is SUMMiT Properties' new Administrative Assistant. In this role she will take on a variety of administrative duties which include providing direct support for Home Owner Association management. Finally, long-time employee Tina Buxa is our new bookkeeper. Joy, Lynn, Tina and the rest of our staff at SUMMiT Properties are committed to providing each of our customers the highest level of personal and professional service available anywhere.

LET US FIND YOU THE PERFECT HOME

By Theresa Hite, Owner and Broker

SUMMiT Properties is pleased to announce the addition of Peggy Rardin as a licensed professional REALTOR®. As SUMMiT Properties' Maintenance Supervisor, inspecting and supervising building repairs, Peggy has an insider's knowledge of what makes a property a good home. Peggy is excited to be able to help both tenants looking for that first time home, and investors looking for properties with maximum earnings potential and minimal upkeep.

Peggy will be working closely with REALTOR® William Hite to make it even easier for SUMMiT to meet all your real estate needs. We believe our new team will make it easier to locate potential buyers for those who choose to sell your investment property in this "Buyer's Market". So, be sure to call or recommend SUMMiT Properties for any and all real estate needs.



IS IT TIME FOR WINDOW REPLACEMENT?

By Peggy Rardin, REALTOR® and Maintenance Supervisor

Windows add beauty and comfort to a home. However, when they fail, windows are one of the most expensive sources of maintenance problems for your investment property. They are also an expensive source of energy for the tenant. Window failures generally begin to happen in buildings over 20 years old, although symptoms frequently surface much earlier. Water can erode the masonry and structure of the property for years without detection, being absorbed by interior walls and ceilings.

As bi-annual inspections are conducted, I am paying special attention to the windows and the age of the home. This allows me to provide you with important information to help insure the integrity of your investment property. The average cost for a 1,300 sq. ft. home to replace windows throughout is about \$3,000. A sliding glass door adds about \$1,000. Please keep in mind not all homes are the same and some may require custom windows or have more windows than others, etc. This is just a rough estimate. And by starting before your windows actually fail, you can keep annual costs down by doing them a few at a time.

Well designed, accurately installed, and properly maintained windows add beauty and value to any building. But when the elements and age cause window failure it noticeably increases the costs of building operation; heating and cooling costs go up for tenants and maintenance and repair costs go up for owners. It may be time for you to start thinking about window replacement for your investment property.

\$\$\$ PROPERTY TAXES \$\$\$

The December property taxes will be paid in November. Please check your November Profit/Loss Statement to verify that a current month tax payment is shown. If SUMMiT Properties should have made the tax payment and there is NO payment shown for the current month please call Bookkeeper Tina Buxa at 448-8906, Ext. 13 as soon as possible.

COMMERCIAL REAL ESTATE STILL VIABLE DESPITE FLOODED MARKET

By Mary Ann Rollison, Commercial Property Specialist

Bay Area commercial real estate markets are becoming flooded with properties for sale, the San Francisco Business Times reported. A total of 6 million to 7 million square feet of office, industrial, and research and development space - worth between \$1 billion to \$2 billion - stretching from Solano County to Silicon Valley have been placed on the selling block in recent weeks. The decrease in investor participation ordinarily financed by the stock and bond markets due to recent trends in these markets explains why most of these properties remain on the market.

The increase in cap rates (the rate of return on investment) one would expect to accompany the flooded market is negligible. Stagnant prices in the stock and bond markets are one significant reason. The other, just as significant, is that the cost of new construction continues to force lease rates of new product upward. The beneficiaries of these phenomena are investors with existing product. With such ever broadening upside potential, investors are still able to offer their properties at low cap rates.

For more information, Mary Ann Rollison may be reached at 707-451-1251 or by email at marollison@jcis.net. Contact Mary Ann for a free investment analysis.

LOCAL NEWS

By Theresa C. Hite, BROKER, CERTIFIED PROPERTY MANAGER

- The local labor market appears quite strong with news that the number of jobs in Solano County increased by 8% since 2001, outpacing the 6.6% growth in the local labor force.
- The fate of Dixon Downs is in the hands of the Dixon Planning Commission. The complex, planned for land northeast of Dixon off of I-80, would include a state of the art horse racing track, a hotel complex, restaurants, and retail stores.
- Travis AFB received its second of 13 new C-17 Globemaster III cargo planes. The C-17 is the Air Force's premier airlifter and will join the base's two other weapon systems, KC-10 refuelers and C-5 cargo planes. However, all is not quite as positive with the announcement that the Air Force plans to trim 40,000 employees by 2009. It is not known how many of Travis' 24,498 current employees might be affected by this cut.
- California ranks as the most popular state U.S. adults would choose to live in if they could live in any state outside of their own, according to a recent Harris poll. California was followed by Hawaii, Florida, North Carolina and Texas.

RESIDENTIAL SALES AND RENTAL MARKETS

By William D. Hite, REALTOR® / Residential Property Manager

As most people know the sales market is slowing down (nearly 35 percent decline in sales for August in Solano County compared to a year ago, according to information released by DataQuick Information Systems). But what everyone might not realize is the affect this will have on the rental market.

For the last month or so we have been receiving almost daily inquires into our residential property management services. Most of these are initial probing calls by home owners who have had their property listed for sale longer than they would like or have anticipated. This is a clear indicator that many owners are getting close to their breaking point and are starting to look towards plan B.

Plan B for some means holding on to their home until the sales market is more favorable. Others will have to sell well below expectations. Many will rent or re-rent their properties. This increase of rental supply may put downward pressure on rent rates. That's not the case yet but, as always we will watch and react to whatever the market brings.

HOMEOWNER ASSOCIATION NEWS

Prior to year's end Home Owner Association (HOA) members will receive an Annual Mailing which is a packet of information including budgets, assessments, policies and procedures and much more. Littering is an unacceptable human behavior yet we are noticing a trend of increased littering within HOA complexes. If individual owners do not police the grounds the clean up has to be done by hired labor. Each homeowner pays the price. It's the time of year to have your chimney cleaned. Contact us if you'd like vendor recommendations.

SHARE YOUR FEELINGS

We really appreciate getting feedback from our customers about their experiences working with SUMMiT Properties. It keeps us on our toes and helps ensure we are truly focused on providing each of our customers an outstanding level of service. Now you can let others know how you feel through Yahoo.com. Simply enter "local.yahoo.com" in your web browser and then type in SUMMiT Properties in the "Search For" screen. By clicking on the stars you can enter your own review of our service.