CT REAL ESTATE TODAY

5 Maintenance Tips to Save You Money

Troubleshooting advice from the property management pros.

THE INVESTORS' DUE DILIGENCE CHECKLIST

Case of the Disappearing Tenant ~ A Mystery

Vacated property, belongings left behind, now what?

February 2019

Published by: CTPOA CT PROPERTY OWNERS ALLIANCE

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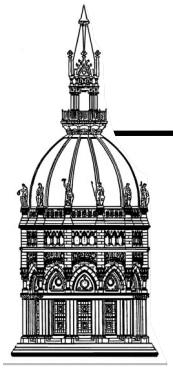

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Publisher's Message

"Helping Property Owners Since 1994" - Bob De Cosmo, President

Bob De Cosmo began purchasing and managing rental real estate in 1982 and is a strong advocate for private property ownership right's in Connecticut.

Published by CTPOA

Our goals;

Educate our members on "Best Practices" for maximum efficiency

Increase profitability by lowering operating expenses via vendor discounts

Provide access to "Core Services" needed to better manage and maintain properties

Our Team:

Emily Pacileo

Carmine DeCosmo

CTPOA
CT PROPERTY OWNERS ALLIANCE

It's hard to believe that winter is half over and just like springtime with warmer weather, the action at the State Capitol is also heating up. After the onslaught of new legislative proposals that were introduced in January, the various committees have been meeting and deciding what Bills they want to bring forward this year and see if they can become law.

Unfortunately, it looks to be an especially difficult year for the real estate investment community with so many proposed Bills that limit their rights or raise their operating costs, some of these include;

- Charging real estate buyers with a new conveyance tax when they purchase a property
- Allowing cities to levy taxes at a different rate for residential and commercial property
- Having a statewide property maintenance code that allows cities to charge fees to implement the new code
- Proposals to limit criminal record searches on tenants when leasing apartments

While there are several proposals that would help rental property owners, it appears that this legislature just isn't interested in helping the investment property community. None of the beneficial proposals so far appear to be scheduled for a public hearing, meaning they all will die early on in this session.. That's bad news because there where Bills that would have really helped, they include;

- Requiring tenants to pay rent a into court during non-payment evictions
- Eliminating judicial discretion and deviate from the statues allowing tenants to live rent free
- Required individuals to prove they actually need a companion pet
- Eliminated language in leases that most owners have shouldn't have to deal with because they don't have sprinklers in their properties

The one thing that we all can hope for is the real estate community will recognize that a lot of bad things will happen if they choose to sit back and do nothing. However some good things can happen if they decide to become active and participate with a local business or property owner group and make their voices heard at the Legislature. The session ends in early June and the real estate community should start to get proactive now.

How to Guide: Accessing Legislative Information and Bill Proposals

The following two pages detail 62 legislative proposals that will impact housing and range from a new conveyance tax on the purchase or real estate to limiting both rental increases and the ability to see a prospective rental applicant's complete criminal history….there are more but these have caught our attention early on.

Property owners and Realtors are now waking up to the reality that they must become active in the legislative process or face the potential for loss of income and business opportunity.

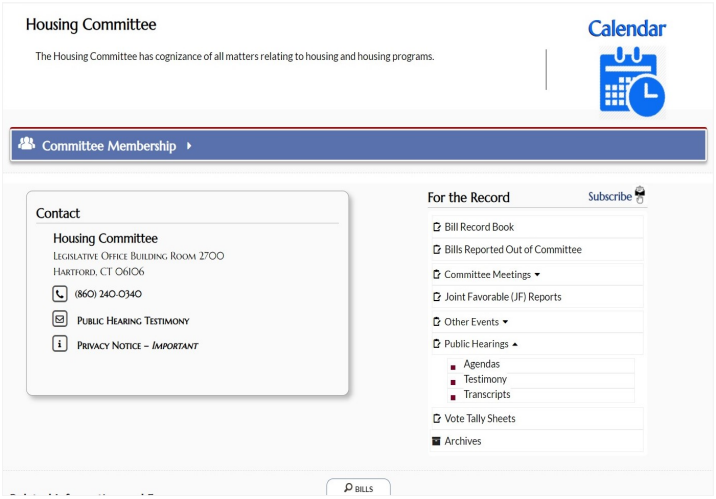
Fortunately, there is plenty of available information to make anyone a relative expert to follow along with what's occurring in real time at the State Capitol. All of the bills listed on the next pages have links to their initial proposals. Things change hourly at the Capitol so we like to advise people to get use to using the State of Connecticut's Legislative website.

Here is the link to the official State of CT legislative homepage: CT.gov.com

Official State of Connecticut Legislative Homepage.
Use the link above to access the website.

Once you get to the home page you can check the status for any Bill by scrolling to the bottom of the page where you will see a little magnifying glass in the middle of the page. Just click on the magnifying glass and enter in the Bill number that you want to search.

To check on any upcoming committee meetings or public hearings, you can find this information near the top of the page. Just click on the tab that says Committees and then select the name of the committee you want information on, i.e., Housing.



From here you can find the email address to submit written testimony on any Bill that's having a public hearing as well as link. You will also see that there is a tab for Public Hearings and when you click on it you can investigate the upcoming agenda for public hearings and see what Bills are up for consideration as well as reviewing public testimony on Bills that previously had public hearings.

You can also find much more information under session information like Committee Deadlines and the ability to do a Keyword search under Bill Information and then clicking on the Advance Bill Search link to see if any words come up in proposed legislation. You can search current legislation as well as archives by entering in the year to search.

Title	Bill
AN ACT EXTENDING THE FORECLOSURE MEDIATION PROGRAM	HB
AN ACT REQUIRING MORTGAGE LENDERS AND MORTGAGE SERVICERS TO ACCEPT AND APPLY PARTIAL MORTGAGE PAYMENTS	HB
AN ACT CONCERNING THE REMOVAL OF SATELLITE DISHES FROM RESIDENTIAL DWELLINGS.	HB
AN ACT CONCERNING THE DEVELOPMENT OF A GREEN NEW DEAL.	HB
AN ACT CONCERNING THE REMOVAL OF SATELLITE DISHES FROM RESIDENTIAL DWELLINGS	HB
AN ACT ESTABLISHING A PILOT PROGRAM AUTHORIZING MUNICIPALITIES TO IMPOSE A BUYER'S CONVEYANCE FEE ON REAL PROPERTY	HB
AN ACT ESTABLISHING A TASK FORCE TO STUDY LAWS CONCERNING COMPANION ANIMALS	HB
AN ACT CONCERNING A LANDLORD'S ABILITY TO REVIEW CRIMINAL RECORDS RELATING TO A PROSPECTIVE TENANT	S
AN ACT CONCERNING THE CONNECTICUT CLEAN SLATE LAW	HB
AN ACT CONCERNING INQUIRIES ABOUT THE CRIMINAL CONVICTIONS OF A PROSPECTIVE TENANT.	HB
AN ACT LIMITING RENT INCREASES IN CERTAIN MULTIFAMILY DWELLINGS	HB
AN ACT CONCERNING UNIFORM RELOCATION ASSISTANCE.	HB
AN ACT CONCERNING LANDLORD CONSIDERATION OF PROSPECTIVE TENANTS.	SB
AN ACT CONCERNING MUNICIPAL STORAGE OF EVICTED TENANTS' POSSESSIONS.	SB
REFERENCES TO FIRE SUPPRESSION SYSTEMS IN RENTAL AGREEMENTS.	HB
AAC A LANDLORD'S DUTY TO PROVIDE NOTICE OF FIRE SUPPRESSION SYSTEMS IN RENTAL AGREEMENTS.	HB
AN ACT CONCERNING THE RECOMMENDATIONS OF THE FAIR HOUSING WORKING GROUP	HB
AN ACT REQUIRING REASONABLE ACCOMMODATIONS FOR CERTAIN PERSONS LIVING WITH AN EMOTIONAL SUPPORT ANIMAL AND ESTABLISH-	HB
AN ACT CONCERNING THE IMPROVEMENT OF RENTAL UNIT SAFETY.	SB
AN ACT CONCERNING HOUSING ASSISTANCE	SB
AN ACT PROHIBITING THE MISREPRESENTATION OF A DOG AS A SERVICE ANIMAL.	HB
AN ACT REQUIRING THAT REGISTERED HOME IMPROVEMENT CONTRACTORS MAINTAIN LIABILITY INSURANCE	HB
AN ACT REQUIRING HEALTH INSURANCE COVERAGE FOR THE PURCHASE OF ASSISTANCE DOGS.	HB
AN ACT REQUIRING HEALTH INSURANCE COVERAGE FOR SERVICE ANIMALS.	SB
AN ACT CONCERNING THE USE OF SERVICE ANIMALS.	SB
AN ACT CONCERNING THE AUTHORITY OF A PROBATE COURT JUDGE TO EVICT A TENANT WHO UNLAWFULLY OCCUPIES REAL ESTATE THAT IS AN	SB
AN ACT CONCERNING A CLEAN SLATE THROUGH ERASURE OF CERTAIN CRIMINAL RECORDS	SB
AN ACT PROVIDING LEGAL COUNSEL TO ELIGIBLE TENANTS IN A SUMMARY PROCESS MATTER.	SB
AN ACT CONCERNING THE EXPUNGEMENT OF CRIMINAL RECORDS.	SB

Number	View Proposal	Position	Committee	Public Hearing
B # 6996	Click To Read	Monitor	Banking	2/7/2019
B# 5974	Click To read	Monitor	Banking	yes - TBD
B #5436	Click To Read	Monitor	Energy & Technology	None
B#5002	Click To read	Monitor	Energy & Technology	yes - TBD
B #5436	Click To read	OPPOSE	Energy & Technology	
B #5254	Click To Read	OPPOSE	Environment	2/4/2017
B #6638	Click To Read	SUPPORT	Environment	None
SB #54	Click To Read	OPPOSE	Housing	2/7/2019
B #5712	Click To read	OPPOSE	Housing	2/7/2019
B #5713	Click To read	OPPOSE	Housing	2/7/2019
B # 6080	Click To Read	OPPOSE	Housing	None
B # 6676	Click To Read	SUPPORT	Housing	None
B # 754	Click To Read	SUPPORT	Housing	None
B #280	Click To read	SUPPORT	Housing	None
B #5839	Click To read	SUPPORT	Housing	None
B #5846	Click To Read	SUPPORT	Housing	None
B #5431	Click To Read	Monitor	Housing	None
B #6289	Click To Read	SUPPORT	Housing	yes - TBD
B # 608	Click To Read	OPPOSE	Housing	yes - TBD
B # 686	Click To Read	Monitor	Housing	yes - TBD
B #5512	Click To read	SUPPORT	Human Services	None
B #5425	Click To read	SUPPORT	Insurance & Real Estate	2/14/2019
B #5850	Click to read	Monitor	Insurance & Real Estate	2/14/2019
B #493	Click To read	Monitor	Insurance & Real Estate	None
B #345	Click To read	SUPPORT	Judiciary	None
B #349	Click To Read	Monitor	Judiciary	None
B #353	Click To Read	OPPOSE	Judiciary	None
B #652	Click to read	OPPOSE	Judiciary	None
B #691	Click To Read	Monitor	Judiciary	None

Title
AN ACT CONCERNING A CLEAN SLATE IN THE CASE OF A CRIMINAL RECORD.
AN ACT CONCERNING THE ELIMINATION OF THE COMMISSION ON HUMAN RIGHTS AND OPPORTUNITIES
AN ACT CONCERNING A PROPERTY OWNER'S LIABILITY FOR THE EXPENSES OF REMOVING A FALLEN TREE OR TREE LIMB
A TENANT MAKE USE AND OCCUPANCY RENT PAYMENTS TO A LANDLORD WHEN THE COURT HAS PERMITTED A STAY OF EXECUTION OF JUDGMENT IN A SU
AN ACT CONCERNING THERAPY PETS IN PUBLIC BUILDINGS.
AN ACT CONCERNING ERASED CRIMINAL RECORDS AND THE REVIEW OF FIREARM PERMIT APPLICATIONS.
AN ACT CONCERNING A CLEAN SLATE IN THE CASE OF ERASED CRIMINAL RECORDS.
AN ACT CONCERNING CRIMINAL LIABILITY OF LANDLORDS FOR CRIMINALLY NEGLIGENT HOMICIDE
AN ACT CONCERNING THE ADOPTION OF THE UNIFORM PROTECTED SERIES ACT.
AN ACT ELIMINATING JUDICIAL DISCRETION IN EXTENDING A STAY OF EXECUTION OF JUDGMENT IN A SUMMARY PROCESS MATTER
AN ACT REQUIRING THE PAYMENT OF DISPUTED RENT PAYMENTS TO A COURT REGISTRY.
AN ACT CONCERNING THE ENTRY OF A MONEY JUDGMENT IN A SUMMARY PROCESS ACTION.
AN ACT PERMITTING A LANDLORD TO PROHIBIT A PERSON FROM SMOKING MARIJUANA IN THE LANDLORD'S RENTAL UNIT.
AN ACT CONCERNING THE ASSESSMENT OF CERTAIN FEES BY BUILDING OFFICIALS.
AN ACT ESTABLISHING A MAXIMUM PENALTY FOR VIOLATIONS OF MUNICIPAL BLIGHT REGULATIONS.
AN ACT CONCERNING THE ASSESSMENT OF REAL PROPERTY USED FOR RENTAL INCOME.
AN ACT CONCERNING AS OF RIGHT MULTIFAMILY HOUSING ZONES.
AN ACT CONCERNING THE STORAGE OF EVICTED TENANTS' POSSESSIONS.
AN ACT CONCERNING THE ISSUANCE OF WRITTEN WARNINGS PROVIDING NOTICE OF VIOLATIONS OF MUNICIPAL REGULATIONS AND ORDINANCES.
AN ACT PERMITTING MUNICIPALITIES TO FINE OWNERS OF BLIGHTED PROPERTIES.
AN ACT CONCERNING THE STORAGE AND AUCTION OF EVICTED TENANTS' POSSESSIONS.
AN ACT ALLOWING DIFFERENT MILL RATES FOR RESIDENTIAL AND COMMERCIAL PROPERTY.
AN ACT CONCERNING MUNICIPAL TAX APPEALS AND CONTINGENCY AGREEMENTS.
AN ACT REGULATING SHORT-TERM RENTALS.
AN ACT PROHIBITING THE SALE OF GOODS AND USE OF BUILDING MATERIALS CONTAINING ASBESTOS.
AN ACT CONCERNING USE OF A GUIDE DOG OR ASSISTANCE DOG.
AN ACT PROTECTING RESIDENTS OF SOBER LIVING HOMES
AN ACT ALLOWING FOR THE CERTIFICATION OF SERVICE DOGS USED BY INDIVIDUALS WITH MENTAL HEALTH NEEDS.
AN ACT REQUIRING CARBON MONOXIDE DETECTORS IN BUSINESSES.
AN ACT CONCERNING MULTIPLE BACKGROUND CHECKS ON INDIVIDUALS.
AN ACT REQUIRING SPRINKLER SYSTEMS IN NEWLY CONSTRUCTED TOWNHOUSES.
AN ACT ADOPTING THE INTERNATIONAL PROPERTY MAINTENANCE CODE
AN ACT ESTABLISHING FIRE DEPARTMENT INSPECTION REPORTING REQUIREMENTS.

	Bill Number	View Proposal	Position	Committee	Public Hearing
	SB # 803	Click To read	OPPOSE	Judiciary	None
	HB #5223	Click to read	Monitor	Judiciary	None
	HB #5533	Click To Read	Monitor	Judiciary	None
MMARY PROCESS ACTION.	**HB #5731**	Click to Read	SUPPORT	Judiciary	None
	HB #6699	Click To Read	Monitor	Judiciary	None
	HB #6701	Click To Read	Monitor	Judiciary	None
	HB #6907	Click to read	OPPOSE	Judiciary	None
	HB #6678	Click to Read	Monitor	Judiciary	None
	HB #5217	Click to read	SUPPORT	Judiciary	None
	HB #5730	Click to read	SUPPORT	Judiciary	None
	HB #5733	Click to read	SUPPORT	Judiciary	None
	HB#5875	Click to Read	SUPPORT	Judiciary	None
	HB #6512	Click to Read	SUPPORT	Judiciary	None
	SB #514	Click to Read	Monitor	Planning & Develop-	None
	SB #516	Click To Read	Monitor	Planning & Develop-	None
	HB #5126	Click to Read	SUPPORT	Planning & Develop-	None
	HB #5273	Click To Read	Monitor	Planning & Develop-	None
	HB #5742	Click to Read	SUPPORT	Planning & Develop-	None
	HB #6347	Click to read	OPPOSE	Planning & Develop-	None
	HB #6351	Click to Read	Monitor	Planning & Develop-	None
	HB #6560	Click to read	Monitor	Planning & Develop-	None
	HB #6745	Click to read	OPPOSE	Planning & Develop-	None
	HB #6123	Click to read	SUPPORT	Planning & Develop-	None
	HB #6937	Click to read	Monitor	Planning & Develop-	None
	SB #47	Click to read	Monitor	Public Health	2/11/2019
	SB #662	Click to Read	Monitor	Public Health	None
	HB #5136	Click to Read	Monitor	Public Health	None
	HB #5653	Click to Read	Monitor	Public Health	None
	HB #5921	Click To Read	Monitor	Public Safety	None
	HB #6159	Click To Read	OPPOSE	Public Safety	None
	HB #6571	Click To Read	Monitor	Public Safety	None
	HB #6955	Click To Read	Monitor	Public Safety	None
	HB #6350	Click To read	Monitor	Public Safety	None

Don't Miss These Tenant Screening Tips

Sample Criteria For Accepting a Tenant

By: Paul Jenney, Compliance Officer Tenant Tracks

TENANT TRACKS
161 North Main Street
www.tenanttracks.com
Waterbury, CT 06702
info@tenanttracks.com
p. 888-610-4710

These are suggestions only and not Legal Advice. Please consult with an attorney before establishing your policy.

All information on the application must be correct; any factual errors are an automatic disqualification.

The rental applicant has signed and dated a release allowing the property owner to do a background check.

Any record of certain types of drug dealing, drug trafficking, manufacture therein, or distribution is a rejection.

Any record of prostitution, illegal gambling, or any other crime that would violate your State's laws regarding illegal use of a rental property.

Any records of criminal activity that that would put the property owner or other residents at risk, including, but not limited to; sex offences, violations of the US Patriot Act covered by the Office of Foreign Asset Control or other international judicial authorities, arson, domestic violence, any other crimes of violence, weapons violations, etc.

5a. Criminal records may be reported indefinitely under the FACTA updates of 2003 but not used exclusively as a blanket means of rejecting an applicant based upon HUD Guidance released in 4/2016.

Eviction History. How long ago is acceptable? How many times? The FCRA only allows TenantTracks to report eviction records for seven (7) years….develop your own policy and keep it consistent.

Landlord History. TenantTracks may only report information obtained from owners and management companies for seven
(7) years including notices to quit, noise issues, cash for keys, etc. How many? How recent?

7a. Landlord Reference. If they are a career renter, I would ask for the last three landlord references at a minimum, and then call the second two. They have nothing to lose by giving the truth, but grill them about the information such as the last addresses they gave on that application (might be hiding something), and did they pay the rent on time/in full/ how many late payments, any problems.

Address History: Be sure to check the previous address provided by the applicant with the city assessor's website to verify the owners name matches the reference on the application. Any deceit listing previous address history should raise a warning!

Credit History. What is the minimum Credit Score to be accepted? This will vary by property. We recommend that the criteria is signed and dated and can be updated as market conditions change e.g. the rental market tanks and you lower your score to get more people (but more risk) and vice versa, if you get more applicants, you raise the score.

9a. How many thirty (30), sixty (60), ninety (90) day late payments do you allow? How many collections accounts? How many charge offs (unpaid debt)?...create your own policy and stick to it.

If employed, how long should they have been there? Can you independently confirm this? I recommend calling the HR department and faxing/emailing the release and getting them to give the information, as an alternative you can ask for a copy of their last tax return and paystubs or other proof of income.

Paul Jenney , is the Compliance Officer for Tenant Tracks and the former owner of the Info Center in Massachusetts.

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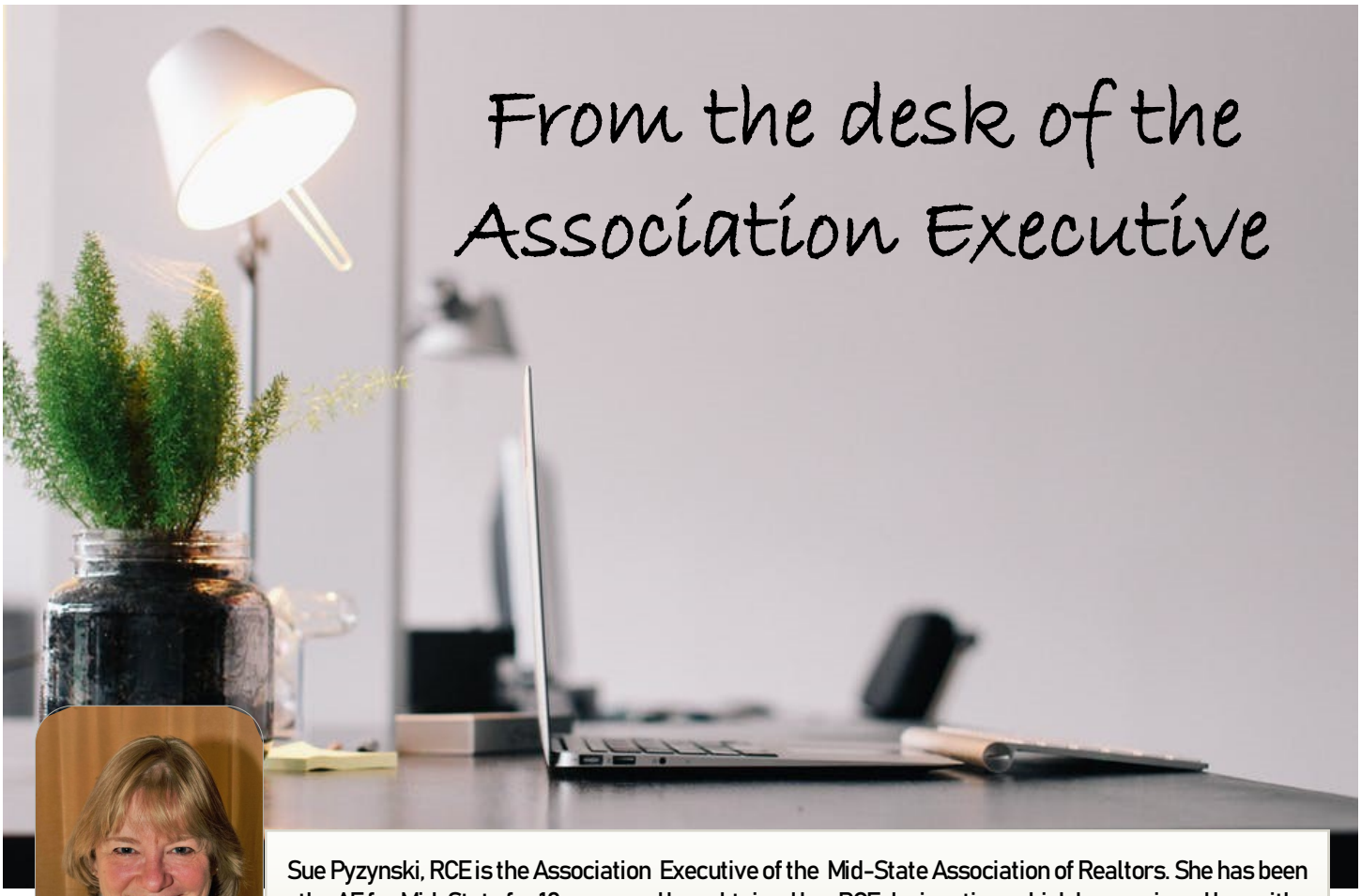

Sue Pyzynski, RCE is the Association Executive of the Mid-State Association of Realtors. She has been the AE for Mid-State for 18 years and has obtained her RCE designation, which has equipped her with enhanced skills in every aspect of REALTOR® association management. Sue has also has a Bachelors Degree in Economics. When she isn't hard at work she enjoys traveling and all things Disney.

Where Have All The Professionals Gone?

A review of the code of ethics for real estate professionals .

By: Sue Pyzynski, Association Executive Mid-State Realtors

First, I would like to compliment Bob DeCosmo and his staff for a great magazine. I think it will be well received by real estate professionals throughout the area.

There is so much chatter on social media regarding the behavior of REALTORS® lately. It is talked about at our Board of Directors meetings. It is brought up in CE Classes. But nothing seems to help. Professionalism seems to have taken a back seat to impersonal service. And I am not just talking about wardrobe. Long gone are the days of the Gold Jacket for a certain company's agents. As long as your clothes are neat and clean, what you wear doesn't matter. What matters is how you treat the other people in this profession.

One of the regular calls I get at the office is in regard to agents who make appointments to show a property then never show up, or show up hours after the scheduled time. These agents do not think to let anyone know that their plans or their client's plans have changed. They just blow off the showing. In this day of texting, how difficult is it to send a quick text to the listing agent letting them know you are running late or not going to make it? There is not a REALTOR® code of ethics stating you must keep your appointments, but the fundamental cornerstone of the code of

of ethics is the Golden Rule: "Do unto others as you would have them do unto you".

Other simple things can go a long way in showing that you are a true Real Estate professional.

- Respond promptly to inquiries and requests for information;
- If allowed, leave your business card at a property;
- Never criticize a property in front of the occupant;
- Promise only what you can deliver and keep those promises;
- Do not tell anyone what you think, tell them what you know;
- Be responsible for everyone you allow to enter a property;
- Notify the listing broker if there appears to be inaccurate information on a listing;
- Return keys promptly.

Most of all remember, Real Estate is a reputation business. What you do today, may affect your reputation and business for years to come. *

For the REALTOR® who wants to take their game to the next level when it comes to professionalism, there is a new National Association of REALTORS® certification called Commitment to Excellence. This cutting-edge program empowers REALTORS® to evaluate, enhance, and showcase the highest levels of professionalism. The program starts with a self-assessment of a REALTORS® proficiencies in core competencies and then identifies a customized path for REALTORS® to improve themselves, their knowledge and their skills. (www.c2ex.realtor). For more information regarding the C2EX program, contact your local association of REALTORS®.

We want to make sure that a REALTOR® stays central in the real estate transaction. No website should take the place of a REALTOR® and that may mean working a bit harder to show your clients how valuable your service is.

* From the National Association of REALTORS® Code of Ethics and Arbitration Manual

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Rev.09.26.18 (0918-2674) LR 2018-633

Realtor Viewpoint

The Investors Due Diligence Checklist

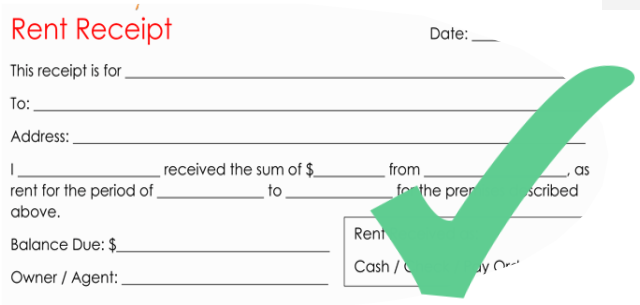
By: Michelle Lorenzetti, Investment Broker

After 15 years of brokering and hundreds of closings on multi unit and investment properties here in CT there is no story that truly shocks me anymore! The best learning comes from experience! And, of course the many colorful stories I have been told by my investors. Unfortunately pitfalls are part of the turf when it comes to purchasing income producing properties, and many of those findings absolutely SHOULD be used as negotiation points - ***BUT lessons learned are key***! To help my investors, I have compiled a due diligence checklist based on every learning and closing (and lost deals too!) over the past 15 yrs. Here and now I will share with you my top three! And supporting evidence why I prioritized these as my top three!

1. Evidence of Rents Collected

Copy of leases are not enough! I want to see the money going into the accounts, or a copy of a receipt. This also goes whether it is paid by subsidy, or some portion is subsidy and some portion is paid by the tenant. I want to know who is behind & how much, who is about to get evicted or if an eviction is already in process - how far along is it. Are they month to month or how far along into the lease. The whole reason investors buy multi unit properties is for income! So what good is it if there is no income or if it's represented as if there is income and buyer finds out later there isn't???? NEVER have I worked a deal where the income was 100% as it was represented. Sad but truth! Many times there are no records - and that is really tough because it will make the funding process challenging as well! Peel that onion and peel it hard! The positive is once you find out what the ***real*** story is you negotiate - because no buyer wants headaches!!!! This is not the experience I want my people to have. Plus, most sellers don't want to start over with someone else all over again either - so use that to your advantage!

There are many ways to work things out - couple of my favorites are an estoppel agreement tenants sign or to escrow funds after close. This protects the buyer because if in fact seller does have an eviction in process but not yet completed, or lost rent because someone behind & they claim person catching up, etc. funds can be put aside in escrow and released to the buyer to cover those figures if things don't pan out as seller represented. This can be for anything you negotiate - eviction, lost rent due to eviction, tenant not catching up on rent as seller represented, etc. **This is by far my priority #1 item that needs to be checked & checked hard!**


Rent Receipt

Date: ___

This receipt is for _____

To: _____

Address: _____

I _____ received the sum of $_____ from _____, as rent for the period of _____ to _____ for the premises described above.

Balance Due: $_____

Owner / Agent: _____

Rent

Cash / Check / Money Order

Michelle

Investors Co

Bristol,

Investme

(860) 33

(860) 51

E-mail : MichelleLore

Website: http://inves

Invest

Realtors wh

Lorenzetti

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CT 06010

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5-0681 cell

6-0180 fax

enzetti@sbcglobal.net

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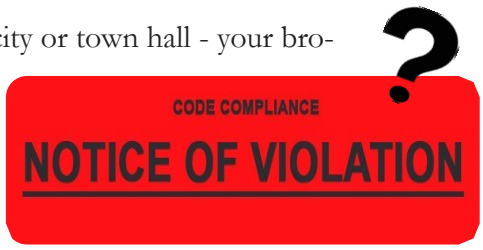
no know Real Estate Investing!

2. Confirm What You Are Buying

The most frustrating story on this one was a six unit building in Hartford where seller pointed out to us during showing where the parking was - BUT once the property conveyed we found out the parking lot was owned by the attorney next door! Seller then claimed he paid $300 a month for parking after the fact! We were never given a bill as part of due diligence, none of the disclosures or listing had this info. AND neither the appraiser OR the attorney caught it either! This was a huge problem because the entire value changed once the parking lot was no longer part of the equation! Really, this should have been communicated by the seller, AND identified when appraiser and attorney confirmed metes and bounds as part of searches and reconciling against town documents. Bottom line the question needs to be asked WHAT are you buying - the boundary lines are important especially w/ parking in city areas - also make sure you know if property in a historical district, etc. because it will cost more if you do work as it needs to comply w/ historical district requirements. What's around counts too - being next door to a car auto-body shop, dry cleaner, gas station, etc. - any possible environmental issue could be a future litigation if something happens! Totally a headache to you if you own property next door that gets affected - not good!

3. Open Permits, Violations, Last Fire Inspection

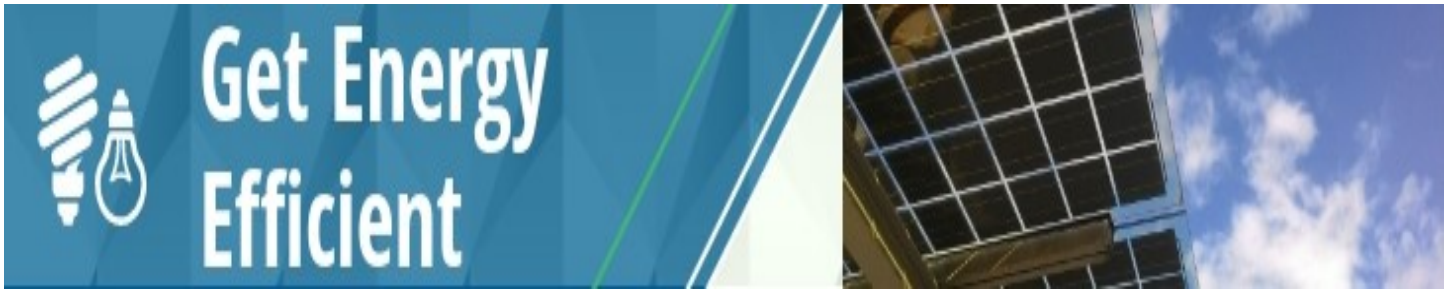


Call and/or visit city or town hall - your broker should do this. You need to know ASAP if you are inheriting a violation or even possible condemnation! Many times the records are not updated when they should have been and its an administrative issue. But, bottom line - if the seller has any open permits or violations they need to be closed and taken care of before property conveys - UNLESS its something a buyer WANTS to address on his own because he does not want to lose out on the property - I have had this happen many times as well. Sometimes you have to do what you have to do in order to be competitive but just make sure its a smart decision! Its also prudent to ask when was the last fire code inspection. All towns have different requirements. Bottom line I do not want one of my buyers having to deal with installing fire doors, etc. if that should have already been done by the seller because these requirements can become VERY VERY EXPENSIVE!

I hope you found this information useful!
If you would like a copy of my full due diligence checklist feel free to shoot me a text on 860-335-0681 or an e-mail to: michellelorenzetti@sbcglobal.net

Last, I also have over 5000 CT local/east coast investment buyers on my list so if you have a property you would like an assessment on or need a buyer for - feel free to reach out! I get a lot of off market properties for sale as well so if you would like to be added to that list let me know!

Happy Investing!



WHAT IS A HOME ENERGY AUDIT AND IS IT WORTH THE MONEY?

By: Adam Polce
Energy Auditor - HES Contractor

Is a Home Energy Audit and Home Energy Assessment the Same Thing?

Yes and no. Typically an assessment is a visual inspection that only evaluates items that do not require any testing or diagnostic equipment to determine it's efficiency rating, such as, insulation levels, window characteristics and obvious gaps and cracks that one could assume causes drafts or air leakage. Often these assessments are not performed by individuals with extensive training or certifications.

These assessors can just look at items they are trained to spot and determine if its good or bad without even knowing the cause and effect relationship of fixing these issues which could cause larger issues in the home if used. While these are easy and important items to spot and definitely on the short list of improvements in any home there is way more to evaluating a homes efficiency than just these items alone.

A home energy audit is an assessment that digs deeper into testing and relies more heavily on diagnostic equipment and training than visuals. A real home energy audit would include testing the heating system, hot water heater and other combustion appliances for carbon monoxide levels, draft and gas leaks before attempting to make recommendations for improvements. They are also typically performed by trained and certified auditors with years of experience within the industry which makes it much easier to rely on their recommendations.

What is the Cost of a Real Home Energy Audit?

Here in Connecticut, each Eversource or United Illuminating customer is eligible for an energy audit for a small copay through the Home Energy Solutions program. Oil and Propane heated homes cost $174 and natural gas and electrically heated homes cost $149. If you are wondering why in the world you would pay anyone to tell you to insulate your attic or caulk your windows when it's common sense then just hold on and keep reading.

The audit program through Eversource and United Illuminating includes a load of work that is performed simultaneously with the audit. During the 4-6hr audit, CERTIFIED, technicians will install LED lightbulbs, new showerheads, faucet aerators and pipe insulation. On top of all that they spend quite a bit of time sealing the drafts around the house they found during the testing process. Not one of these things cost you a penny. If

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About Adam

Adam has worked within the energy auditing industry since 2012. He created Maximum Home Performance in 2015 with an intention to give homeowners a more personalized approach to home improvement. Many of Adam's projects are in collaboration with realtors, builders and large multifamily and commercial building owners.

Adam Polce

Energy Auditor- HES Contractor

Maximum Home Performance LLC

1-877-827-9242

If you're still on the fence then why not throw in a heap of rebates that can be applied to insulation, replacement windows, wifi thermostats, heating systems, hot water heaters, central air, ductless heat pumps and more. In the end, you get a heck of a lot more than you pay for followed up with lower monthly utility bills.

But Wait…There's More!

One of the most important things that homeowners, realtors, and tenants can all agree on is the Home Energy Score. The Home Energy Score was developed by the Department of Energy to give an accurate energy efficiency rating for homes. Similar to the MPG rating of your car, the Home Energy Score rates your home on a 1-10 scale, 10 being the best. What scared most people when the tool launched was the fear of a bad rating. Of course, having a low score is not desirable but boosting it is way easier than you think. A good example I can share is a home I purchased late last year. The initial rating came in at 3 out of 10. Having a new high efficient boiler and on demand hot water heater installed just prior to my purchase and windows only a few years old I was really surprised it scored that low. I read through my report and to my surprise I had a very detailed list of improvements that would bring my rating up to a 9 out of 10! Insulating the attic and exterior walls and professional air sealing would be the ticket.

Of course, being in the industry, I knew that my investment of less than a couple thousand would not only improve my homes score but would also save me a substantial amount on my monthly utility bills. With the lack of education and fear of throwing a wrench in the real estate industry its no wonder that realtors were too afraid to embrace the scores.

What Is the Next Step?

There are many contractors that perform home energy audits but not all of them are approved vendors of your utility company. Choose an auditor that works through the Home Energy Solutions program and performs the work themselves so to avoid subcontractors and third-party issues. Visit www.energizect.com to find a local contractor near you or call 1-877-WISE-USE to speak to a representative that can help you personally.

What's Happening Near You?

The Statewide Events and Meetings calendar is a resource for local landlords and property owners to meet up, network and grow your real estate opportunities.

Get Involved, Stay Informed.

February 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18 CT REIA	19	20 Greater Bridgeport Property Owners Assoc.	21	22	23
24	25 Greater New Haven Property Owners Assoc.	26	27 Fairfield County Real Estate Investor Meet-Up	28		

EVENTS & SOCIAL MEETINGS

Greater Bridgeport Property Owners Association

Next Meeting :
February 20, 2019

Time: 6:00PM

Where: 61 Hurd Ave, Bridgeport, CT 06604

President: Richard Deparle

Contact # 203-333-4103

About Us:

The Greater Bridgeport Property Owners Association (GBPOA) is a coalition of responsible owners who have united to create fair and effective housing laws and promote safe, clean, affordable housing.

We distribute information intended to educate and inform property owners about evictions, lead issues, laws and legislation, municipal policies, leases, rental paperwork, loans, grants and tax issues.

The GBPOA creates a forum for property owners to network with each other. The GBPOA membership gives this association a voice with businesses, contractors, the City of Bridgeport and the surrounding communities and the Connecticut State Legislature.

Greater New Britain Property Owners Alliance

Next Meeting :
March 7, 2019

Time: 5:00pm

Where: Elks Club 30 Washington St. New Britain

President: Frank Maccarone

Contact # 860-827-1100

About Us:

The Greater New Britain Property Owners Alliance is comprised of Realtors, landlords, investors and property managers in the greater New Britain.

Our monthly meetings usually consist of a guest speaker talking about topics relevant to our membership.

Greater New Haven Property Owners Association

Next Meeting :
February 25 , 2019

Time: 6:30pm

Where: City Hall

165 Church ST New Haven

President: Doug Losty

About Us:

The Greater New Haven Property Owners Association is an association of landlords, real estate investors and property managers doing business or interested in doing business within New Haven County, CT.

Our monthly meetings usually consist of a guest speaker talking about topics relevant to our membership.

Fairfield County Real Estate Investor Meet-Up

Next Meeting:

February 27 , 2019

Time: 7:00PM

Where: Grace O'Malley's
1494 Post Road, Fairfield CT

Manager: Travis Prezioai

About Us:

Real Estate Investors of all types get together to share best practices, build relationships, develop mutual resources, and to stay active in the general Connecticut Real Estate Investment community.

There are no formal presentations, though everyone has a chance to introduce themselves to the rest of the group! From fix n' flippers to large-scale property owners, part-time investors, and those just getting started.

Central CT REI Meetup/ SoCT REIA

Next Meeting:

March TBA

Manager: Deirdre Virvo

About Us:

Central CT REI meetup is part of SoCT REIA for Real Estate Investors, new and seasoned, looking to meet like-minded individuals.

Education, Networking & Empowerment is the goal of SoCT REIA. We welcome investors of all levels and backgrounds as well as contractors, real estate attorneys, inspectors, landlords, private money lenders, insurance brokers, and anyone associated with the Real Estate investing industry!

Greater Enfield Landlords Association

Next Meeting: March 6, 2019

Topic: Networking

Time: 7:00

Where: Enfield Town Hall
820 Enfield ST

President: Joe Mollica

Contact # 860-916-1259

About Us:

Our members still are primarily small property owners while others of us have expanded into apartment complexes and commercial establishments.

We have banded together for the common good, to maintain and preserve affordable housing, and to promote safe, clean, and decent housing while striving to see that our housing laws also remain fair and equitable to landlord and tenant alike.

Our organization disseminates information that helps to educate landlords. We regularly host guest speakers who present timely information on landlord-related topics. We also keep our membership informed through the distribution of occasional notices, emails or information packets.

EVENTS & SOCIAL MEETINGS

Norwich Property Owners Association

Next Meeting:
March 7, 2019

Topic: Networking

Time: 7:00

Where: Dime Savings Bank
820 Enfield ST

President: Sophie Norblick

Contact # 860-889-2058

About Us:

The Norwich Property Owners Association (N.P.O.A.) is a coalition of responsible Norwich Property Owners who have united to create fair and effective housing laws and promote safe, clean, affordable housing.

NPOA distributes information intended to educate and inform property owners about evictions, lead issues, laws and legislation, municipal policies, leases, rental paperwork, loans, grants and tax issues. NPOA creates a forum for Property Owners to network with each other.

CT REIA

Next Meeting:
February 18, 2019

Topic: Building Your Passive Income Machine

Time: 6:00pm

Where: Sheraton Four Points

275 Research PKWY, Meriden, CT

About Us:

CTREIA was created to serve Connecticut real estate investors and rehabbers with high quality networking, education and hands-on learning opportunities as well as top grade vendors to do business together with. We strive to listen to the needs of our members and bring solutions to every meeting along with great opportunities to network, sell properties, and do business amongst each other.

Greater Waterbury Property Owners Association

Next Meeting : TBA

About Us:

The Greater Waterbury Property Owners Association (GWPOA) is a coalition of responsible owners who have united to create fair and effective housing laws and promote safe, clean, affordable housing.

The GWPOA creates opportunities for property owners to network with each other. The association acts as a voice with businesses, contractors, the City of Waterbury and the surrounding communities and the Connecticut State Legislature.

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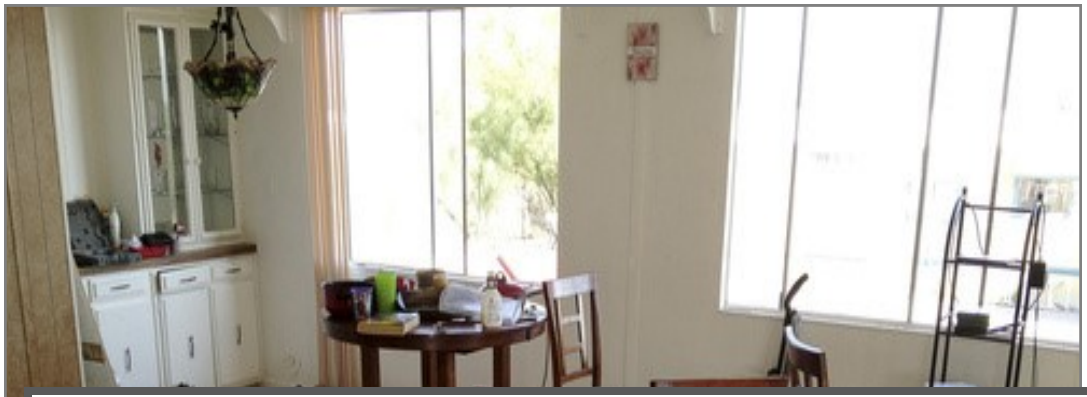
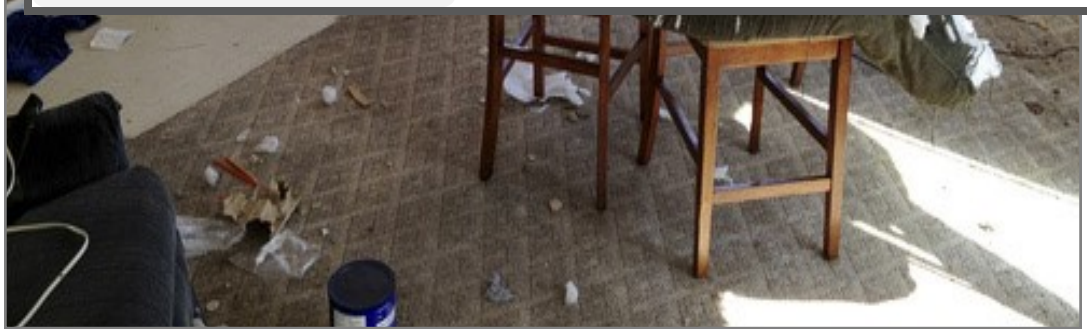
The Legal Corner



VACATED PROPERTY, NOW WHAT?

Case of the Disappearing Tenant ~ A Mystery

BY: MICHAEL H. CLINTON, ESQ.



The clock strikes ten and the typical hum of fax machines and copiers is abruptly shattered by the shrill ringing of the phone at attorney Igor M. Smart's desk. Turning from his morning latte, he snaps shut his morning newspaper and swings his feet down from his desk. Grabbing the phone off the cradle, he thinks to himself "who could be calling so early on a Friday morning?"

Using his most professional and cheerful voice, attorney Smart sings out "Hello, this is Igor Smart". On the other end a gruff voice blurts out, "Smart? Is this Smart? I can't hear you I am on my car phone." It's a typically bad connection and the unhappy caller is yelling into his phone, "can you hear me now?" over and over. "Yes, yes, yes, I hear you" Smart shouts unnecessarily into the phone. On the other end of the line is Richard Holder, one of Smart's new landlords.

"Attorney Smart, my tenant abandoned his unit… can I change the locks?" asks the breathless caller, sounding as if he is running instead of driving. His mind crunching the law and issues, Attorney Smart ponders this seemingly easy question. Being your typical skeptical lawyer, Attorney Smart figures there must be some catch… "I mean, why call me if the person abandoned the property?" Smart muttered to himself. "What? I can't hear you" the caller shouted over the sound of his engine racing and car horns blaring to indicate that he is a typical landlord hurrying from one fire drill to another. "Nothing" Smart says.

Regrouping, Smart sips his steaming latte and begins the process of analyzing the situation. "Dick" says Smart, "its not that easy, let me ask you a few questions." "Okay" shouts Dick thinking the yelling will improve his connection. Holding the blaring phone away from his ear, Smart asks "Dick, did they give you the keys?" "No" says Dick. "Okay, did they remove all of their property from the unit?" "Basically" responds Dick. "No offense, but the Devil is in the details" retorts Smart. "What does 'basically mean?" asks Smart. Irritated to have to explain himself, Dick replies "they left a bunch of junk". "You know, a bed, a dresser, the fridge is full of old Chinese and rotten food." "Anything

stuff?" "Yes, and you have to inventory the stuff you store" replies Smart. "But, once you follow these steps, you can get possession of your unit in ten days, and you are protected from a claim that you illegally entered and took possession of the property. This is obviously better than going through the whole eviction process, right?" asked Smart. "Yeah, I guess so" replies a less than enthusiastic Dick, "let's give it a try."

"Now that's the spirit" replies Smart looking at his watch. "We can get started on Monday." "Monday?" asks Dick, "why so long?" Thinking fast on his feet, Smart grabs his golf hat and the putter that he keeps in the corner, and replies "I have a very important meeting at 11:12am this morning that I simply can't be late for."

Attorney Michael Clinton limits his landlord/tenant practice solely to landlord representation. Attorney Clinton has been practicing law since 1988 and primarily limits his practice to landlord/tenant law, commercial and residential real estate, including purchase, sale and refinancing, estate planning, small business formations and representation, and general litigation.

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212A New London Turnpike
Glastonbury, CT 06033
(860) 633-5263
Visit us at: www.ClintonLawOffices.com

Confession: Attorney Igor M. Smart and the Landlord Richard Holder in the story are fictional and any resemblance to people you may or may not know is merely coincidence. The statute however is real.

Here is the relevant language: C.G.S. § 47a-11b. "Abandonment of unit by occupants. Landlord's remedies: For the purposes of this section, "abandonment" means the occupants have vacated the premises without notice to the landlord and do not intend to return, which intention may be evidenced by the removal by the occupants or their agent of substantially all of their possessions and personal effects from the premises and either (1) nonpayment of rent for more than two months or (2) an express statement by the occupants that they do not intend to occupy the premises after a specified date. (a) If all the occupants abandon the dwelling unit, the landlord may send notice to each occupant at his last -known address both by regular mail, postage prepaid, and by certified mail, return receipt requested, stating that (1) he has reason to believe that the occupant has abandoned the dwelling unit, (2) he intends to reenter and take possession of the dwelling unit unless the occupant contacts him within ten days of receipt of the notice, (3) if the occupant does not contact him, he intends to remove any possessions and personal effects remaining in the premises and to rerent the premises, and (4) if the occupant does not reclaim such possessions and personal effects within thirty days after the notice, they will be disposed of as permitted by this section. The notice shall be in clear and simple language and shall include a telephone number and a mailing address at which the landlord can be contacted. If the notices are returned as undeliverable, or the occupant fails to contact the landlord within ten days of the receipt of the notice, the landlord may reenter and take possession of the dwelling unit, at which time any rental agreement or lease still in effect shall be deemed to be terminated. (b) The landlord shall not be required to serve a notice to quit as provided in section 47a-23 and bring a summary process action as provided in section 47a-23a to obtain possession or occupancy of a dwelling unit which has been abandoned. Nothing in this section shall relieve a landlord from complying with the provisions of sections 47a -1 to 47a-20a, inclusive, and sections 47a-23 to 47a-42, inclusive, if the landlord knows, or reasonably should know, that the occupant has not abandoned the dwelling unit. (c) The landlord shall inventory any possessions and personal effects of the occupant in the premises and shall remove and keep them for not less than thirty days. The occupant may reclaim such possessions and personal effects from the landlord within said thirty-day period. If the occupant does not reclaim such possessions and

personal effects within thirty days after the notice, they will be disposed of as permitted by this section. The notice shall be in clear and simple language and shall include a telephone number and a mailing address at which the landlord can be contacted. If the notices are returned as undeliverable, or the occupant fails to contact the landlord within ten days of the receipt of the notice, the landlord may reenter and take possession of the dwelling unit, at which time any rental agreement or lease still in effect shall be deemed to be terminated. (b) The landlord shall not be required to serve a notice to quit as provided in section 47a-23 and bring a summary process action as provided in section 47a-23a to obtain possession or occupancy of a dwelling unit which has been abandoned. Nothing in this section shall relieve a landlord from complying with the provisions of sections 47a-1 to 47a-20a, inclusive, and sections 47a-23 to 47a-42, inclusive, if the landlord knows, or reasonably should know, that the occupant has not abandoned the dwelling unit. (c) The landlord shall inventory any possessions and personal effects of the occupant in the premises and shall remove and keep them for not less than thirty days. The occupant may reclaim such possessions and personal effects from the landlord within said thirty-day period. If the occupant does not reclaim such possessions and personal effects by the end of said thirty-day period, the landlord may dispose of them as he deems appropriate. (d) No action shall be brought under section 47a-43 against a landlord who takes action in compliance with the provisions of this section."

FINAL NOTICE

Under the law, anyone aggrieved by a property tax assessor's actions can appeal those actions to the town's board of assessment appeals.

Appeal Filing Window

February 1st-20th

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Lead Paint: A Licensed Lead Inspector & Landlords' Viewpoint

By: Maureen Monaco,
Gilbertco Lead Inspections LLC.

As a property owner, I have learned that there are two ways to manage income property. One way is to be **proactive**, maintaining the property well and paying attention. The other way- infinitely more expensive- is to be reactive. As a lead inspector, I always dread those reactive calls- the ones where a child has an elevated lead level or an official letter has arrived from the local Health Department. Tempers rise, people point fingers, and someone has to spend a large amount of money or be relocated before the issue gets resolved. A child's attention deficit disorder, trouble with math, or anemia might have been avoided if someone was more attentive or proactive. If only someone knew what to look for.

The proactive calls have changed over the years. I rarely get the "I grew up with lead and I'm fine" statement anymore. I now hear stories of "my nephew or my neighbor tested high but the problem was resolved and he is fine now". Consumers, realtors, and property owners are much more informed and savvy when it comes to lead issues. The smart proactive landlords have their property tested to identify the location and condition of lead-based paint prior to renovating or leasing. Having a third party document the condition of an apartment, then informing the tenant before turning the apartment over is just common sense. The tenant cannot be responsible unless the landlord is responsible first. Anticipating potential lead hazards is the landlords' responsibility.

Replacing old windows when the apartment is vacant, in between tenants for example is a top priority in controlling lead hazards. It can save time when an abatement plan requires Historic Notification prior to local Health Department approval. Proper cleanup after any renovations seems common sense, but its too easy to do a cursory cleanup and hope no one looks in air vents or window wells. Leaving old carpeting full of lead dust is a recipe for trouble but so is a wood floor full of gaps and spaces. Look at the picture above- a pile of paint chips left on a homeowners sink. A lead inspector can walk you through effective cleaning strategies.

Pre-purchase inspections that identify lead in windows, for example, can be invaluable in negotiations to make a good deal turn into a great investment opportunity. Likewise, identifying and remediating lead hazards prior to listing with a realtor can be a strong selling point.

Some insurance companies will allow the extension of liability to a rented dwelling after receiving confirmation the dwelling is lead safe by a certified lead inspector. Typically, the cost of a lead safe certification is offset by the reduction in insurance premium for a policy written on a dwelling fire package such as this. In other instances, lead liability may be automatically excluded from a typical commercial ir rented dwelling policy, and therefore, the lead safe certification could be an important risk management practice to reduce potential liability from lead exposure. (This general information is based on my industry experience. Please contact a licensed lead insurance agent for specific coverage and policy questions, availability, etc.)

The cost of demolition projects can be dramatically reduced when properly planned. While homeowners are allowed a ten-yard exemption for disposal of construction debris, a contractor in CT must dispose of

Lead Base Paint Inspection and Compliance

- Prepurchase Inspections
- Insurance Certificates
- Day Care Licensing
- Demolition
- Pre-Renovation
- Child Lead Poisoning

Gilbertco

287 Main Street, Ansonia, CT 06401

1-800-959-2985

Maureen Monaco - Consultant Contractor #270, Lead Inspector Risk Assessor #1172, Project Planner/ Lead Designer #2152, Lead Abatement Supervisor #2383

lead-based painted surfaces as hazardous waste. This can be in the neighborhood of $7000 per ten cubic yards. A lead inspector can characterize the waste stream to segregate different components to reduce the outrageous fees of hazardous waste disposal. Individual component testing with an XRF device or composite testing via a TCLP test (Toxic Characteristic Leaching Procedure) can produce invaluable information to plan your project.

Several federally sponsored programs such as small city grants known as CDBG- Community Development Block Grants mandate a lead hazard assessment. Abatement or remediation requirements depend on the level of funding and would require applicant qualifications. Currently, Gilbertco Lead Inspections work with fifteen towns that have funding through CDBG which may be administered through a hired administrator or through the city economic development program. Local Health Departments may also run a lead hazard grant reduction program such as NauVel program through the Naugatuck Valley Health Department.

Speaking of abatement, remediation, and hazard reduction, some definitions need to be clarified. Abatement is a highly regulated activity in response to a child with lead poisoning. Guidelines are outlined in CGS 19a-111 and apply to residential housing built before 1978 also known as target housing , where a child under the age of six resides. The parameters of defining lead poisoning or a response to a child with an elevated lead are in transition with lower levels requiring action. The terms remediation and interim controls apply to renovations that may result in removal of lead painted surfaces as a consequence to restoration or rehabilitation. This work is regulated by the EPA. The EPA's Lead Renovation, Repair and Painting Rule (RRP Rule) applies to firms performing renovation, repair, or painting projects that disturb lead-based paint in home, child care facilities and preschools built before 1978. The rule requires firms to be certified by the EPA, use certified renovators who are trained by EPA- approved training providers and follow lead-safe work practices. This applies to those activities disturbing more than six square feet of paint per room, twenty square feet on exterior surfaces, or performing window replacement. Lead Hazard Reduction or Interim Controls can be anything from installing vinyl flooring to repainting a basement window.

Lead has been used as a constituent in many products and applications since antiquity, not just in paint. Car batteries, keys, plumbing, safety paints, ceramics, and jewelry are just a few items that still may contain lead. Spices and cosmetics have also been identified as products that contain this hazardous material. Many sources can expose people to lead, sometimes resulting in serious consequences, particularly in children.

While exposure to lead is a concern for all, childhood lead -poisoning is one of the most common and preventable pediatric health problems in the United States today. Professional lead inspectors keep current with the latest technologies for testing lead in paint and for identifying lead hazards. They have the know-how to make a surface by surface inspection and produce readable and understandable documentation, giving you the ability to plan and implement your project and help you when your project goes awry. These are invaluable reasons to hire an experienced professional to keep your investment property an asset and allow you to remain the master of your own destiny.

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Branch Sales Manager

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An Overview:

Tax Rules for Renting Our Part of Your Home

By: Safietou D. Russell, Certified Public Accountant and IRS Enrolled Agent

With the advent of online sites such as Airbnb and VRBO, many individuals have taken to renting out their first or second home through these online rental sites, which match property owners with prospective renters. If you are doing that or are planning to do so, there some special tax rules you need to know.

If you rent part of your property, such as a room or a portion of the house, you must divide certain expenses between the part of the property used for rental purposes and the part of the property used for personal purposes, as though you actually had two separate pieces of property. You can deduct the expenses related to the part of the property used for rental purposes, such as home mortgage interest and real estate taxes, as rental expenses. You can also deduct as a rental expense a part of other expenses that normally are nondeductible personal expenses, such as utilities and home repairs (such as painting the outside of your house).

You do not have to divide the expenses that belong only to the rental part of your property. For example, if you paint the room that you rent or pay premiums for liability insurance in connection with renting a room in your home, the entire cost is a rental expense. If you install a second phone line strictly for your tenant's use, all of the cost of the second line that you pay is deductible as a rental expense. You can also deduct depreciation on the part of the property used for rental purposes, as well as on the furniture and equipment used for that purpose.

Generally, the most frequently-used methods of allocating expenses between personal use and rental use are: (1) based on the number of rooms in the home, and (2) based on the square footage of the home. You can use any reasonable method for dividing the expense. It may be reasonable to divide the cost of some items (for example, water) based on the number of people using them.

Rented for Fewer Than 15 Days during the Year – When a property is rented for fewer than 15 days during the tax year, the rental income is not reportable, and the expenses associated with that rental are not deductible. Interest and property taxes are not prorated, and the full amounts of the qualified mortgage interest and property taxes are reported as itemized deductions (as usual) on the taxpayer's Schedule A.

The 7-Day and 30-Day Rules – Rentals are generally passive activities. However, an activity is not treated as a rental if either of these statements applies:

A. The **average** customer use of the property is for 7 days or fewer—or for 30 days or fewer, if the owner (or someone on the owner's behalf) provides significant personal services.

B. The owner (or someone on the owner's behalf) provides extraordinary personal services without regard to the property's average period of customer use.

If the activity is not treated as a rental, then it will be treated as a trade or business, and the income and expenses, including prorated interest and taxes, will be reported on Schedule C instead of Schedule E, the IRS form used to report longer-term real estate rentals. IRS Publication 527 states: "If you provide substantial services that are primarily for your tenant's convenience, such as regular cleaning, changing linen, or maid service, you report your rental income and expenses on Schedule C." Substantial services do not include furnishing heat and light, cleaning public areas, collecting trash, and such.

These rules can be complicated; contact me today to setup a complimentary 30-minute phone consultation to determine how they apply to your particular circumstances and what actions you can take to minimize the tax liability and maximize the tax benefits from your rental activities.

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Website Development: Choosing The Right CMS

By: Lukasz Pawlowski, Head Programmer Tenant Tracks
Contact Lukasz at: info@sailingbyte.com

In last 20 years development of how websites are built has changed completely. From the simple text files of the past when everything had to be done manually, to the power of PHP and JavaScript, and then the first CMS systems to advanced visual tools. Currently there are many different CMS systems, that differ a lot in functionality, some with a built-in set of tools. But, first things first, let's take a closer look at CMS itself.

What is CMS?

CMS stands for "Content Management System". So, as its name indicates, it allows users to manage some content – for example articles, media, users, and so on. For our needs we can narrow down this definition to WCMS, which stands for "Web Content Management System". So essentially, it's a system, that allows you to, with relative ease, manage content of your website along with other elements connected to it.

What Are My CMS Options?

There's a lot to choose from and there are many ways to divide them into categories. The easiest way to divide them is open source (their code is publicly available) and proprietary (they are owned by company and sold on their terms). Most known systems you can think of are Wordpress, Joomla, Drupal, Oracle WebCenter, Magento or Kentico.

While may seem at first sight, that open source CMS are a good option (because of plugins or because of price), in the long term they actually have some significant limitations – so your choice should be thought trough and considered based on your specific needs.

Performance

Open source CMS are written in a way, that they allow you to do a lot. But this also means, that they are not optimized for performance – they often need to load a lot of dependencies to work properly. They are also not free from backward compatibility, which adds a lot of code to stack, that could've been avoided. Completely unnecessary requests to database take up your visitors time and increase website loading time.

Extendibility

Some open source CMS have repositories full of plugins. These plugins can greatly extend basic functionality of CMS adding extra options that can be helpful. But there are a few problems with this: anyone can post a plugin. This results in homemade codes being published, that are neither secure, nor properly written. Any modifications to a plugin can lead to a lot of additional work, digging through code, paying extra to developers for help or breaking compatibility with a system update. Most of website hacks happen not because of security issues within CMS, but in the plugins!

On the other hand commercial or proprietary CMS systems often have their own repositories of extensions too. The difference is this code is always developed by professionals, which means more security and consistency between plugins. Modifications done for client can be tailored exactly to user needs without breaking any compatibility; so it's a win-win situation.

Licensing

Open source software is often based on licenses, which complicate commercialization of projects under some circumstances. Also, on some licenses you are forced to publish all the code you have written or paid for! But what if the code must contain information or know-how that is patented or has to be especially secured?

Proprietary CMS systems do not suffer such limitations. Especially if some coding work is being done specifically for you, you can agree on licensing with your development team. And you can be sure that elements flow and are treated with proper care and are secure.

What CMS Is Right For Me?

A lot depends on your actual needs. But in general, in some cases open source CMS systems can be safely used. Although you must take into account, that they require more work from you – along with possible problem solving or changing plugins code. But if you are looking for very professional coding or some advanced data processing, then proprietary software is your way to go.

If you need some help choosing a CMS, you can fill in this form: https://goo.gl/forms/3ySCjTwcmrn5oFWH3 and we will reply to you with our recommendation.

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4 Tips to Expedite the Home Loan Process

By: Marion Szarzynski, Mortgage Loan Originator - HomeBridge

Homebridge Financial Services knows buying a home is one of the biggest decisions in life. For many home buyers, the experience can be stressful, intimidating and confusing. We are here to change that. For over 25 years, families have chosen HomeBridge to help make their dream of homeownership a reality. They have put their trust in our team of highly skilled and experienced associates to make their home buying, refinance and renovation experience simple, transparent, affordable, and easy. We are here to help expedite the home loan process throughout by:

- ☑ Gaining a credit approval while shopping for a home
- ☑ Taking advantage of today's lower interest rates by securing a rate lock before a property is chosen
- ☑ Submitting all requested paperwork as quickly as possible and exactly as directed
- ☑ Allowing a shorter closing time frame built into the contract once a property is chosen if fully approved.

Once the contract is fully approved and a contract is agreed upon, only the items left to complete are a property appraisal and ordering the title work. With all of this financing legwork complete, these offers end up being very similar to cash offers. Because HomeBridge is one of the nation's largest privately held, non-bank lenders, all our efforts and resources go to ensuring our customers have a great home-buying experience, receive great advice from our knowledgeable Mortgage Loan Originators, and get the loans to fit their needs. We know that with our dedicated associates and the best real estate agents and builder relationships, HomeBridge can deliver on this commitment to our customers every day.

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About Marion:

Marion has more than 30 years of experience in the mortgage industry, including work in originating , processing, underwriting, closing and as a Supervisor in Regional and Branch Operations. Marion has 30 years experience in FHA, VA and conventional mortgages. Her commitment to providing superior customer service, combined with excellent problem-solving skills, makes the difference in potential borrowers becoming home owners.

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News & Views From The Capitol

State Representative Stephanie Cummings from the 74th District in Waterbury sponsors a proposal to help small business and property owners...*and provides instructions how to testify on Bills at the State Capitol.*

By: State Representative Stephanie Cummings, 74th District

HB #5217 AN ACT CONCERNING THE UNIFORM PROTECTED SERIES ACT will lessen the burden on individuals and entities that utilize multiple LLCs by streamlining the filing and annual reporting process, while still providing the sought after insulated protections.

The protected series is appealing to businesses as it streamlines the paperwork and procedural hoops that small businesses and property owners must jump through in order to obtain satisfactory protections from liability. The Series LLC allows for a "master" LLC to have multiple subsidiary LLCs underneath its structure.

Only the master LLC is required to file certain paperwork, rather than each individual subsidiary, however, the subsidiary LLC's maintain the protections of individual LLCs. With over regulation strangling our business and economic growth, this bill would be a breath of fresh air for our business community and expand corporate options for Connecticut businesses.

I encourage all those that support this proposal to send in written testimony if they can't attend the public hearing on this Bill, for which a firm date has not yet been set but it could be as soon as February 15th. To properly send in email testimony, it should be written in Word or PDF format to **JUDtestimony@cga.ct.gov**.

Testimony should clearly state your name and identify the related Bill(s) that you are commenting on as well as your position for or against the proposal. The Committee requests that testimony be limited to matters related only to the items on the Agenda the day of the public hearing.

If you plan to attend the public hearing in person, the first hour of the hearing is reserved for Legislators, Constitutional Officers, State Agency Heads, Chief Elected Municipal Officials and Students with a valid student I.D. card. Speakers will be limited to three minutes of testimony. The Committee encourages witnesses to submit a written statement and to condense oral testimony to a summary of that statement.

Unofficial sign-up sheets have no standing with the Committee and an official sign-up sheet will be made available the morning of the public hearing. All public hearing testimony, written and spoken, is public information. As such, it will be made available on the CGA website.

NOTE: CTPOA will make the announcement about the public hearing date on its Facebook page to keep our audience informed about this helpful pro-business proposal.

Top Maintenance Troubleshooting Tips to Save You Money

By: Adrianne Angel, Broker
ProProperty Management

Property maintenance expenses can eat into your investment profits if they are not managed properly. Some of these expenses can be avoided if the person you hired to receive your tenant maintenance calls knows how to troubleshoot over the phone. Below are some common maintenance issues and some tips you can provide your tenants:

Toilet Clogs

If your toilet has clogged, have your tenants try to move the blockage first. They can use a basic plunger to clear the pipe but tell them to be careful not to flush the toilet or it may flood the bathroom. Charge the tenant if a plumber goes out and provides you proof that the clog was caused by the tenant flushing anything other than toilet paper.

Drain Issues

If the bathtub/shower or sink drain clogs, your tenant may be able to use a drain cleaning tool to fish anything stuck in the pipe out. They can normally find these tools in hardware stores. Don't advise to use chemical products to clean your pipes or you could damage the system. To avoid drain clogs, install hair catchers in all bathtubs/showers and a strainer in your kitchen sink.

No Electricity

If they lose electrical power in your rental property, have them call their utility company first. There may be localized problems on the grid or there could be a problem with their account.
If they overload the electrical circuit and trip the breaker, their power will cut. Have them `locate their beaker and check that the lever is in the "ON" position. If it's not, flip it back to that position to restore power access. Using portable space heaters and having multiple appliances on the same breaker are examples of what may cause this issue and can be avoided.

Hot Water Problems

If they don't have hot water in their rental property, check the settings on their water heater. Some tanks have a vacation setting that limits the amount of water available at any given time.
If they make any changes, have them wait 15 to 20 minutes before testing the water temperature again.

HVAC Failure

If the air conditioning or heating isn't working properly, have your tenants check the settings/battery on their rental's central thermostat. It's surprisingly easy to accidentally change the settings or forget to change the battery, which will cause problems with the system.

As you can see from the list above there are ways to avoid additional repair expense if the person who is receiving the call has basic troubleshooting skills. It is also very important to have very strong language on your leases to help make your tenants accountability for the basic maintenance of your property. Most Professional Property Management Companies can assist investors in saving money by properly managing these types of issues, providing detailed leases, having a better understanding of the Landlord/Tenant rights, negotiating discounted commercial rates and using the latest technology.

To learn more about the benefits of using a Professional Property Manager, go to our website (www.yourpropm.com) or give us a call 203-909-6333.

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