



December 2007

**Issue # 5**



**We look forward to you joining us for the Annual Holiday Luncheon, *this Friday!***

**Come meet the 2008 Officers and network with both new friends & old. Enjoy 360-degree views of the City from the Banker's Club high atop the Bank of America Tower.**

**For more details & to register online, [click here.](#)**



**IREM CALL TO ACTION:  
OPPOSE TAX INCREASE ON COMMERCIAL  
REAL ESTATE**

House Ways and Means Chairman Charlie Rangel (D-NY) is moving forward with legislation that would make major changes to the tax structure. The bill proposes a massive tax

#### **In This Issue**

[IREM Legislative Call to Action](#)

[New Ideas--How to Market Your Business](#)

[January Forcast Meeting at Oakland Marriott](#)

#### **Welcome!**

We hope you enjoy the updated look of this newsletter! It has been designed to be more in tune with the layout of our expanded website.

There you will find updated Industry Resources for all fields of property management, as well as our online Membership Directory.

increase for real estate partnerships, raising the tax rate on "carried interest" from 15% to 35%.

This legislation would significantly impact commercial real estate projects, most of which are organized in partnerships.

Why this legislation is detrimental to real estate practitioners:

- Drives investors to put their money elsewhere such as stocks with much more favorable tax treatment
- Diminishes the value and/or put many partnership out of business because the capital would not be there to facilitate them
- Creates a disincentive to investing in real estate since many would no longer earn a reasonable profit
- Stifles growth in a part of our economy which has become increasingly important over the last several years due to manufacturing, call centers, and other key industries moving offshore
- Punishes partners involved with prior arranged transactions by causing a totally different economic result than all partners agreed with in advance
- Fails to recognize that real estate investors are involved in their investments daily, while hedge fund managers are not involved daily in their investments.

Contact your U.S. Senators and Representative informing them of your concerns and urge them to oppose the carried interest provision. How to contact your legislators:

1. Look up your Members of Congress and their contact information at the following website: <http://capwiz.com/cl/home/>.
2. Introduce yourself in a sentence or two. For instance: I am a constituent and a commercial real estate manager who manages a portfolio of
3. Use the bullets (above) on how higher taxes on carried interests would be detrimental to commercial real estate to argue your point. You are encouraged to add your own examples.
4. If you will be faxing your legislators, print your letter on your company letterhead.
5. After contacting your legislators, please notify the IREM Legislative Liaison, Amanda Chesley, by email

You can see all the changes by going to [www.iremsf.org](http://www.iremsf.org)

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## Special Thanks to Our Friends of IREM



We truly appreciate the relationships we have built with you over many years.

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*Coming in January*

at [achesley@irem.org](mailto:achesley@irem.org)

For more information on the issue read the IREM Statement of Policy on Carried Interests by clicking on the following direct link: <http://www.irem.org/sec1ins.cfm?sec=publicpolicy&con=publicpolicy.cfm&par=#9>.

**Make your voices heard! Act immediately by contacting your legislators.**

2008 BAY AREA  
ECONOMIC FORECAST  
LUNCHEON



Dr. Sean Randolph  
President, CEO Bay Area  
Economic Forum

For more information or to register, [click here](#).  
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***Madonna and Property Management***



*Submitted by Gemma G. Lim of Westlake Realty Group*

I first noticed Madonna when she was twenty-something and singing her first hit "Like A Virgin". Now at 48, she is still performing to sold-out concerts around the world. What is Madonna's secret to her incredible staying power? Even according to her critics, she has the amazing ability to constantly reinvent herself. How can you argue with her evolution from material girl to best-selling author?

Although Westlake Realty Group has been in the property management business for 33 years, it was only in the last two years that we've decided to go into third-party property management. Our systems have become very efficient allowing us to generate substantial savings for our owner. Since 2003, Westlake has been storing all its documents as digital files, monitoring its maintenance staff through smart phones with built-in Global Positioning System (GPS), and setting the stage for desktop banking. In 2005, the chairman of the board then challenged the management team to enter into the third-party property management realm, with the promise that the new business would be employee-owned. And this is where Madonna comes in.

Unlike Madonna, we needed to communicate our credibility and track record but like her; we needed to get attention, fast. We decided to write a book "Happy About Apartment Management". The book contains over 30 years of tips and advice on managing multifamily to its optimal value. Topics include Technology: The Future of Property Management; 10 Tips for Efficient Risk Management and Smart Ways to Relieve Section 42 (Subsidized Housing) Headaches. Unexpectedly, it took us almost a year to complete the slim 63 pages. Don't get me wrong. The four authors, including myself, had a lot to say. In fact, the first draft was 250 pages, but we knew that no real estate owner or executive would read it. So, the last three months were spent in editing the book to a manageable size. The final version has each of the 18 chapters in bullet point format, with humorous cartoons in some of the sections to drive home key points. A publisher who saw the draft and liked it whittled the book down even further so that a busy professional can read most of the content in an hour.



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**Appreciate *YOUR* IREM  
Designation**

If is a good reminder of what  
we enjoy with our  
designations as an IREM  
member.

- We network and associate with some of the finest professionals in the industry.



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