

The Birch Quarterly

B I R C H M A N A G E M E N T , I N C .

ITEMS IN THIS ISSUE

- Welcome
- RUCO
- Certified Property Manager
- Telephone System
- Service Announcements
- Employment Growth
- Class A Office Space Statistics
- Average Sales Price
- Total Transactions/ Days on Market

Welcome

We are pleased to welcome three new members to our team this quarter.

David Dorich has joined us as Operations Manager, most recently working in the same capacity for Housing Greensboro. Jay Wall has assumed the role of maintenance technician.

Amanda Bailess has joined us as a Resident Services Representative after working in the non-profit world. Mrs. Bailess recently returned from a mission to Haiti.

Kelly Simmons has joined us as a Resident Services Representative. Prior to coming to Birch, Ms. Simmons worked in property management and construction. Ms. Simmons also holds a NC General Contractors License.

All three of our new team members will be based in our Greensboro office.

RUCO

During the last legislative session in North Carolina, North Carolina Senate Bill 683 was passed by both houses and signed into law by the Governor. The bill, entitled Residential Building Inspections, makes it illegal for any municipality to perform a rental inspection without probable cause. The bill also made it illegal to require a "certificate" to lease residential property.

Since 2005, the City of Greensboro has had a Rental Unit Certificate of Occupancy (RUCO) ordinance that required a certificate to be obtained prior to offering to lease residential property. This program has also been costly for our clients and virtually none of the properties we had inspected failed. Those that did fail were for minor items, such as a pull string on a fan not being long enough or the clock on a stove not working. By passage of SB683 the RUCO program, as we have known it, has been reigned in. There are several important factors related to the change.

First and foremost it is important to note that SB683 did not make any changes to the 2000 International Property Maintenance Code, the document which governs residential rentals in North Carolina. It is very important to note that the requirements to obtain a former "RUCO certificate" are still incumbent on the Land-

lord. The penalties for not following these requirements are still in place and Birch Management will continue to make every effort to ensure they are being met.

Secondly, while proponents of the RUCO program feel as if the world is collapsing, we view this change as positive. There is no doubt that the RUCO program has provided some benefit, it has also come with great expense. The resources that have been devoted to policing all rental properties can now be targeted at the blighted properties. According to statistics, over 90% of all inspections revealed no violations.

Birch Management's mission includes providing quality housing opportunities for our customers and we will continue ensuring our clients liability is reduced by suggesting items that need corrective measures. More information on SB683 is available in the news section of our website, www.thebirchcompanies.com.

CPM

Lee Porter, CEO of Birch Management, Inc. has earned the Certified Property Manager (CPM) Designation from the Institute of Real Estate Management (IREM), an affiliate of the National Association of Realtors. The CPM designation is awarded to real estate managers who have met the institutes rigorous requirements in the areas of

professional education, examination, and experience. Mr. Porter also holds the Certified Commercial Investment Member (CCIM) designation. By holding these 2 designations, Mr. Porter is one of only 697 real estate professionals worldwide to hold both high level designations.

Hello, Hello

Birch Management is very excited to have installed a new state of the art telephone system recently. Our new phone system allows both of our offices to be on the same system and has the ability to route calls to the appropriate person or department, regardless of location.

Property availability calls have always been our highest priority and the new system allows for prospective residents to be connected to any of our Resident Services Agents (RSA), regardless of location. Unless all RSA's are involved with other prospects, the call is answered and information on the property is provided.

The above scenario is just one of the numerous new capabilities we now have. Among the others are included more detailed call tracking, attachment of call details to applicable records, and reduced reliance on on-site hardware. At Birch Management we continue to strive to provide the best possible service.



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Our mission is to offer personalized and professional service to both our clients and customers by building strong relationships, utilizing the latest technology, implementing effective marketing strategies, following consistent systems all with honesty and integrity throughout every facet of our business.

SERVICE ANNOUNCEMENTS

- **Client Services:** We are always looking to provide the best possible service and need your help. Please assist us in the following manner to help us provide the service you desire:
 - **Office Visits:** Although our doors are always open, it is suggested that you make an appointment prior to your office visit. This will ensure that a team member is prepared and available to meet with you, making the most of your time.
 - **Messages:** Our goal is to handle each inquiry immediately. If that is not possible, please leave as much information in your message as possible. That way our team members will be able to properly handle your needs as quickly and thoroughly as possible.
- **New Eviction Costs:** Effective immediately, the Administrative Office of the Courts (AOC) has increased the filing fees for Summary Ejectments to \$96 per filing, a 35% increase. Additionally, the Sherriff's Department has increased the Summons fee to \$30 per defendant, a 100% increase.
- **Office Closing:** Our next scheduled office closing will be Labor Day, Monday September 5, 2011. Our office hours are Monday to Thursday 8:30am-5:00pm and Friday's from 8:30am-4:00pm. Please note that we have a weekly team meeting every Wednesday until approximately 10:00am.

TRIAD REAL ESTATE MARKET INDICATORS

ECONOMIC INDICATORS

EMPLOYMENT STATISTICS

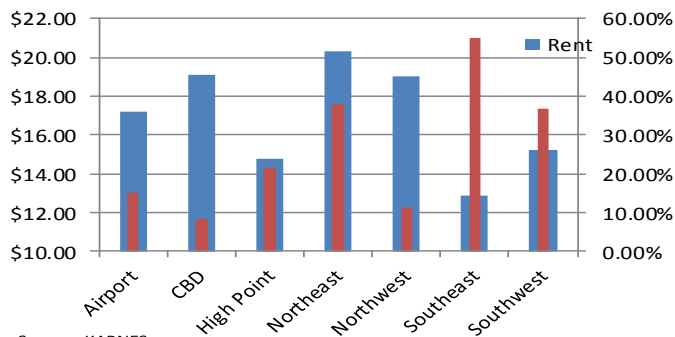
RESIDENTIAL SALES

AVERAGE SALES PRICE



Source: Triad MLS

CLASS A OFFICE



Source: KARNES

TRANSACTIONS / DOM



Source: Triad MLS