



April 28, 2020

RE:–Update April 2020 NRP (COVID-19) - Reformatted – web version

Dear Owner,

As the COVID-19 numbers are coming down and the curve seems to be flattening, I hope that all is well with you and your family.

Renewals/Inspections, Rents, and Delinquencies

Renewals for both fixed and month-to-month leases are being extended month-to-month without increases. Renewal inspections are being done if warranted based on the last inspection and documents in the file.

The terms of the rental agreements remain in effect with the exception of evictions. On April 17th, Governor Ige announced an eviction moratorium for April. Not adhering to this policy would result in jail time and a \$5,000 penalty.

Our COVID-19 delinquent rent process is to send 3 notices; on the 6th, 10th and 20th of the month. Each notice implores tenants:

- a. not to fall behind so it would become difficult to get caught up once the moratorium is lifted;
- b. to make wise choices when and if they receive State unemployment and/or Federal assistance payments;
- c. and that we encourage and welcome them to make as many payments as possible in whatever amounts and when they can.

The proverb “you can lead a horse to water but cannot make it drink” applies here.

As I am writing this letter on April 22th, we have begun our close out process for mail out on April 28th, our record shows 2.8% of tenants have not paid their rent in full. The range is usually between 1% and 1.5%. Understandably, 3xs the average might seem high. However, Hawaii’s current unemployment of 37% is the highest in the nation, as reported by Lynn Kawano on Hawaii News Now on April 16, 2020. This is over 10xs the pre COVID-19 State of Hawaii googled figure of 2.7% in December 2019.

In the mid 1990’s, I learned a lesson from an owner, Mr.Sakihara, which has stuck with me to this date. At that time unemployment was about 4%. He wisely said “for the unemployed person, it is not 4% but 100%.” For the 4% of owners whose tenants have not paid their rent in full, rest assured that we will make every effort to collect any balance due once the moratorium is lifted.

Vacancies, Showings, “First Month Free” campaign, Honolulu Star-Advertiser ads We are still showing properties. Available properties are posted to Oishis.net, Craigslist, Zillow, Rently

and a host of other sites. The “First Month Free” ad campaign which began last week has shown to be effective as properties that rarely had calls got a couple this past week.

If you are wondering whether advertising in the Star-Advertiser is still cost effective the answer is “yes” as it drives prospects to our website. We will continue to monitor numbers to our website and on the sign-in tracker. Last week we changed the ad design and lowered the ad cost from \$45 to \$35.

Vendors - Although vendors are also listed as “essential services,” some are unable or have chosen not to work during this crisis. The result is that some repairs/renovations may take longer to complete.

Communication, Website, Contact us

Our website is dynamic and we ask for your patience as we make improvements. Recently some topics including “Contact us” were categorized into “Honolulu” and “Las Vegas.” If you experience a delay or do not get an email response within 4 business hours, please call us. Continue to use “contact us” as the issues may have been resolved.

Team Management

Both the “Contact us” and work orders from our website are automatically processed into our system. Those that we received after 4:00pm are addressed the next morning at our 9:00am Team meeting. We have always been an open office and believe in transparency, which is reinforced in the book “Principles” by Ray Dalio in 1997. We use the idea that “two heads are better than one;” where the best ideas will win out, while simultaneously using the meeting as a training session so everyone learns and are in sync at the same time. Furthermore, it gives us the opportunity to identify issues that are similar in nature to work “Upsteam” to implement processes and procedures before it happens.

COVID-19 - Office Hours

General public: 9:30am to 2:30pm.
Staff: 9:00am to 4:00pm.

Although we have shortened our staff hours so they can take care of their health and attend to the needs of their family, you can expect the same level of service as we go about performing our daily duties like “clockwork.” If you feel our performance is not up to par or if it can be improved upon, I encourage you to call 949-9499, press 0 and have me paged.

Sincerely,



L. K. Oishi