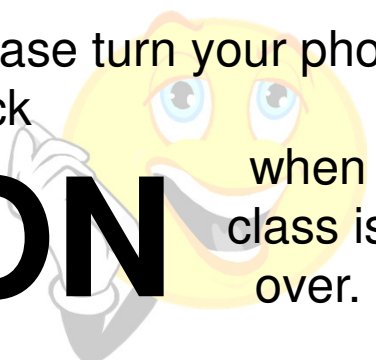




Please turn your phone  
back  
**ON** when  
class is  
over.



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**Leasing  
and the  
Law**

Robert M. Locke, RMP, MPM

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**Housekeeping**

Breaks  
Handouts  
Whose  
attending?

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**FULL DISCLOSURE**

**35 Years as  
Crown Realty  
& Management  
Sold in 2015  
Now a vendor**

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**WARNING**

I'm not your... **Broker**  
**Attorney**  
**Commissioner**

**Don't Believe Everything  
I Tell You!**

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**QUIZ**

**How closely  
do you need  
to listen?**

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### Competency Requirement

Your Commission

Your Broker

Legal

You'll be held by the courts as a licensed, paid professional competent in your trade and accountable for your claims of expertise

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Most Common Mistake #1

Real Estate License

Forms

Sales Experience

Compete

LEASING

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Most Common Mistake #2

SIZE

MONEY

REFLECTS THE

COMPETENCY

NEED

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Most Common Mistake #3

Real Estate is the Same

Different Licenses

Different Trade Associations

Different Designations

Different Laws

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10

This slide features a large red prohibition sign (a circle with a diagonal slash) over the main text. The text lists several factors that vary between real estate markets, suggesting that the assumption that 'Real Estate is the Same' is a common mistake.

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Most Common Mistake #4

training & DESIGNATION

qualifies

ME TO D

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11

This slide features a large red prohibition sign over the text. The text appears to be a list of requirements or qualifications, with the word 'DESIGNATION' being prominent.

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Sales People Think This

Sales Leasing Property Management

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The slide contains a Venn diagram with three overlapping circles. The left circle is labeled 'Sales', the middle circle is labeled 'Leasing', and the right circle is labeled 'Property Management'. The circles overlap in pairs and in the center.

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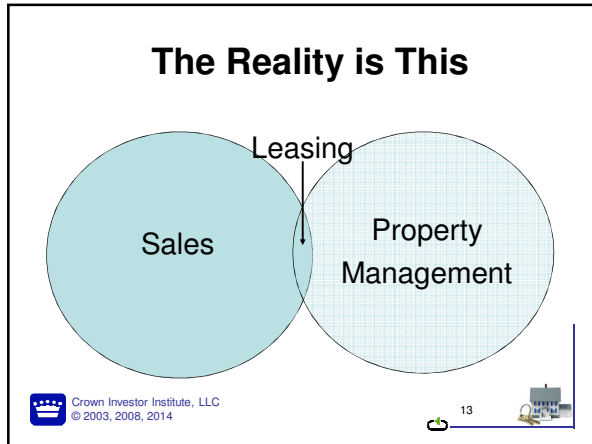
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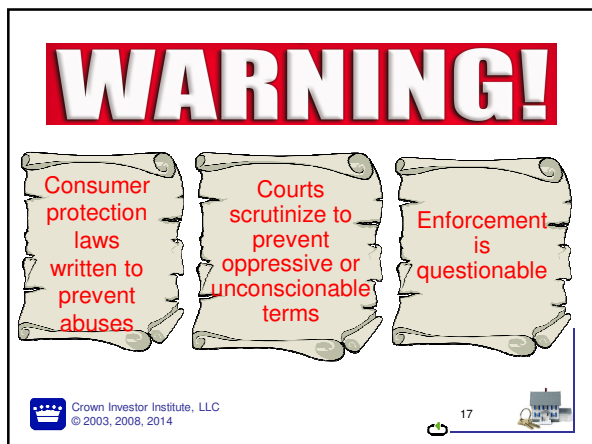
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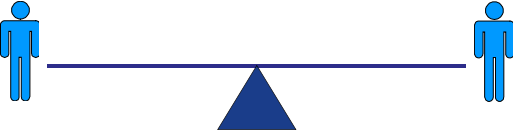
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### Balance of Power



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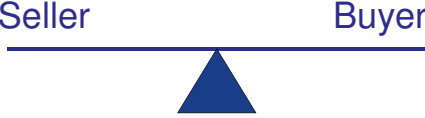
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### Sales Situation

Seller                      Buyer



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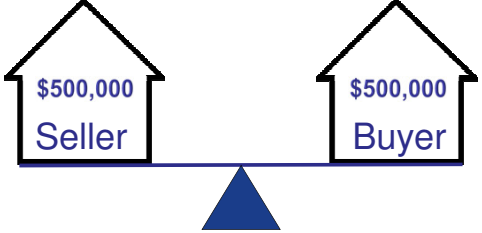
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### Financially Equal



Balance of Power

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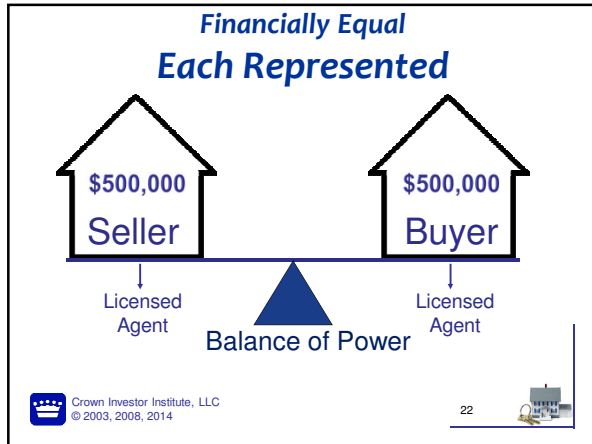
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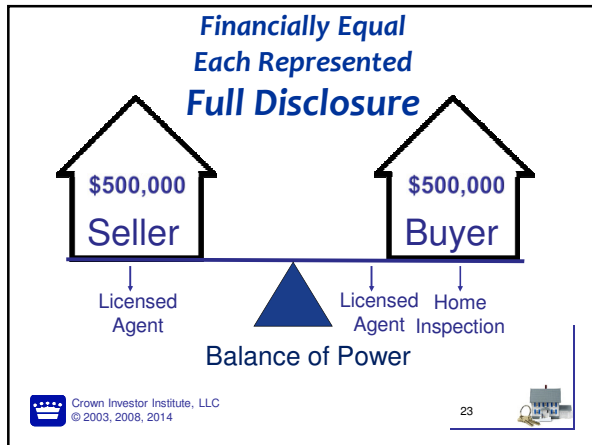
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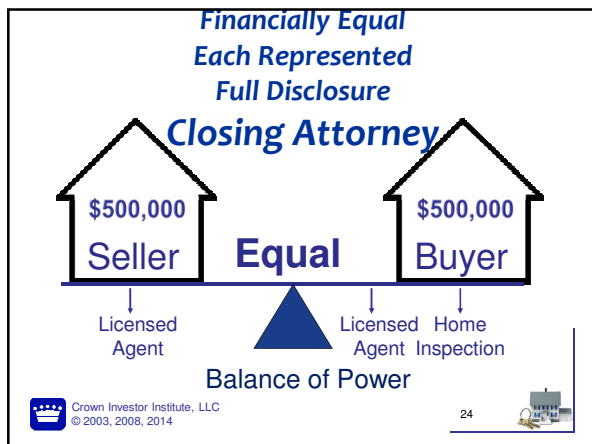
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### Parties Feel It's.....

<div style="border: 1px solid black; padding: 5px; background-color: #f0f0f0;">Fair</div>	<div style="border: 1px solid black; padding: 5px; background-color: #f0f0f0;">No one taken advantage of</div>
<div style="border: 1px solid black; padding: 5px; background-color: #f0f0f0;">Little litigation</div>	<div style="border: 1px solid black; padding: 5px; background-color: #f0f0f0;">Limited government regulation</div>

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### Rental Situation

Landlord Tenant

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Balance of Power

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### *Not* Financial Equals

WREB Tenant

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**Not** Financial Equals Equally Represented

WREB  
Licensed Manager

Tenant

Balance of Power

Licensed Agent

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**Not** Financial Equals Equally Represented Full Disclosure

WREB  
Licensed Manager

Tenant

Balance of Power

Licensed Agent

Home Inspection

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**Not** Financial Equals Equally Represented Full Disclosure Closing Attorney

**Not Equal**

WREB  
Licensed Manager

Tenant

Balance of Power

Licensed Agent

Home Inspection

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**Other Relationships**  ?



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**Other Relationships**  ?



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**Other Relationships**  ?



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### Other Relationships ~~≡~~ ?



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### Other Relationships ~~≡~~ ?



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### Government Regulations



Laws designed to protect consumers from abuses by people who have undue power over others.

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### Consumer Protection Laws

Make sure it's fair	Protect the vulnerable
Prevent abuses	Helps keep society civil

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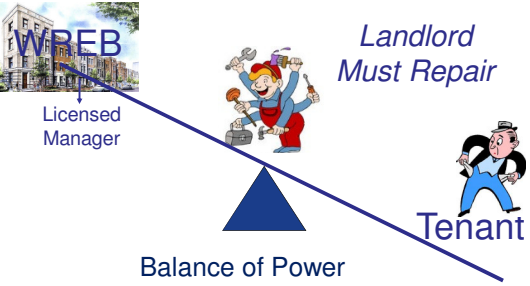
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### Landlord Tenant Law




**WREB**  
Licensed Manager

*Landlord Must Repair*

**Tenant**

Balance of Power

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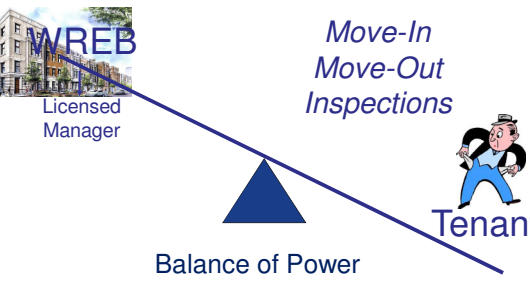
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### Landlord Tenant Law




**WREB**  
Licensed Manager

*Move-In  
Move-Out  
Inspections*

**Tenant**

Balance of Power

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### Landlord Tenant Law

WREB  
Licensed Manager

Security Deposit Rules

Tenant

Balance of Power

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### Landlord Tenant Law

WREB  
Licensed Manager

Rules About Mitigating Damages

Tenant

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### Landlord Tenant Law

WREB  
Licensed Manager

Rules About the Eviction Process

Tenant

Balance of Power

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### New Lead Paint Laws

House Built Before 1978  
Old Rule = Disclosure

Licensed Manager

Tenant

Balance of Power

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### New Lead Paint Laws

New Rule =  
Inspect for Lead Before You Repair

Licensed Manager

Tenant

Balance of Power

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### New Lead Paint Laws

RR&P Rules Control Your Processes

Licensed Manager

Tenant

Balance of Power

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### New Lead Paint Laws

Up To  
\$37,500  
Fines  
Per Day

Balance of Power

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### Fair Credit Reporting Act

Rules for  
Viewing  
Credit

Balance of Power

47

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### Fair Credit Reporting Act

How You  
Manage &  
Store Personal  
Information

Balance of Power

48

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### Fair Credit Reporting Act

WREB  
Licensed Manager

Adverse Action Letter

Tenant

Balance of Power

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### Fair Credit Reporting Act

WREB  
Licensed Manager

\$11,500 Fines Per Event

Tenant

Balance of Power

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### Fair Credit Reporting Act

WREB  
Licensed Manager

Civil Litigation + Attorney Fees

Tenant

Balance of Power

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### Americans with Disabilities Act

WREB  
Licensed Manager

You Must Accommodate Ramps

Tenant

Balance of Power

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### Americans with Disabilities Act

WREB  
Licensed Manager

Service Animals Comfort Pets

Tenant

Balance of Power

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### Discrimination and Fair Housing

WREB  
Licensed Manager

Treat All Applicants the Same

Tenant

Balance of Power

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### Discrimination and Fair Housing

Follow Standard Qualifying Guidelines

Balance of Power

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### Discrimination and Fair Housing

Who Approves and Denies

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### Discrimination and Fair Housing

Consistent Rent Collection and Eviction Procedures

Balance of Power

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### Servicemembers Civil Relief Act

Accommodate Soldiers

Tenant

Balance of Power

WREB  
Licensed Manager

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### Megan's Law

### Registered Sex Offenders

Governs/reports where registered sex offenders live

Quiz

Written policy - enforce it

Don't apply judgment.

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### Stigmatized Property Laws

- Homicide
- Suicide
- HIV death
- Drowning
- Mold
- Quiz

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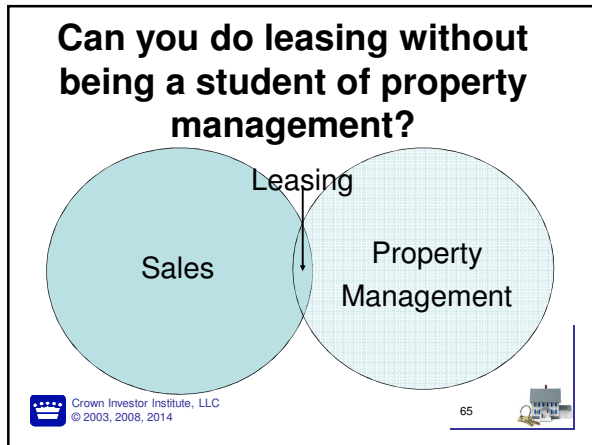
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**You CAN'T treat leasing the way you treat sales.**

- It's a long-term relationship
- Owners don't know how to manage
- Completing a standard form doesn't protect you
- Your liability doesn't end at move in

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A graphic with a white background and a blue border. At the top, the text 'You CAN'T treat leasing the way you treat sales.' is written in bold blue font. Below this are four pieces of white paper with red pushpins at the corners, each containing a point in blue text. At the bottom left is a logo for Crown Investor Institute, LLC with the text '© 2003, 2008, 2014'. At the bottom right is a small icon of a building and the number '66'.

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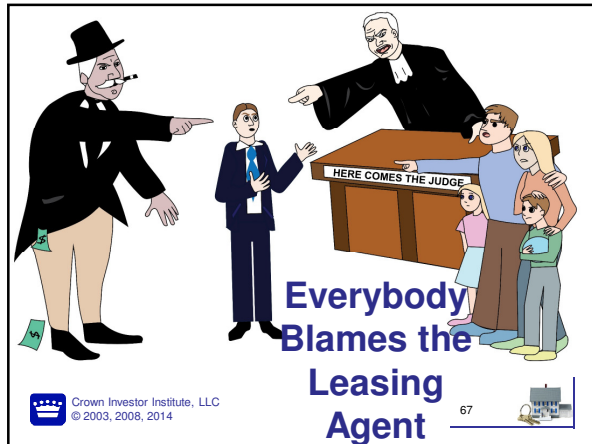
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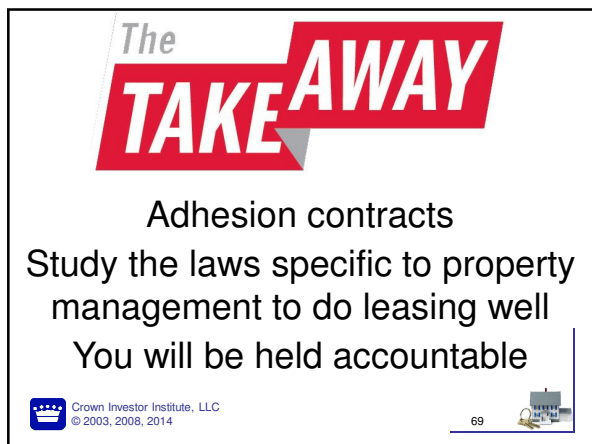
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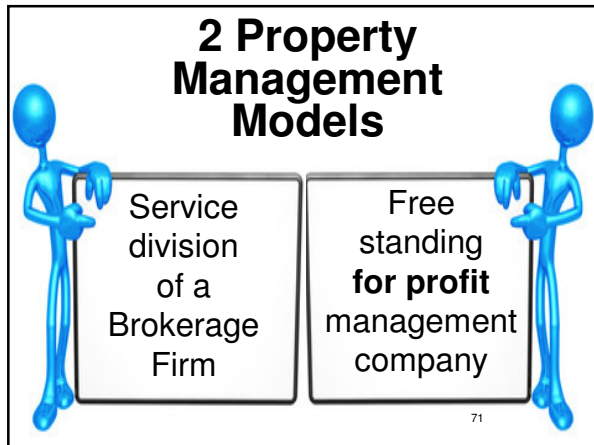
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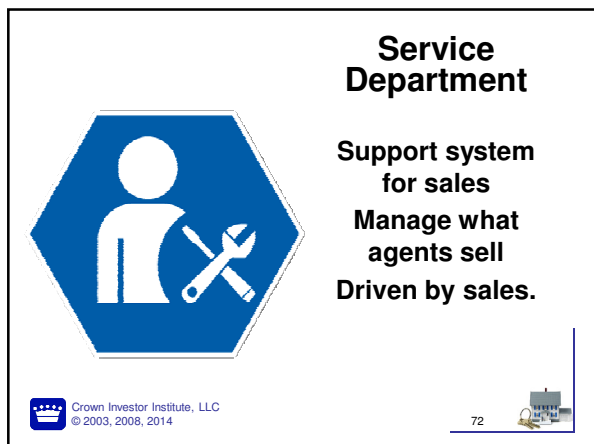
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What does a service division



Model look like?

**Characteristics**

- Inventory is driven by what agents sell
- Can't fire owners
- Can't charge fees
- Don't say NO
- Can't force owners to prefund repairs
- Lets owners micromanage.

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What does a service division



Model look like?

**Characteristics**

- Unlimited Scope of Service
- Carry negative balances
- Discount fees
- Facilitating sales
- Every managed property is a future listing.

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**Big A vs Small a Agency**

Robert M. Locke, RMP, MPM

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**Agency**  
★★★★★  
**What does it mean for property managers?**

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**Small "a" vs Big "A" Agency**

<b>agent</b>	<b>Agent</b>
Listing for sale	Stand in their shoes
Execute	Act FOR them
Assistant	Authority in PMA
Make no decisions	List of duties

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**2 Styles**

**Owner** — Lease Agreement — **Tenant**  
Manager (with prohibition sign)

**Owner** — Duties — **Manager** — Lease — **Tenant**  
PMA

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### Approving and Denying Applications


**Agent pulls background info, forwards to owner for approval/denial decision.**

**Agent pulls background and approves/denies applicants.**



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### Approving and Denying Applications



**Agent pulls background, approves/denies based on agent's longstanding qualifying guidelines and industry standards.**

**If an applicant falls outside said guidelines, manager will collaborate with the owner.**



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### Managing Multiple Applications


**Agent will present all applicants to the owner.**

**Agent will manage multiple applications and approve/deny based on the best qualification.**



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### Managing Multiple Applications



**Agent will confer with owner if applicant falls outside their standard qualifying guidelines and industry standards.**

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### Handling Maintenance



**Manager will notify owner when maintenance issues arise**



**Manager will manage all maintenance**

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### Handling Maintenance



**Manager handles all normal maintenance breakdowns under \$\_\_\_\_\_ and engage owner when issues exceed said amount  
Exceptions...**

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Where Do You Operate and Why?

agent ————— Agent

Your Knowledge of the Law

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Where Do You Operate and Why?

agent ————— Agent

How Timid or Bold are You?

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# Group Exercise

Group 1

Group 2

Group 3

Where do you operate and why?

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**Where should you operate?**

agent ————— Agent

**No one can tell you  
It shifts over time**

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**Owner's Don't Know the Difference**



Owners don't compare management agreements.

2,500 Owners  
25 Years

**You Decide**

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**Who Should Decide**

- Who's the best trained?
- Least prejudice?
- Least emotional?
- Most experienced?
- Sensitive to safety?
- Most knowledgeable?
- Most rational?
- Most likely to follow the law?

**That's who should decide.**

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**What Defines How You Operate?**

PMA Authority You Give Yourself LPOA → List of Duties Powers

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**Group Exercise**

I operate as a \_\_\_\_\_ Agent and here's why.

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**Here's Your Assignment**



Identify the duties, promises, and authority you give yourself in your PMA

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**The TAKEAWAY**

1. **Property managers do not operate with the same authority.**
2. **The PMA is where you define that authority.**
3. **The Small a/Big A discussion will help you define what authority/power/duties you give yourself in the PMA.**

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**Robert@  
TrainingPropertyManagers  
.com**

**Twitter @  
CrownOnTheWeb**

**Course  
Evaluations**



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