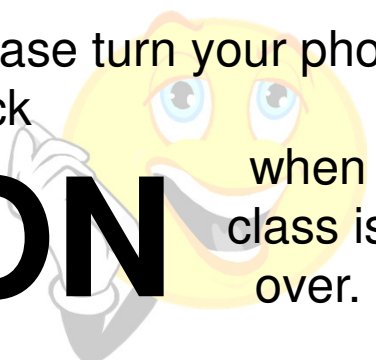


Please turn your phone
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ON when
class is
over.




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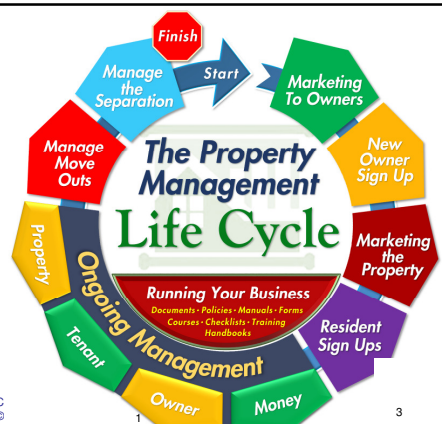
1

Managing the Property After Move In

By
Robert M. Locke
RMP, MPM




2



The Property Management Life Cycle

Running Your Business
Documents • Policies • Manuals • Forms
Courses • Checklists • Training
Handbooks

1

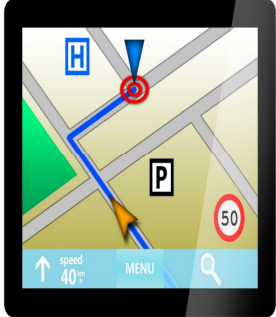


Housekeeping

Not state specific
I'm not your broker
Commissioner
Lawyer
Don't believe everything I tell you

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Today's Schedule

1st Half:
Manage the Money
Manage the Owner
Manage the Tenant

2nd Half:
Manage the Property
Manage the Move Out
Manage the Separation
Rent Recovery

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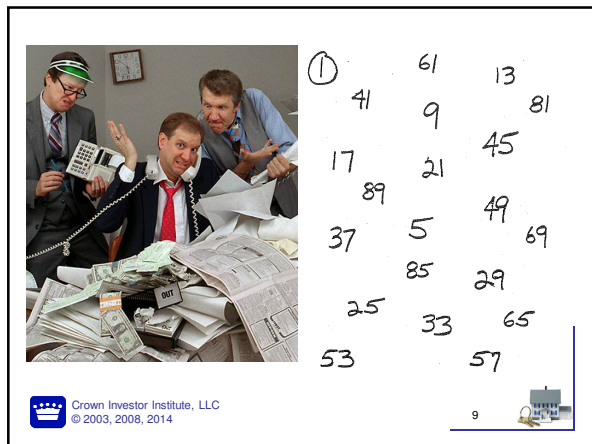
35 Years as Crown Realty & Management Sold in 2015 Now a vendor


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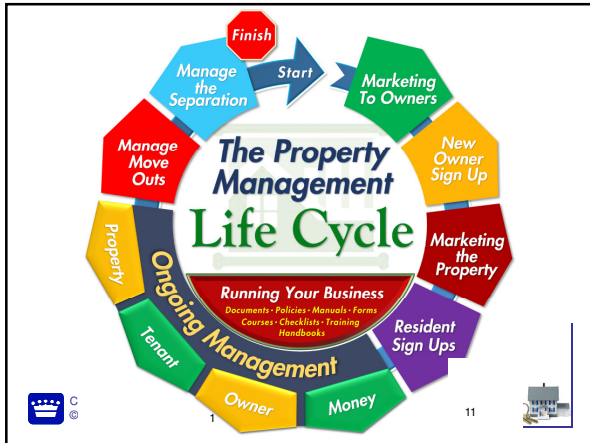





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| 25 58 9 10 | 59 14 47 22 |
| 54 5 17 | 55 63 22 |
| 40 30 50 | 67 ② 26 |
| 62 60 | 43 71 51 |
| 21 34 13 | 31 10 39 |
| 117227 19 | 37 41 16 |
| 6840 52 | 7345 |
| 48 7 23 | 24 ④ 57 |
| 64 15 32 | 33 61 12 |
| 44 56 | 65 8 69 49 |
| 36 60 ③ | 29 53 20 |

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Managing the Money

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**P
EMBRACE
O
P
MANAGEMENT
R
SOFTWARE
Y**

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Treat all
Money



as Escrow Money

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Forces Good Recordkeeping





Easy
Disbursement/Balancing

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D Tracking for others **M**
E S C R O W
F In Your Trust and Care **N** Read Your Regulatory Definition
I
N
E

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First Money Received

Sign Up Fee

1st

Application

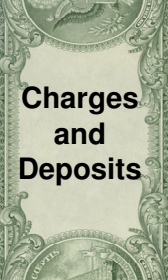
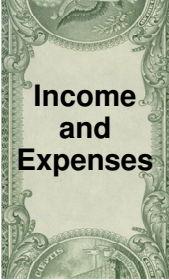
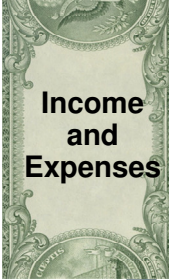
Owner Reserve



Rent


Security Deposit

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Managing the Money

| <u>Tenant</u> | <u>Owner</u> | <u>Broker</u> |
|---|--|--|
|  Charges and Deposits |  Income and Expenses |  Income and Expenses |

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Methods for Collecting Rent

- Cash
- Checks
- Certified
- E-Check
- ACH

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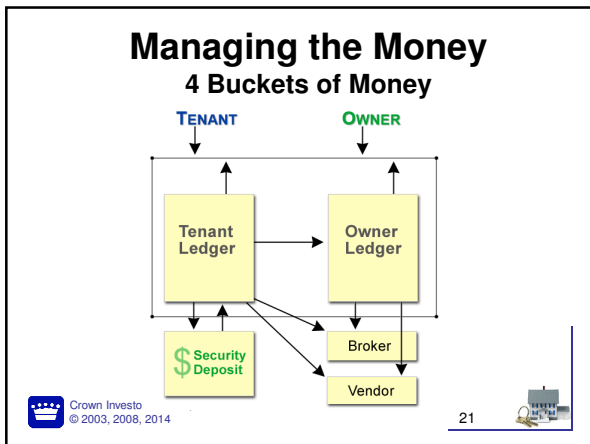



Policies for Collecting Rent

- Due/Late
- Late Fees
- NSF
- Certified Funds
- Start Eviction

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Managing the Resident's Money

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Sample Tenant Ledger

| | | |
|---------|-----------|---------|
| Charge | \$15 | \$75 |
| Rent | \$1,000 | \$1,075 |
| Receipt | <\$1,075> | \$0 |
| Deposit | \$1,000 | \$1,000 |
| Pet Fee | \$500 | \$1,500 |
| Receipt | <\$1,500> | \$0 |

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THE ETHICAL DILEMMA


The Lease Says

All funds received from Resident shall first be applied to outstanding late fees, NSF fees, administration fees, warrant fees, maintenance charge backs and any other fees due Management under this Lease, then rent.

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Group Exercise



What do you do when the tenant pays rent but not fees?




Owner Records

- Records
- Deposits
- Withdrawals
- Checkbook

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Owner Ledger


- Record all receipts and disbursements
- Keep a running balance
- Negative balances
- 1099's by Jan. 31
- Holds/Records Owner Reserve


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Sample Owner Ledger

| <u>Income</u> | |
|---------------------------|----------------|
| Owner Advance | \$300 |
| Owner Advance | \$1,000 |
| Rent | \$1,000 |
| Total | \$2,300 |
| <u>Expenses</u> | |
| Repairs | \$800 |
| Management Fee | \$80 |
| Procurement Fee | \$1,000 |
| Total | \$1,880 |
| Net Income | \$430 |
| Minor Maintenance Reserve | <\$300> |
| Owner | \$120 |

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Why you want an Owner Reserve


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Scope of Services

What You do to Earn Your Procurement Renewal Monthly.

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Managing the Owner

What am I paying you for anyway?!

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Property Manager's Job Description

What they do
What you do
What you work on together

JOB DESCRIPTION

purpose title scope trading sold initial responsibilities broke business pool reports general specification analysis shareholder conditions statement stockholders transferred employee authorized public specific records name forms designation findings stock issued basis broad duties written

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Property Manager's Job Description

As Crown Does It

| Owner's Responsibility | Shared Responsibility | Crown's Responsibility |
|---|---|---|
| <ul style="list-style-type: none"> Zoning City Inspector Property Taxes Making Mortgage Payments Lender Issues Insurance Issues Property Line Disputes Appraisals Old Owner Reports Paying HOA Dues Lead Paint New Roofs Foreclosure | <ul style="list-style-type: none"> Neighbors Utilities Landscaping Owner's Closet Personal Property Major Maintenance Home Warranty Builder Warranty Condo Assoc. Mgmt Deferred Maintenance Hot Tubs Termite Bond Sprinkler Systems Appliance Warranty Mold Issues Home Owner Association Battles Fences HVAC Issues Rodents | <ul style="list-style-type: none"> Eviction Process Meeting the Sheriff Court Appearance Minor Maintenance Rent Collection Year-End Reporting Move-Out Disputes Tenant Bankruptcies Unauthorized Pets Tenant Management Abandonment Consent Orders Cash for Keys Pest Control Skips Manage Escrow Accounts |

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Owner Handbook

- How we handle things
- HOA / NSF / late rent
- Eviction / emergencies
- Renewals / skips
- Move outs
- Security deposits
- Lawn care
- Pets.

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The Benefits


- Forces you to write it down
- Holds staff accountable
- Informs owners
- Gets everyone doing it the same way.


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HOA Issues
CCR's are
Title Rights
Leases are
Occupancy Rights
Inferior
Conclusion:
CCR's trump
leases.


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HOA Issues
Information
Needed
Tenant-Signed
Documents
HOA's have
Leases
**Protect
Yourself**

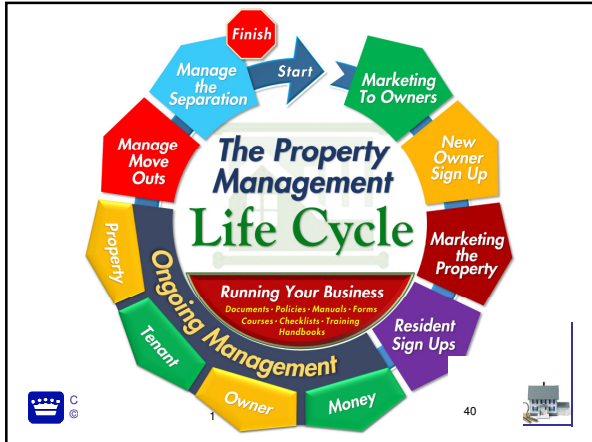
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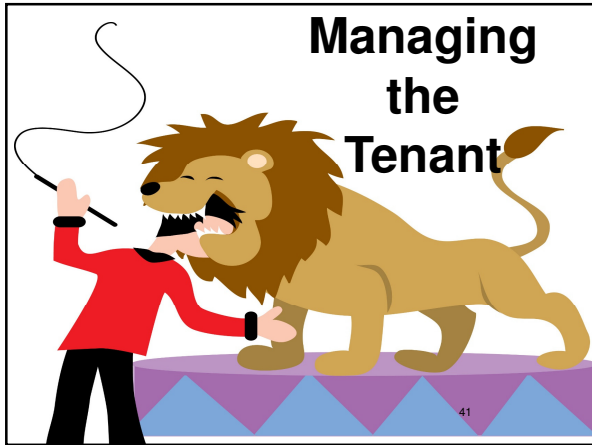
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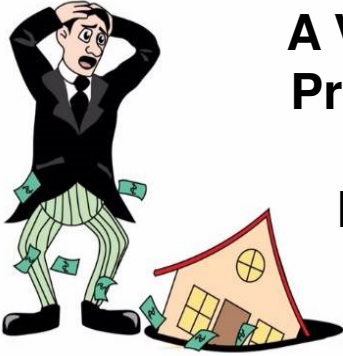
**Managing the
Property After
Move In**

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A Vacant Property is a Money Pit

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The Tenant is the Asset

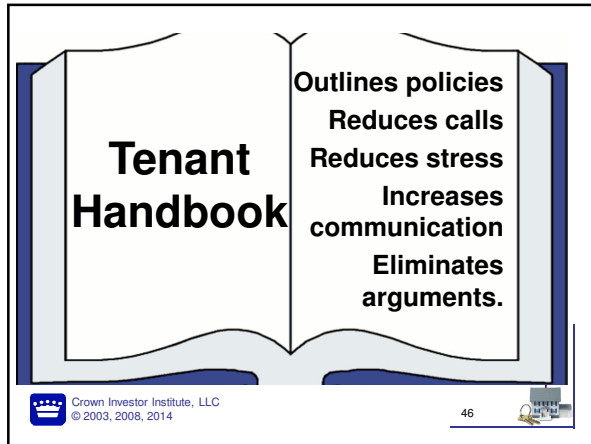
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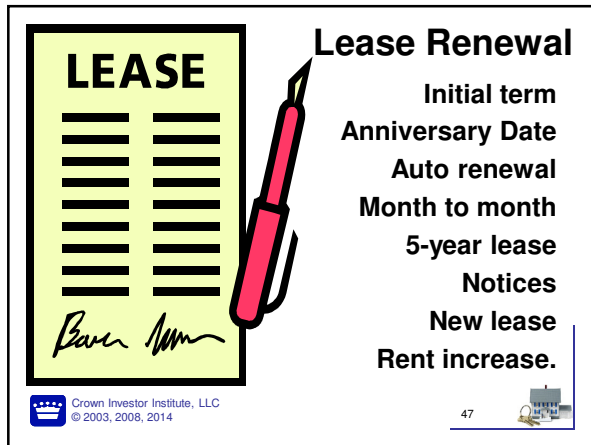
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Tenant Handbook

- Outlines policies
- Reduces calls
- Reduces stress
- Increases communication
- Eliminates arguments.

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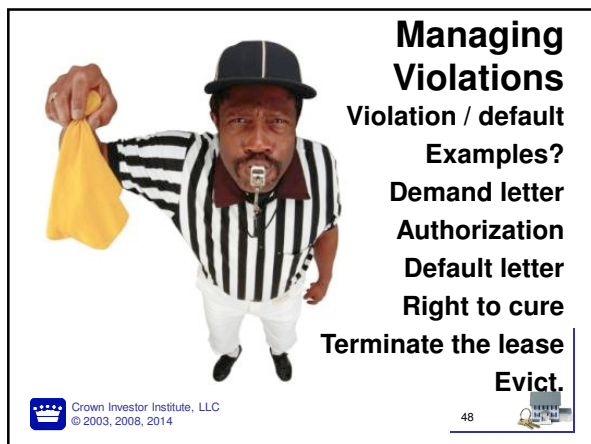


LEASE

Lease Renewal

- Initial term
- Anniversary Date
- Auto renewal
- Month to month
- 5-year lease
- Notices
- New lease
- Rent increase.

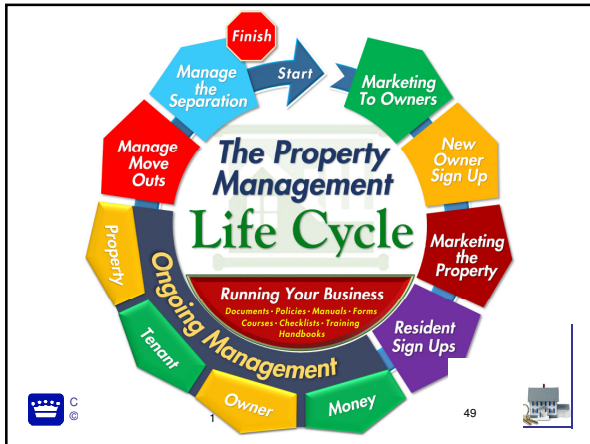
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Managing Violations

- Violation / default
- Examples?
- Demand letter
- Authorization
- Default letter
- Right to cure
- Terminate the lease
- Evict.

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Maintenance
Deductible?
Categories of urgencies
Spending limits
In-house company
Revenue stream
Contractor license.

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Home Warranties



Your responsibility
Owner outsources
Caught in the middle
What happens when they fail?

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Property Visits




How often?
Who does them?
Who pays for them?
Report to owner?

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Lawn Care




Make it clear in the lease
Have a system to enforce
Threatening letters
Get it done yourself.

The only real power you have is ...?

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Habitability

Safe / healthy
CO₂ / Freon
Appliances
working
Wet / mold
Lead paint
Rodents.

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Habitability is My Responsibility

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Group Exercise


How do
you get in
trouble?



Managing the Move Out

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Before Move Out

Have a notification policy
Skips Evictions
Abandonment.

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During Move Out

The law says ...
Who should attend?
The inspection
Normal wear & tear
The court's position
Photos vs. videos.

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After Move Out

- 3-day rule
- 5-day rule
- 30-day rule
- Managing disputes
- Disbursing deposits
- Mutual release
- Read the law.

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Managing Separations

- For cause
- Without cause
- While occupied
- When vacant
- Terminate anytime without cause.

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Terminating the Owner


- When?
- Why?
- How do you fire an owner?

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Rent Recovery

Collecting after move out
Who gets the money?
Who does the work?
Outsource?
FDCPA



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Conclusion

Embrace property management software
Treat ALL money as escrow
The tenant is the asset
Who is responsible for habitability issues



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Robert@
TrainingPropertyManagers
.com



Course Evaluations

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