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Review the key findings from Buildium's inaugural 2016 American Renters Survey.

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Do you perceive the sale of one of your rental properties as a negative?

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Track Key Performance Indicators to make sure you are meeting your goals.

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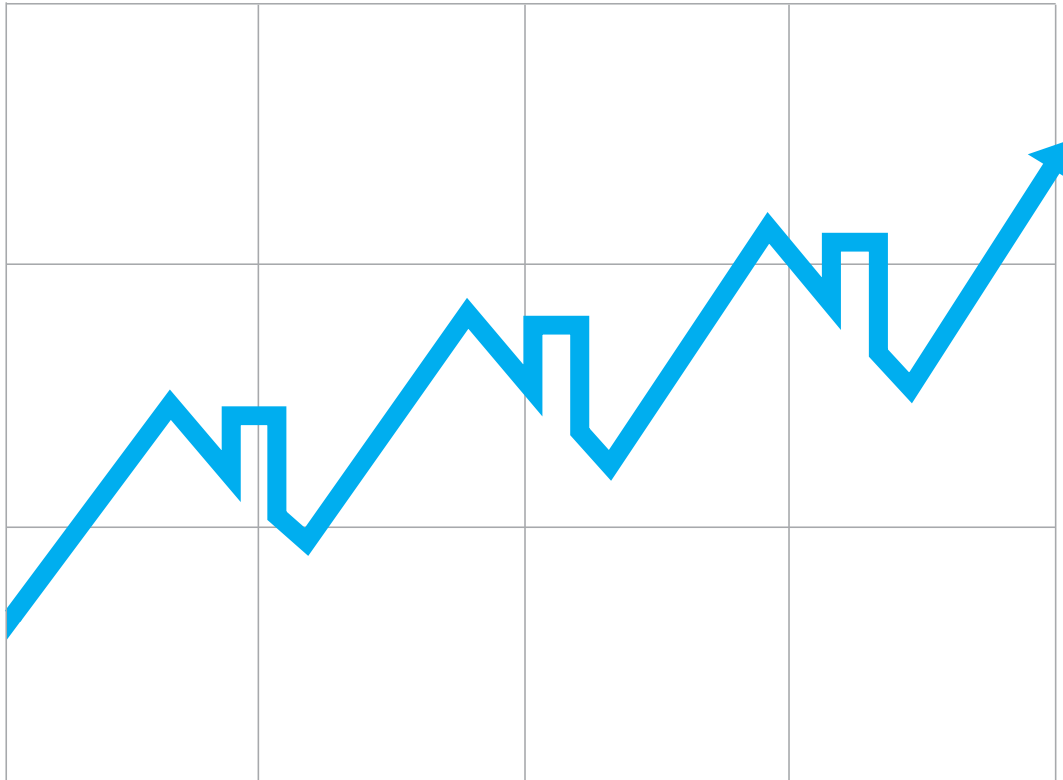
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See page 20 for more in-depth information.



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IN THIS ISSUE Oct/Nov 2016

NARPM® provides resources for residential property management professionals who desire to learn, grow, and build relationships.

FEATURE ARTICLES

p6 How to Attract (and Keep) Them: Good Tenants

Darcy Jacobsen, Research Analyst at Buildium, a NARPM® Partner, presents the key findings from Buildium's inaugural *2016 American Renters Survey* that Property Managers and landlords should keep in mind to attract and keep the very best tenants.

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Kristen Curtis, RMP® Candidate, discusses the added workload that comes in assisting property owners with the selling of their property. She believes that the sale, which is often perceived as a negative, really becomes an opportunity to improve your reputation and growth.

p13 Change the Way Our Industry is Perceived: Raving Fans

Kirsten Shafer, RMP® Candidate, is disappointed that our industry, as a whole, lacks trust and rapport with much of the outside world. By providing excellent customer service to tenants (or prospective tenants), we have a chance to change the way our industry is perceived, and in doing so, we will generate business – not just for today, but for life!

p20 Establish a Trusted Relationship: The Global Investor

Kathleen Gaspari, MPM® RMP®, uses the information obtained from the CIPS (Certified International Property Specialist) training to show that successful transactions require a “meeting of the minds.” Your knowledge of global business practices, cultural expressions, and international customs will help you and your global client find a path to success.

p22 More Important Than You Might Think: Email Security

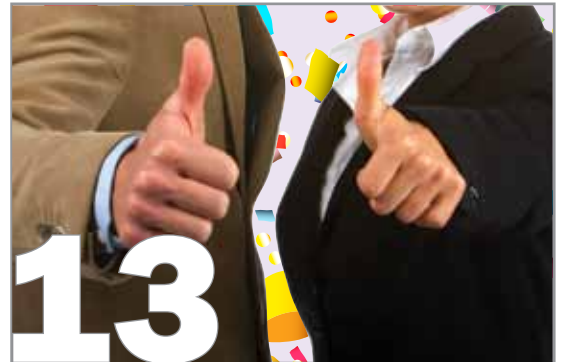
Chuck Kelley, NARPM® Member, emphasizes that access to your email account is one of the most valuable assets you have, and you should protect it. Your email account is literally the key to your kingdom and you need to know how to keep your kingdom safe.

p25 How to Simplify Your Work Day: Smarter Software

Angelique Springer-Davis, Senior Director of Marketing at Yardi, looks at the four responsibilities that are a huge part of your daily life – property management, property marketing, resident services, and accounting. She recommends using smart property management software that can help you excel at each and every task.

P30 Keep Your Business on Track: Key Performance Indicators

Jo-Anne Oliveri, NARPM® International Member, looks at Key Performance Indicators or KPIs used to measure, monitor, and manage your property management team and business. These show you how effectively your targets, objectives, and goals are being met. So, which KPIs should you be tracking and why?



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EDITORIAL MISSION

Since 1989, the NARPM® news magazine has been a key focal point for the organization. The *Residential Resource* keeps Members up-to-date on Association events, and provides valuable industry advice and insight. NARPM® Members receive the *Residential Resource* as part of their membership, included in their annual dues.

The *Residential Resource* is published monthly, with one combined issue for October/November. Articles can be submitted by email to publications@narpm.org. Items mailed in for publication cannot be returned. Address changes may be forwarded to NARPM® National. The Communications Chair and Graphic Designer reserve the right to edit or refuse all publications for content and selection.

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National Association of Residential Property Managers

From the **DESK** of the *Executive Director*



Gail S. Phillips, CAE

The Strategic Planning Committee Members spent time looking at how NARPM® can reach more Property Managers to encourage them to complete NARPM® education courses.

October is a great month for NARPM® as the Annual Convention and Trade Show is held and Members from all over the country come together in one area to learn and share ideas to make each other's property management business more successful. This year is no exception and we will be on the beautiful island of Maui, Hawaii. Are you ready to go? Did you remember to register? Many times we make our hotel registration, our airlines reservations, and then forget to let NARPM® know we are attending. Please do not forget this important step! Online registration closes October 2, but you can still fill out your registration form and bring it with you to register at the Convention. However, access to luncheons may be limited. We are excited to see everyone there as this will once again be a great Convention with strong attendance.

A great deal has been happening with NARPM® these past few months in regard to education. A new course, NARPM® Finance: Analysis of Cash Flow and Capitalization on Income Class, has been developed with the assistance of Mike Nelson, MPM® RMP®. It will be offered for the first time at the Convention, so make sure you register for it early.

The MPM® and RMP® checklists have been rewritten, so they are now easier to follow. They are available on the website under the education tab. You then pick the designation you need to find the corresponding checklist. The Committee is wrapping up changes to the CRMC® (Company designation), so watch for that information to also be uploaded to the website.

Several classes have been rewritten and full descriptions of the offerings can be found at www.narpm.org under the Education tab/Course Descriptions. Along with the NARPM® classes being offered online, a contract has been entered with Career Webschool to offer online real estate courses, which are approved by State regulatory agencies (Real Estate Boards and/or Real Estate Departments) across the country. These courses are offered to the public

and can be found at www.narpm.org under the Education tab/CE Online Courses. This is a great addition to the current line up of courses NARPM® offers.

NARPM® just completed their 2017 Strategic Planning session and education remained the focus of NARPM® services. The Strategic Planning Committee Members spent time looking at how NARPM® can reach more Property Managers to encourage them to complete NARPM® education courses. It is exciting to see how much NARPM® has grown their education in the past few years, thanks to many volunteer and staff hours.

November 15, 2016, is the annual Chapter President/Leadership Training. This session is designed to assist all incoming Leaders in running their Chapters and keeping the volunteers on track, bringing benefit to the local and State Members. If you are the Chapter President-Elect, and have not registered, please do so today. Your registration fee is comped, along with your hotel expenses. This session received outstanding reviews from the Leaders last year and we are looking forward to an even greater session this fall.

This year has flown by and I wanted to thank Bart Sturzl, MPM® RMP®, for leading this organization in 2016. All Board Members and Committee Chairs are also to be commended. A great deal has been accomplished, thanks to your hard work and dedication. The staff of NARPM® appreciates the support that is given to them. Thank you, Chapter Leaders, as you are the first contact a Member has with NARPM®. Please make sure to hold regular meetings and keep your rosters updated, so that all the new Members can take full advantage of the benefits of this great organization.

I look forward to seeing many of you in Maui, Hawaii, as we celebrate 2016's theme of Striving for the Summit! 🏔️

Gail S. Phillips

Gail S. Phillips, CAE
NARPM® Executive Director



Darcy Jacobsen, Research Analyst at Buildium, is the Director of Content Marketing. She is the Chief Analyst and writer for Buildium's annual research and report publications, exploring the behaviors and best practices of Property Managers, owners, and tenants, including the 2016 American Renters Survey. She holds a BS in Communications and has worked in marketing and design since 1990. Follow her at www.buildium.com and @DarcyBuildium on Twitter.

This list includes a swimming pool, fitness center, designated pet areas, onsite storage, a doorman or security access, and a garden.

How to Attract (and Keep) Them Good Tenants

Finding and retaining good tenants is one of the most important – and challenging – factors for Property Managers when it comes to maintaining a successful rental property. But, as a Property Manager, how do you know what tenants really want in a rental?

Fortunately, for Property Managers and landlords, Buildium's inaugural 2016 American Renters Survey went straight to the tenants themselves to figure out what they look for in property rentals and the most important factors for them. The report, which surveyed 900 renters across the United States, got to the root of what tenants care most about in their apartment or home rental and what motivates them to stick around or start looking for another place to live.

Below are some of the key findings from Buildium's report that Property Managers and landlords should keep in mind to attract and keep the very best tenants.

RENTERS WANT (AND WILL PAY FOR) A GREAT NEIGHBORHOOD AND AN IN-UNIT WASHER AND DRYER WON'T HURT EITHER

Location, location, location. There's a reason why the famous saying is so widely recognized. Of the survey respondents, 72 percent cited location or neighborhood as a factor that weighed heavily on their choice of where to live. When asked what they love most about their rental, a quiet and safe neighborhood was at the top of the list. In fact, the report even showed that a majority of tenants would actively seek out a quiet environment in a new rental.

Beyond location, community features were some of the other elements that impacted tenants' decisions on where to live. While many tenants reported that they already have a pet-friendly building, a great neighborhood, walking distance to amenities, green space, designated parking and recycling options, there are some additional nice-to-have amenities for which tenants will pay more. This list includes a swimming pool, fitness center, designated pet areas, onsite storage, a doorman or security access, and a garden. In terms of in-unit amenities, the most commonly sought-after feature was a washer/dryer, according to the report, with high-speed Internet and central air-conditioning close behind.

These key findings can be helpful for Property Managers looking to expand or improve their property portfolio, and can help determine pricing if their unit has a

good amount of these amenities. Not only are tenants willing to pay more for these features, they will likely stay there longer, too. If you already have these amenities, be sure to highlight them in your rental listings – especially if they are included in the rent.

DIGITALLY SAVVY TENANTS SEEK ONLINE CONVENIENCE FEATURES LIKE EPAY, TENANT PORTALS AND TEXT ALERTS

Another trend which emerged from the study was tenants' desire to conduct rental-related business online. In fact, nearly half of those looking to move in the next year said they will be using Craigslist to search, even more so than word of mouth recommendations from family members or friends. Websites and search engines, like Zillow and Google, were high on the list of additional search methods.

With the Internet at their fingertips, all of the tenants indicated that they would like to be using more digital services beyond that to which they currently have access. For example, renters want to pay rent electronically, and while 37 percent of renters already do so, 50 percent reported they aren't given the option, but would like to have that option. This was particularly true amongst those who live in a multi-tenant home. When asked about online portals, or property management websites where they can manage expenses and property-related communications, only 26 percent of residents say they currently have access to one, while 44 percent enjoy or would like one.

Offering options such as online listings, electronic leases, electronic payments, and online maintenance requests and tracking is a quick and easy way for Property Managers to increase their number of rental applicants – and keep current tenants happy. In addition, an overwhelming amount of respondents said that they would prefer electronic communications with their Property Managers and landlords, with email and text messaging topping the list. This is another easy digital fix to help accommodate tenants.

MOST TENANTS LOVE THEIR RENTAL, BUT RELATIONSHIPS WITH PROPERTY MANAGERS AND LANDLORDS NEED WORK

The good news is that 74 percent of tenants like or love their rental. Not surprisingly, those who loved their

rental were the least likely to move. For those who did plan to move, it was usually for reasons other than the rental property itself, such as job relocation or moving in with a significant other.

The not-so-good news is that tenants don't feel the same way about their Property Managers or landlords. In fact, those who expressed negative feelings toward the property owners (landlords), were far more likely to move within the next year. Feelings about Property Managers tended to be significantly more negative overall than feelings about landlords. Of those tenants who don't like their Property Manager, a whopping 57 percent say they are extremely or very likely to move in the next year.

With the direct correlation between liking a Property Manager and plans to move in the next year, making the extra effort to connect with tenants may significantly reduce repeat vacancies and ensure that you are holding onto the tenants you value most.

Desirable location, digital property management capabilities, and a good relationship with Property Managers and property owners (landlords) are the most important determining factors for tenants when it comes to renting or staying in a property, so they should be equally essential for Property Managers and landlords, too. Maintaining a property isn't easy, but with these insights you can start to get a better idea of what to prioritize in order to reduce vacancy rates and turnover and maintain happy and consistent tenants – making it a win-win for everyone. 🏠



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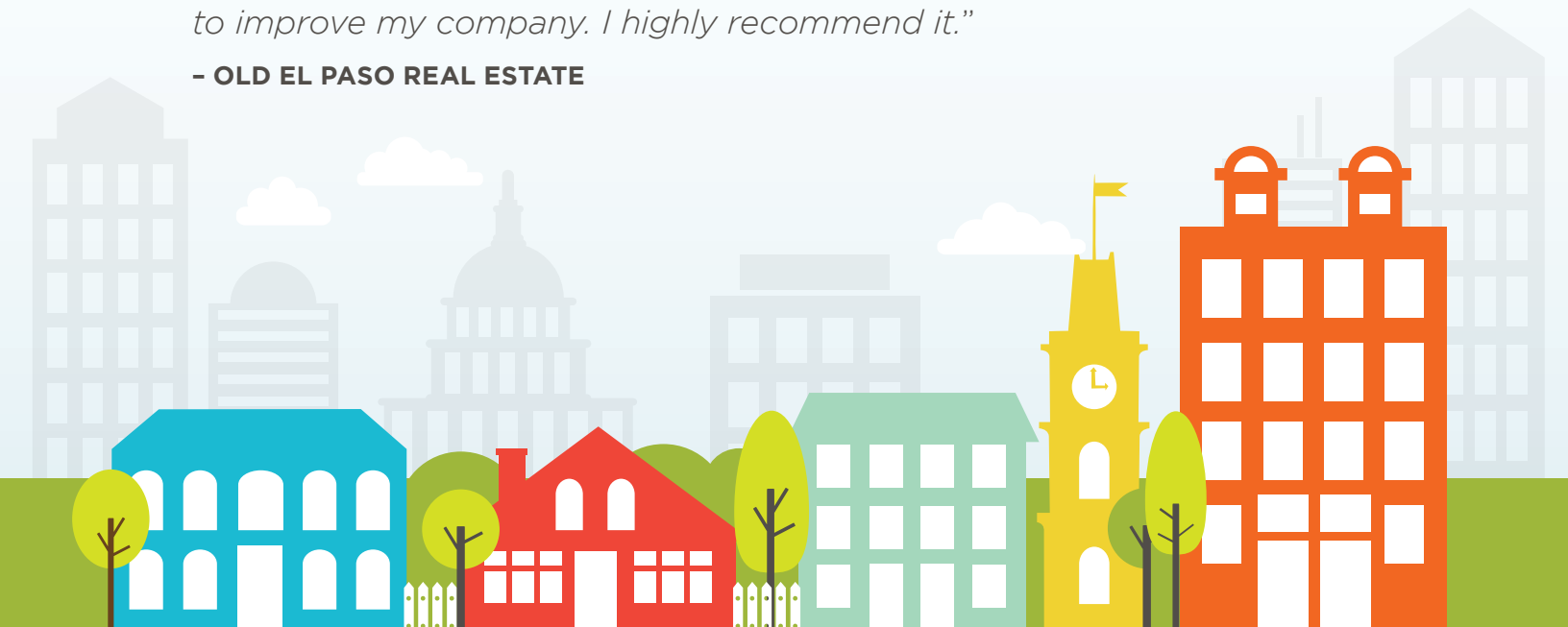
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Seize the Opportunity When the Property Sells

It's understandable that Property Managers need to define the scope of work included within the management fee and, if they choose to do so, offer services outside of the scope for a reasonable fee. When a property owner decides to sell, it is common for the seller and/or the listing Agent to rely on the Property Manager for help. For many Property Managers, this added work falls outside of the scope of management, so the Manager either refuses to assist or does so for a fee, which may or may not really be reasonable. Some companies automatically give notice to terminate their management once they are notified the property owner is listing to sell. Our company does consider performing many of the services requested of us when a property is listed to sell, even if they are out of the realm of the management agreement. We do, however, offer them for a fee; but we often waive those fees and go above and beyond to assist in the successful sale of the property.

For the tenants who are renting the property, the process of the property being on the market can be unnerving. As the Property Manager, we can be the familiar face among the multiple inspectors, appraisers, and the buying and selling agents. We can assist with the scheduling of inspections, appraisals, and the showing of the property to prospective buyers to ensure that the tenants are being properly notified. We can also provide reassurance to the tenants by letting them know that new buyers will have to uphold their current rental agreement, despite the fact that a buyer may change Property Managers once the sale has been completed.

We can also make arrangements with the buyer, seller, and tenants to come to a mutual agreement that would allow the tenants to vacate the property prior to their lease expiration, so the buyer could move in or make upgrades before re-renting the property. We have had the experience where the property owners prefer to put the property on the market as a vacant unit, so they will give the tenant a notice to vacate. When this happens, we use it as an opportunity to move a well-qualified tenant over to another available property. This is a win-win situation, because the prop-

erty owner will have a vacant property when they put it on the market, and the tenant has been placed into another suitable home.

By going above and beyond to assist with a situation like this, we find that the seller, their listing agent, the buyer's agent, the buyers, and the tenants all recognize our helpful efforts and develop a very favorable opinion of our company. Even when the property doesn't sell to an investor, we find that the listing agent becomes an advocate and refers us to investors. The seller continues to love us. If the buyers are investors, they will often retain our company for management. This is where some Property Managers may be under-

estimating the opportunity to establish new business relationships. Investors typically have more properties and, after the purchase of this property, they often will bring all of their other properties to our company.

On the flip side, one of our clients was buying an investment property that was managed by another company. We do not know what the agreement was between the seller and his Property Manager, but according to the listing agent, the seller had always found their Prop-

erty Manager to be satisfactory, until he decided to sell. The buyer's agent had nothing good to say about that Property Manager and said he would never refer them to anyone. Somehow, all of that negativity got to the tenants and they, too, now had a negative perception of the Property Manager. Our clients, who were buying the property, were most likely going to stay with us, but all of the negative feedback just reinforced their trust and appreciation for our services.

Thomas A. Edison said, "Opportunity is missed by most people because it is dressed in overalls and looks like work." As Property Managers, we need to recognize the truth in this statement when dealing with clients. Even though the added workload that comes in assisting property owners with the selling of their property can seem like a daunting task, the benefit of going above and beyond for our clients can make the extra work worth it. So the sale, which is often perceived as a negative, really becomes an opportunity to improve your reputation and increase your growth. 🏠



Kristen Curtis, RMP®
Candidate, is the Leasing Team Leader for First Rate Property Management, CRMC®, in Boise, Idaho. She joined the First Rate Property Management team in 2014, and is passionate about her property management career. She is a Professional Member of NARPM®. Kristen enjoys spending time outdoors with her three children and the rest of her family.

We can assist with the scheduling of inspections, appraisals, and the showing of the property to prospective buyers to ensure that the tenants are being properly notified.

LEGISLATIVE Scoop

KEEPING OUR MEMBERS CURRENT ON THE NEWEST INDUSTRY LAWS AND POLICIES NATIONWIDE



Scott Abernathy, MPM® RMP®, is a Property Manager for Reliant Realty, LLC, located outside of Nashville, Tennessee. He has been renting homes since 1989 while he was still serving in the United States Air Force. He graduated from Middle Tennessee State University with an Aerospace Degree and a Minor in Real Estate. While in college, he got his real estate license and began his career. He insists he has received much better education through NARPM®. Scott has served on the NARPM® Governmental Affairs Committee, as well as the Government Affairs Committee for his local Association of REALTORS®. He is now the National NARPM® Governmental Affairs Chair.

What does this mean to Property Managers? For those who have no employees, not much. If you do hire employees, you may need to change some payment structures with them.

New Salary Rules from the Department of Labor

I want to begin this column by stating for the record that I am no expert on employment law or the new salary rules. However, over the past twelve months, I have learned the hard way just how complicated employment law is. I'm a simple Property Manager, just like you, helping other Property Managers navigate our way through changes in government regulations via NARPM®'s Governmental Affairs Committee.

With that being said, the United States Department of Labor (DOL) has made the changes pretty simple to understand, with a complete question and answer page on their website at www.dol.gov/whd/overtime/final2016/faq.htm#5. Here is the bottom line.

In 2014, President Obama instructed the DOL to update the overtime rules in the Fair Labor Standards Act (FLSA). Born of post-depression economics in 1938, the FLSA was one of 121 bills that President Franklin D. Roosevelt signed one warm Saturday in June to avoid "pocket vetoes," nine days after Congress had adjourned. (A pocket veto is an indirect veto of a legislative bill by the president or a governor in which they retain the bill unsigned until it is too late for it to be dealt with during the legislative session.) At the time, it severely restricted child labor, established a minimum wage of 25 cents per hour, and created a maximum work week of 44 hours.

Obviously, the changes we are about to see are not the first for the FLSA, the most recent being in 2004. The principle reason for the administration's directive to the DOL was the current low salary threshold of \$23,660 per year (\$455 per week), giving many employers the opportunity to avoid overtime pay.

The DOL spent a year researching the census data with an emphasis on current salaried employees to establish a new minimum salary of \$47,476 per year (\$913 per week). This number comes from the 40th percentile of the lowest census region, currently the southern United States.

These changes take affect December 1, 2016, giving most employers plenty of time to make changes if they find a need. Furthermore, along with the FLSA update, there will be automatic updates in the future. From now on, every three years, the FLSA salary and overtime thresholds will be updated to the 40th percentile of the lowest census region, beginning January 1, 2023. The DOL is required to publish these updates at least 150 days prior to taking

effect in order to give employers ample time to adjust their wages if necessary.

What does this mean to Property Managers? For those who have no employees, not much. If you do hire employees, you may need to change some payment structures with them. If you have someone salaried for less than \$47,476 a year, an easy solution is to increase their pay to at least that threshold. This is not your only option. You may choose to pay the employee hourly, but you must pay them at least 1.5 times their hourly rate for each hour worked beyond 40 hours in any week. The second option requires a little more record keeping to track hours worked, especially for our employees who work from their homes or satellite offices.

Another fact to keep in mind for any salaried employee is the weekly threshold. The employee must be paid at least \$913 per week – every week. This is not an average, it must be \$913 each week. For your employees who earn some commission above their salary, 10 percent of that weekly payment can be offset in commissions earned, but it must be paid at least quarterly. In the event your salary-plus employee does not earn enough commission in a quarter to bring them up to the \$913 per week threshold, you can make that up in the next quarter, but you can only make up one previous quarter. If the employee still has not earned enough commissions, the employer can make up the difference or pay the appropriate overtime earned.

Employees that earn commissions, especially if their salary is at or near the bottom of the threshold, can get complicated. If you are in this situation, I suggest you do a little more digging.

If you are a salaried Property Manager and you are below the new threshold, you may want to reach out to your employer to ensure they are now aware of the changes.

Employers should keep in mind that violations to the FLSA can be subject to treble (triple) damages so please do not ignore this.

The DOL estimates that this will affect around 4.2 million employees. The result for these people will either be raises, switching to hourly rates, shorter hours/more overtime, or layoffs. Only time will tell.

This has just been a brief overview of the FLSA update. I suggest you research for yourself or seek legal counsel prior to making any decisions on changes you may need to make. 🏠



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Change the Way Our Industry is Perceived **Raving Fans**

All Property Managers know our primary client is, of course, the owners of the homes we manage. But, not only do we have to refocus our energy on providing great service to them, as an industry we need to really refocus on the service delivered to the customers of the industry – the tenants.

It disappoints me as I research nationally that the industry as a whole lacks trust and rapport with much of the outside world. The common perception from tenants is that they are treated like they are not important, and the truth is, they often are treated that way.

Many principals and businesses make large investments into business development and growth, when in fact, business is being lost, not just from unhappy landlords, but also from unhappy tenants.

As an owner or principal in a property management company, the core focus is usually on growth of the number of units. However, business growth does not come purely from one source. Our focus as an industry should not be primarily on investors, but spread across our entire clientele. We, too often, fail to realize that business is generated through a series of links that may

benefit all parties. A close working relationship with a tenant is, I believe, a key ingredient to strong and successful tenancies. As agents working on behalf of the owner, we're represented as mediators throughout the ongoing relationship of that tenancy. Should the need arise, this strong connection acts as a foundation to build a positive outcome for all parties involved.

Now, we know, there are very adversarial tenants – those that immediately make it our fault. We wish they would take responsibility, but as we know, they don't. Someone needs to be held accountable – from the landlord who has a mortgage, to the principal who collects fees from the rent monies received.

Property Managers often suffer verbal abuse or a tirade of aggressive emails from tenants. My question to all property management teams is, "What strategies do you have in place when you have identified habitual tenants on your rent arrears list?"

Often, we move them on, and then some other Property Manager ends up with our problem tenant. Has anyone investigated what other options are available, such as working with financial assistance organizations,



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Candidate, is the Owner of Entrust Realty, in Phoenix, Arizona. She is also the Owner and Lead Instructor at US Realty University, offering nationwide Continuing Education (CE) classes, and teaching local Pre-Licensing and Broker Licensing classes in Arizona. Kirsten has been a NARPM® Member for nearly two years, and has been active locally and nationally, participating in several National/Regional events. As the Secretary of the NARPM® Phoenix Chapter, Kirsten is excited to give back to the industry and to NARPM®. Kirsten hopes to continue to learn and help others grow, knowing that working together we can raise the bar for Property Managers on a national level.

We have a chance to change the way our industry is perceived, and in doing so, we will generate business – not just for today, but for life!

not stem from our primary source of income. Sometimes even tenants can be a great source.

I understand that it is the landlord that pays us for our expertise and service. However, I believe that by working for the tenant, we are, in essence, also working for the landlord.

Tenants are not our primary clients, but they are our customers that support our primary clients. A happy tenant provides multiple benefits to a landlord, which often includes longer tenancies, minimal vacancy periods, and also smooth resolutions to potential problems – all of which then precipitate more income or increased return on investment for the landlord. That's our core selling proposition, right?

When a tenant, or prospective tenant, is provided with excellent service and becomes a raving fan, you create the ability to work with them, going forward to

to help tenants with rental payments? Just an idea, but getting creative to try to work with tenants that may need help, or even sometimes listening to their situation, can do wonders for your customer service.

But what would your client say of you and your team if you could turn a poor-paying tenant into one who pays on time? Both your client and tenant would become raving fans, only because you took the time to have empathy and compassion.

Every part of the property management cycle is crucial, and there is not one party that is unimportant. By providing excellent customer service to our tenants (or prospective tenants), we create happy customers. We have a chance to change the way our industry is perceived, and in doing so, we will generate business – not just for today, but for life! 🏡



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Michael Mino is President and CEO of PropertyBoss Solutions, a provider of property management software. A serial entrepreneur, he has started a number of software technology firms and became a landlord in 1977 when he purchased his first rental units. PropertyBoss Solutions is a NARPM® Affiliate Member, based in Greenville, South Carolina. For more information about Michael or PropertyBoss Solutions, visit www.propertyboss.com or call Michael at 864.297.7661 x26.

Tenant Insurance

Some interesting developments have occurred in the two years since my last discussion of tenant insurance, "How Insured are your Tenants?" in the June 2014 *Residential Resource*. There are additional offerings by insurance carriers, more tools to assist with compliance, and increased engagement by Property Managers and their tenants.

According to the US Fire Administration (www.usfa.fema.gov) 60.7%, of all residential fires in 2013 were caused by resident negligence, with another 32.2% categorized as "other causes."

WHY SHOULD TENANTS PURCHASE INSURANCE?

It is in everyone's best interest to educate tenants on the benefits of obtaining their own insurance. Many of them believe that they are covered by the owner's insurance policy. This is generally only true in specific situations in which the owner or the owner's agent is found to be negligent. Damage or loss due to acts of nature (e.g. storms, earthquakes), theft, fire, and acts by others (e.g. guests, other tenants) are not covered by a landlord's insurance policy. A tenant policy protects the owner, Property Manager and other tenants, in addition to the tenant policy holder.

Most policies are fairly extensive, including provisions such as:

- Burglary – not only is the replacement cost of items stolen from the tenant's rental unit covered, but often this protection is extended to items taken from a hotel room while on vacation
- Natural disaster – assistance with living expenses and relocation costs if the tenant is displaced by a flood, earthquake, hurricane, tornado, etc.
- Guests – medical costs if a visitor is injured
- Property damage – replacement of items broken or damaged by the tenant, regardless of where it happened
- Personal liability – legal costs resulting from litigation by

UNINSURED VS. INSURED SCENARIOS

Case 1: Kitchen fire – tenant negligence	
UNINSURED	INSURED
Owner policy (\$25K deductible) <ul style="list-style-type: none"> • \$25,000 cost to owner • \$5,000 loss history 	Tenant policy steps in <ul style="list-style-type: none"> • no cost to owner • no loss reported to carrier
Tenant breaks lease and moves out <ul style="list-style-type: none"> • lost rental income • bad PR 	Tenant stays in hotel until Property Manager provides alternate unit <ul style="list-style-type: none"> • rental income continues
Adjacent units have water/smoke damage (duplex, or multi-family) <ul style="list-style-type: none"> • frustration since owner does not provide compensation 	Tenant policy covers occupants of adjacent units <ul style="list-style-type: none"> • no cost to owner • no conflict

Case 2: Burst pipe due to freezing weather	
UNINSURED	INSURED
Act of God – owner not responsible <ul style="list-style-type: none"> • owner pays for hotel (\$\$) OR <ul style="list-style-type: none"> • tenant unhappy (does not renew) 	Tenant policy pays for personal items and living expenses <ul style="list-style-type: none"> • no cost to owner • no loss reported to carrier
Repair exceeds owner's policy deductible <ul style="list-style-type: none"> • owner bears total cost of deductible and co-pay 	Heat turned off by tenant while they were away <ul style="list-style-type: none"> • tenant policy pays for property repair
Rental activity drops because of damage to reputation and time to repair <ul style="list-style-type: none"> • vacancy loss 	Tenant posts on ratings websites and social media that they got all new furniture and bedding <ul style="list-style-type: none"> • happy tenant, great ratings

Case 3: Tenant's dog bites someone	
UNINSURED	INSURED
Owner is sued by bitten individual <ul style="list-style-type: none"> • owner incurs cost of time and legal expenses defending themselves) 	Tenant policy steps in <ul style="list-style-type: none"> • no cost to owner • no loss reported to carrier

someone injured in the rental unit or by the tenant on or off the premises

WHY REQUIRE TENANT INSURANCE?

The common reason for not requiring tenant insurance is fear that the prospective renter will recognize the cost of this requirement, thereby making them less likely to rent your property. This situation may be true, but the same can be said for application and other fees.



A few reasons for requiring your tenant to obtain insurance:

- tenant insurance is relatively inexpensive (\$10 to \$20 per month) and can be combined with other coverage (auto), reducing the cost further
- the tenant's property is protected while they are home or away – a happy tenant is a good tenant
- a financially stable tenant is more likely to pay the rent and renew their lease
- an additional screening mechanism – tenants who object to purchasing insurance may not be the quality of renters that you want
- the Property Manager is less likely to be involved in disputes – they can be focused on effecting the repairs rather than how or who will pay – most tenant policies provide immediate financial assistance
- keep the Property Manager and owner out of court
- the owner has increased liability insurance and property insurance coverage – think of tenant insurance as covering your deductible
- peace of mind – for all the scenarios and reasons stated

"Tenants are human and given time, something is going to happen, it's life," according to Ned Brandenberger, a 25-year veteran of the property management industry. "When there is a claim, it makes it much easier on everyone, including Property Managers, when tenants have insurance; and the two insurance companies (tenant's and owner's) can work it out."

REQUIRING TENANT INSURANCE

Once you decide to require tenant insurance, you must incorporate this requirement in the lease agreement. For existing tenants, the change can be made at the time of renewal. Best practice is to discuss the advantages of tenant insurance during the lease signing process and provide them with a few recommended carriers. The tenant must be able to choose their provider and not be directed to a specific one. Require that their policy include specific coverage minimums and that you are named as an "additional insured."

Some property management software vendors provide reports and alerts to help you track compliance. This is particularly helpful should the tenant let the policy lapse.

Another provision to include in the lease is a penalty for not maintaining an insurance policy. This provision can be in the form of a fine. Most renters will pay the premium rather than a fine. If they do not pay either, include language to deduct it from the security deposit at the end of the lease.

SUBROGATION

Subrogation is a mechanism for the insurance company to recover damages from a third party (tenant) that caused an insurance loss related to a claim paid by the insurance carrier (to the property owner). The ability of this insurer to subrogate against the tenant depends on the contents of the lease agreement and the State in which the loss occurs.

The Property Manager needs to be very clear about what the tenant will be held accountable for. Property Managers should not give up their right to subrogate. Subrogation should not be mutual; it should be one sided so only the tenant agrees to waive their right of subrogation. Further, the Property Manager should be cautious in their rent increase notices so they do not imply that the increase is somehow making the renter a co-insured. So the rent increase notice should not state that the increase is in part because of the rise in insurance costs, but should state other reasons for the increase, such as market rent increases or higher property taxes.

Three different approaches are used by the courts to interpret this subrogation right. A document on the resource web page for this discussion (<https://www.mwl-law.com/wp-content/uploads/2013/03/landlord-tenant-subrogation-in-all-50-states.pdf>) provides a State-by-State summary. Subrogation was described fairly extensively in the previous article in the October/November 2014 issue.

THE MILLENNIAL FACTOR


Millennials (an increasing constituent of the tenant population) are demanding online (generally mobile device operable) access to research and the application process to protect their valuables and possessions. They expect this process to be readily accessible and immediate – a customized policy delivered to their smart phone that can be put into effect in minutes rather than days.

Millennials are at the beginning of their careers and have not accumulated much savings. An uninsured loss due to theft or an accident can represent a significant percentage of their net worth.

IN SUMMARY

Here is a convenient checklist to implement a tenant insurance program:

- consult your attorney and insurance broker to advise you on the issues regarding requiring renter insurance and the associated implementation matters
- review your standard lease and check that the question of subrogation is addressed
- consider requiring renter insurance as a lease condition; set a minimum for the liability limits based on the value of the rented property
- require that you are listed as an "additional insured"
- tenant must be able to choose the insurance carrier
- ask your property management software vendor if they can provide automated notification of tenant policy enactment and cancellation
- determine how you are going to enforce compliance and how to handle out-of-compliance tenants

Disclaimer: I am a technologist and not an attorney or insurance broker. Nothing in this article should be interpreted as a recommendation to buy or sell any insurance product, or to provide other financial or legal advice. 

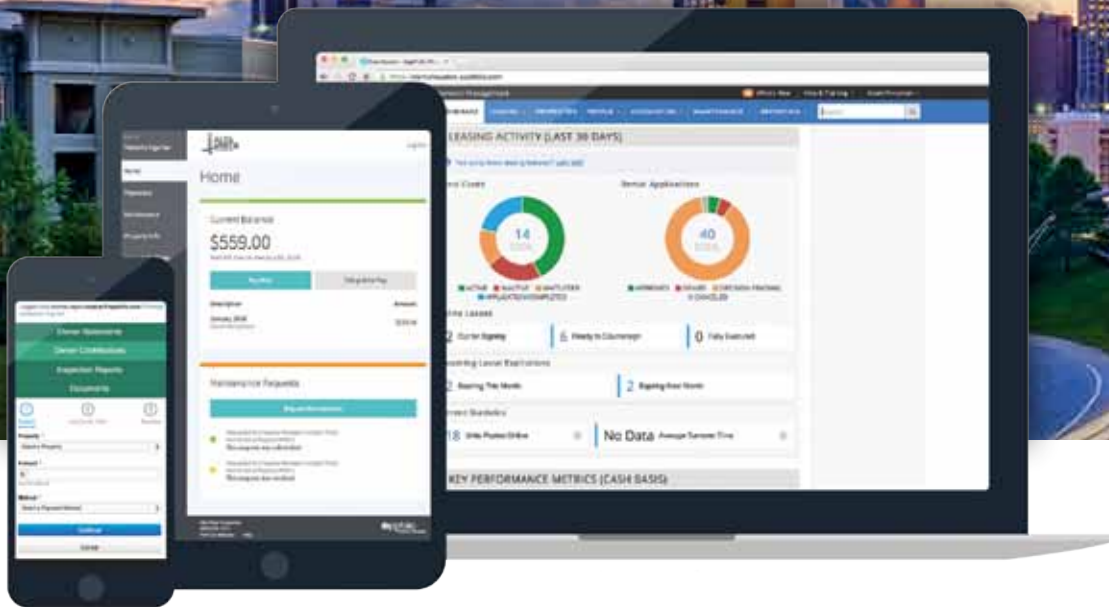
There are additional offerings by insurance carriers, more tools to assist with compliance, and increased engagement by Property Managers and their tenants.



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Kathleen Gaspari, MPM® RMP®, is the Senior Residential Asset Manager for Berkshire Hathaway HomeServices Florida Properties Group located in Clearwater, Florida. She is responsible for training, creating educational material and customer care. Kathy is currently serving as Secretary for NARPM® Florida State Chapter and NARPM® Florida Conference Planning Committee Secretary. She also serves as Secretary for Pinellas Realtor Organization – Leasing and Property Management Council. When not working, she loves running, drawing, writing articles, reading, and hanging out with her husband.

Our business climate has created a very welcoming atmosphere for the global investor.

Establish a Trusted Relationship The Global Investor

Traditionally, property management has been thought of as a local profession. Most often, properties are a comfortable distance from your home or office, easily shown and supervised. Our daily activities usually lead us around our own county and perhaps the adjacent county. Thinking about the entire world is far from the mind of a Property Manager who is just trying to get across town for an appointment.

However, as I and many others have discovered, there are clients all around the world that are thinking about our local cities and towns. I recently started the process of obtaining my Certified International Property Specialist designation (CIPS). Earning this designation has totally changed my perspective on just how “local” my business really is.

When I began this process, I was convinced this would be a sales-focused presentation, with very little to offer a Property Manager. That was not the case. I gained some truly valuable insight. Lessons on how our global economy operates and how it affects local business was just the beginning. I learned how a new client could come from anywhere in the world, why they choose the United States, and, what was perhaps the most useful information of all, how to provide world-class service to the foreign investor.

SO, WHAT BRINGS THEM HERE?

Foreign investors are attracted to the very things we take for granted: our regulated and stable banking system, our private property rights, the unrestricted ownership we enjoy, and the landlord/tenant laws that protect us. Our business climate has created a very welcoming atmosphere for the global investor.

THE ALLURE OF A FOREIGN INVESTOR

As a Property Manager, solid growth is important to me. Owners that purchase investment properties to hold long term provide stable portfolio growth for your company. Between the arduous process of getting to the closing table and the possibility of capital gains, holding their investment for a period of years is usually the best option for a foreign investor. Also, these investors are often cash buyers. Many lenders require documentation that might be hard or even impossible for them to provide. Cash is simpler and much faster.

Perhaps the most desirable trait of the foreign investor

is their investment preferences. They are inclined to choose high-quality properties and seek only modest returns on their investment. A high-quality, long-term rental, a reasonable return expectation, and an owner prepared for the expenses involved in maintaining an investment, all add up to what I consider a top-tier client.

IT'S A MATTER OF TRUST

We all strive to earn a reputation of “Trusted Advisor.” Our clients have come to expect our loyalty and rely on our expertise. As a licensee, you are considered to be an “expert.” There is an expectation that your skill set gives you an advantage over the public. As a result, we disclose our credentials upfront and operate in good faith. A foreign investor has limited knowledge concerning the real estate practices in our country, and no real idea of what they could expect from a licensee. That creates a lot of uncertainty and highlights their need to rely on your trustworthiness. The relationship with the global investor will be a combination of that trust, your customer service skills, and your work ethic. They will feel their vulnerability and will need your help with every detail to overcome that uncertainty.

Location, how to set rental rates, rental restrictions, and the property features that are most popular with tenants are just a few of the areas of expertise that will be important to them. This is where you really begin to prove to them that your experience and knowledge are valuable assets. All of this will take time to establish. Your value to them will continue to grow with each action step you take. They will want to see an attitude of service and ethical behavior, along with a communication style that is informative, not persuasive. After all, you are a trusted advisor, not a salesperson. They do not respond to the hard sell. They will want to see how you are different from your competitors, that you have experience, and can display expertise in your specialty without pressure.

A TAXING SITUATION

Foreign investors have tax considerations and will look to you to help point them in the right direction. Often, they buy properties and are not given information concerning their tax obligations on rental income. This information is quite valuable to them, and your knowledge on this subject will be another opportunity to prove

your value. As a professional, you know there are federal obligations, as well as State and local laws, ordinances, and regulations of which they must be made aware. All of this could get very overwhelming for investors, if not for you, their trusted advisor. You should also be able to point them in the direction of a tax expert that is part of your established team.

SHOW THEM THE MONEY

A Property Manager should have basic investment knowledge. Brush up on your skills so you can help them determine a property's potential. Know your formulas and keep a calculator handy. A serious investor will expect you to be adept at calculating a return on investment and to know what a cap rate is. In order to be truly effective, you should also have some knowledge of currency conversions, exchange rates and wire-transfer information. Develop a relationship with a trusted "money" source to help you service your client's needs.

GET IT IN WRITING

Your role as a professional is to educate. Our customs and practices are what we know to be true, and the same can be said for other cultures. A foreign investor will need to know how we do business. In some cultures, contracts are just the beginning of negotiations. Our experience is much different than that. When these expectations don't match reality, frustration will follow. It will be up to you to make sure your client understands that a contract is a binding document and understands how to navigate the process. Take the time to educate your global clients on how our business process flows and what each step along the way means to them.

TECHNOLOGY RULES

Most foreign investors are very tech savvy. They will expect you to be proficient as well. With time zones and a global market, business never sleeps. Information needs to be readily available and accurate. QR Codes are very popular around the world. Though the popularity of these codes have lost some of their momentum in the US, other cultures have continued to embrace them. Become familiar with the other ways people access information. Be open to trying various ways to extend your reach.

ARE YOU SMARTER THAN A 5TH GRADER?

Does anyone else remember being told that one day we would all be using meters and centimeters? That our inches and square feet would disappear, and that we would need to catch up with the rest of the world? Perhaps you didn't really bother to learn hectares and square meters. Now would be the time to brush up on your 5th-grade math skills and reintroduce yourself to our old friend – the metric system. The rest of world has managed to adopt the metric system, and using Realtor.com/Global or helping an investor understand size will mean knowing the basics. Just another case of "I wish I listened back then!"

IT'S ALL IN THE FAMILY

Our culture has a very relaxed attitude concerning family order, family affairs and name preferences. We don't rely on age or gender to establish who will speak for a group. Some cultures consider these matters to be extremely important. In some countries the highest ranking person in a group will lead the conversation. Status is often dictated by wealth, position, age, and gender. It is important to know these facts and be sensitive to them or you will risk insulting your client. Also, in many cultures, family matters are private. They do not

share details as easily as we do. Wait for information to be offered. Another consideration is the family name. It could be different than what we have come to expect. Some cultures put the family name first and then the first name. Paying attention to these details will show your commitment to the foreign investor.

MIND YOUR MANNERS

Often, good manners will help us navigate through uncharted territory. So, brush up on your business etiquette because many cultures have customs of which you might not be aware. Talk less and listen more. This will help you discover little pieces of useful information. I spent many years being a wallflower and I learned a lot.

Be careful not to do anything to embarrass the other person. We like to tease each other for fun. This is not accepted behavior everywhere. Don't use slang. It could be confusing or even insulting. Be careful with your gestures and keep your hands out of your pockets. Even crossing your legs could be misinterpreted as impatience.

Other common concerns include your attire. Plan to always dress businesslike. A classic wardrobe will not offend most people. Don't be late. Tardiness could be viewed as a character flaw. These are the good habits that we all practice most of the time and are the things we should be doing every day; but often, in our haste to get everything done, we falter a bit.

It is said that successful transactions require a "meeting of the minds" and your knowledge of global business practices, cultural expressions, and international customs will help you and your global client find a path to success. As Harvey S. Firestone said "The secret of my success is a two-word answer: Know People!" That could very well be the secret to your success with a foreign investor, too. 🏠

Information contained in this article is from CIPS (Certified International Property Specialist) training 2016.



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Chuck Kelley is the Property Manager for Porter Realty, Inc., in Alamosa, Colorado. He has 12 years of experience in security and law enforcement. In 2012, he left law enforcement to pursue a career in real estate and currently manages about 250 rental units. His passion for technology is seen in all aspects of his life. Among his friends, he is the “go-to” tech-guy for troubleshooting and advice.

More Important Than You Might Think Email Security

Access to your email account is one of the most valuable assets you have, and you should protect it. Your email account is literally the key to your kingdom. When I tell people this, they usually respond saying that “It’s just messages with my mom,” or “Who wants to read all my junk mail?” or something similar. However, to a hacker, it’s one of the most valuable things you have. Let me explain.

Imagine the following scenario: A hacker gets access to your email account. They have computer programs that immediately click the “reset password” link for every bank website. They put in your email address. Most of the time the bank is going to say there isn’t an account with that email address. If they do it to your bank, the bank sends a reset password email to your email, but it is now controlled by the hacker. They click the link in the email to reset the password, get into your account, and take all of your money. This entire scenario happens in only a few seconds!

So how do you protect yourself? It’s actually much easier than you might think. You only need to do three things.

1. HAVE A STRONG, UNIQUE PASSWORD

Your password should be something random and unique, but it should also be long (12 characters minimum). Use a different password for each website or account you have. An example of a good password is “c3[e&0Qy dj&0#Mb.” Your first thought when you see that is to think, “I could never remember that!” In fact, that’s exactly the point! If you can remember your password, you are doing it wrong! That leads us right into #2.

2. USE A PASSWORD MANAGER

If you are supposed to have passwords you can’t remember, and you are supposed to have a different password for each website, how do you log in? You need a password manager.

A password manager is a program or browser extension that will save all your passwords in a secure place and fill them in for you when you need them. This allows you to make really secure

passwords for each website that are different from every other password you use.

You can do an Internet search for “Password Manager” and you will see a huge list of companies providing this service. Just make sure you do your due diligence to make sure they are good stewards with your data since you will be giving them all of your passwords.

3. UTILIZE TWO-FACTOR AUTHENTICATION (2FA)

What do you do if you have a great password, but a hacker gets it? Believe it or not, you can still be protected. You need to turn on 2FA if your account supports it. You might be wondering, “What is a factor and why do I need two of them?”

In identity security, there are three authentication factors used to prove that you are you. An authentication factor is an independent category of credentials used for identity verification.

Factor #1: Something you KNOW – For example: your password.

Factor #2: Something you HAVE – For example: a token with a special code.

Factor #3: Something you ARE – For example: a biometric scan of your eye or thumbprint.

HOW TWO-FACTOR AUTHENTICATION WORKS

1. When you want to log in to a website, you enter your username and password.

2. Then the website sends you a text message with a special code (or generates a special code in an app on your phone). Without that special code, you can’t log in, and neither can a hacker!

To log in, you have to have the password (something you know), and the special code (something you have). To make it less painful, most services will only ask for the code once a month and/or if you are logging in from a new computer.

Your email address is your digital identity. Guard the key to your kingdom! Protect it with a good password you can’t remember, use a password manager, and enable two-factor authentication. If you do these three things, you will no longer be the “low hanging fruit” for which hackers look. 🛡️

Your email account is literally the key to your kingdom.

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DESIGNATIONS & CERTIFICATIONS

The power that comes with increased knowledge and confidence is tangible. It is what sets you apart from your competition. Professional designations and certifications from NARPM® have an impact on your company and your clients, and the results translate directly to the bottom line. Add the credibility of our professional designations and certifications to your name and to your company name!

NARPM® designations are earned with a combination of property management experience, NARPM® and industry education, and service to the association through volunteer activities. You may have taken clock-hour courses to maintain your license. Imagine the gains when the courses are specifically focused on what you do as a Property Manager – and are being taught by a property management professional. Take it one step further and envision networking with other experienced Property Managers from across the country. Earning your NARPM® designation will bring a whole new dimension to your daily tasks.

Designees approved at the August 2016 Professional Development Committee meeting:

MPM®

Jerry Allred, MPM® RMP®
Aaron Gingerelli, MPM® RMP®
Angela Brinkley-Morris, MPM® RMP®

RMP®

Tim Hendricks, RMP®
Conrad Bennett, RMP®
Patrick Fogarty, RMP®
Lorena Jauregui de Birdy, RMP®
Kristin M. Johnson, RMP®
Shawn A. Johnson, RMP®
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Kristi N. Malcom, RMP®
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Mary L. Pinto, RMP®
Eric Purvis, RMP®
Maily Roberts-Jacobs, RMP®
Dianne Stanley, RMP®
Chris Turner, RMP®
Steve Williams, RMP®
Charles Chang, RMP®

CMC and CSS®

Thomas Zimdahl, CMC CSS®

CRMB

James Rickman, CRMB

The Professional Development Committee now approves Designation Packets monthly.

- Please submit your packet by the **15th of each month** to be approved.

***There is a new upload system available to submit your designation / certification documents. To upload your documents to the new upload system, please email designationinfo@narpm.org.



How to Simplify Your Work Day Smarter Software

If you're looking for a way to streamline property management processes, you're not alone. Landlords and Property Managers wear many hats, often jumping back and forth between office chores and onsite duties in a single day. The constant juggling of locations, jobs, and tools can be exhausting!

The four responsibilities below are probably a huge part of your daily life. Keep reading to see how smart property management software can help you excel at each and every task – without switching programs, having the walls close in on you, or feeling chained to your desk.

PROPERTY MANAGEMENT

Is your software made to suit your properties? Some solutions only work well with one asset class, and others generalize for multiple property types without providing the more specific tools you need when managing a diverse portfolio. But the right software platform will have everything you need for every residential property – whether it's a single-family home, apartment, or condo. You should be able to calculate community fees and enforce bylaws as needed, without having to use a separate program.

If you have mixed-use properties in your portfolio, be sure to investigate software with commercial capabilities as well. The ability to automate CAM (Common Area Maintenance) reconciliations will save you significant man hours.

PROPERTY MARKETING

Adopting a property management solution with marketing and leasing capabilities benefits both Property Managers and renters. Recent research by Google indicates that apartment shoppers view 20 property websites online, but only visit three properties in person. Make sure your property gets a visit by having a responsive website with high-resolution photos and accurate information that answers prospect questions. Websites that are integrated with your property management software are easy to update and feature real-time pricing and availability – saving you the effort and expense required to maintain a third-party website or do manual updates.

Integrated property marketing also makes it possible for prospects to quickly find the accurate information they're looking for at any time of day or night, without having to call your office during business hours. When they're ready to take the next step, they can select units, complete self-service screening, apply, and once approved, sign up for renters insurance – all online from a mobile device.

RESIDENT SERVICES

Your software should make life easier for your residents, too. It should offer resident portals that make communication and payments more convenient. And if it has mobile maintenance tools built in, so much the better! Mobile maintenance tools don't just help you and your staff work more efficiently; they also increase resident satisfaction and retention. When you're able to respond promptly to maintenance requests and take expert action, everyone's happy.

Mobile conveniences can sometimes make the difference between winning and losing a prospective resident. Keeping up with the times is more important than ever to succeed in our digital, online world.

ACCOUNTING AND MORE

Accounting is not an easy task, but it is often referred to as the backbone of any successful business. It can get especially complicated if you have to maintain numerous spreadsheets. Or if your database is located in one physical place, but you can't access it when you are away from the main office. What you need is a solution that lets you access your data from anywhere – including on your phone or tablet – and run essential functions and reports with a click of a button.

Cloud solutions let you safely and securely access your data no matter where you are. When you and your staff can work from different locations, you save both time and frustration. Cloud-based software providers host everything online and maintain all software versions and backups, so you can focus on your core mission rather than database management.

WHY CONSOLIDATE?

Automating all business processes on a single mobile platform – from daily management responsibilities and marketing tasks to accounting and resident services – is arguably the smartest decision a property management company can make. The key is to prioritize the functions that take the most time out of your day, and then choose software that can help make those tasks more efficient and manageable.

When you can consolidate your daily processes on one social, mobile, and smart platform, you gain the tools you need to empower your staff and better support your customers. Not only will you save time, money, and hassle, but you'll also gain transparency and flexibility. 📱



Angelique Springer-Davis, Senior Director of Marketing at Yardi, has successfully led global marketing teams for pioneering software as a service (SaaS) and technology companies. She is a top-performing marketer with a career characterized by driving profits and achieving goals in highly competitive and demanding markets. She currently works closely with an innovative team to deliver easy property management software for busy Property Managers. For more information, visit www.Yardi.com/Genesis2. Follow her on Twitter at [@angeliqueedavis](https://twitter.com/angeliqueedavis).

Some solutions only work well with one asset class, and others generalize for multiple property types without providing the more specific tools you need when managing a diverse portfolio.



PRINCIPLES FOR PROFITABILITY

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Betsy Morgan | VP Investor Services Division
Berkshire Hathaway HomeServices
Florida Properties Group
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To learn more about our business building principles of profitability, go to **propertyware.com** or call **1.855.976.9502**.



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Alaska, Washington, Oregon, Idaho, Montana,
Wyoming.

Pacific: Keith Becker, MPM® RMP®
California.

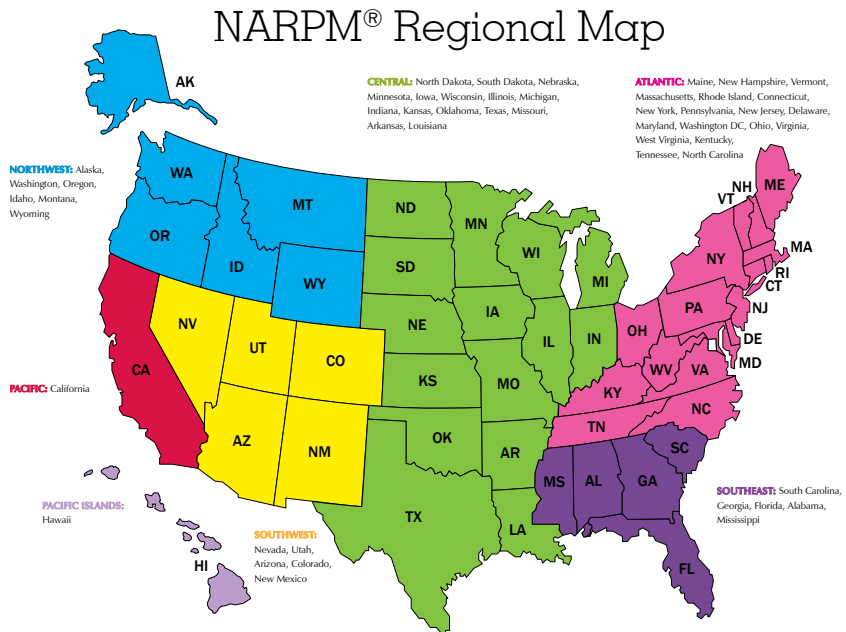
Pacific Islands: Keith Becker, MPM® RMP®
Hawaii.

Southwest: Mike Mumford, MPM® RMP®
Nevada, Utah, Arizona, Colorado, New Mexico.

Central: Tracey Norris, MPM® RMP®
North Dakota, South Dakota, Nebraska, Minnesota,
Iowa, Wisconsin, Illinois, Michigan, Indiana, Kansas,
Oklahoma, Texas, Missouri, Arkansas, Louisiana.

Atlantic: Traci Lewis VanCamp, MPM® RMP®
Maine, New Hampshire, Vermont, Massachusetts,
Rhode Island, Connecticut, New York, Pennsylvania,
New Jersey, Delaware, Maryland, Washington DC,
Virginia, North Carolina, Ohio, West Virginia,
Kentucky, Tennessee.

Southeast: Eric Wetherington, MPM® RMP®
South Carolina, Georgia, Florida, Alabama,
Mississippi.



2016

Hear Ye! Hear Ye!

In accordance with NARPM® guidelines for approval of the Certified Residential Management Company (CRMC®) designation, notice is hereby posted that Heidi Hartman, MPM® RMP®, with Details Property Management, has applied for the CRMC® designation.

If anyone knows of any reason why this company should not be eligible, please contact NARPM® National by phone at 800-782-3452 or by e-mail at info@narpm.org. Objections must be received by October 1, 2016.

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Opportunities are available to Chapters that would like to further educate their Members and increase their Chapter funds. However, it takes time to plan a class, so give your Chapter five to six month's lead time if you wish to sponsor.

DATE	LOCATION	CLASS	INSTRUCTOR
10/17/2016	Maui, HI	Managing Single-Family Homes & Small Investment Properties (SFH201)	Dave Holt, MPM® RMP®
10/17/2016	Maui, HI	Developing Rewarding Owner Relationships	Vickie Gaskill, MPM® RMP®
10/18/2016	Maui, HI	Tenancy	Michelle Horneff-Cohen, MPM® RMP®
10/18/2016	Maui, HI	Finance: Cash Flow Analysis	Mike Nelson, MPM® RMP®
10/19/2016	Maui, HI	Ethics	Tom Sedlack, MPM® RMP®
11/02/2016	Tampa, FL	Intro to Maintenance: Covering the Basics of Standards, Codes & Safety	Kit Garren, MPM® RMP®
11/09/2016	Denver, CO	Ethics	Robert Lynde, MPM® RMP®
11/09/2016	Falls Church, VA	Ethics	Traci Lewis-VanCamp, MPM® RMP®
11/10/2016	Chesapeake, VA	Ethics	Traci Lewis-VanCamp, MPM® RMP®
11/16/2016	San Diego, CA	Advanced Risk Management	Vickie Gaskill, MPM® RMP®
11/17/2016	Frederick, MD	Advanced Risk Management	Michael McCreary, MPM® RMP®
11/17/2016	Charleston, SC	Essentials of Risk Management	Robert Locke, MPM® RMP®
11/17/2016	Colorado Springs, CO	Ethics	Robert Lynde, MPM® RMP®
11/17/2016	Long Beach, CA	Ethics	Keith Becker, MPM® RMP®
12/08/2016	Charlotte, NC	Office Operations – Policies and Procedures	Betty Fletcher, MPM® RMP®

Online Registration

is available through Member log-in at www.narpm.org. Look for Register for Events / Pay Dues and select your Classes. It's FAST and Easy!!

NARPM® Full Course Schedule Listings can be found at www.narpm.org/education/course-schedule/.

NARPM® Full Course Descriptions can be found at www.narpm.org/education/course-descriptions/.

NARPM® Online Courses are now available through OMG Distance Learning. For information and/or to enroll, visit www.narpm.org/education/online-courses/.

State-Approved Continuing Education (CE) Online Courses are now available in partnership with Career Webschool OnCourse Learning. For information and/or to enroll, visit www.narpm.org/education/continuing-education-courses/.

FEES PER COURSE

(subject to change)

8-Hour Course	Early Registration*	Registration
Member	\$ 99	\$149
Non-member	\$149	\$199

6-Hour Course	Early Registration*	Registration
Member	\$195	\$250
Non-member	\$295	\$350
Retake	\$ 75	\$150
RMP®/MPM®	\$100	\$150
Candidate	\$180	\$250

3-Hour Ethics	Early Registration*	Registration
Member	\$ 45	\$ 45
Non-member	\$ 95	\$ 95

*To receive the early registration price, payment must be made online 30 days prior to the class.

COURSE INFORMATION

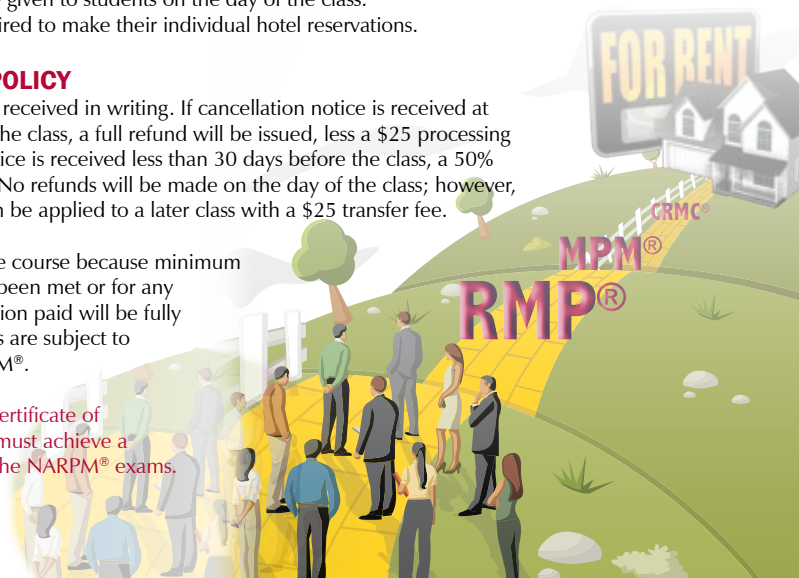
- Course flyers containing additional information may be downloaded from www.narpm.org/education/course-schedule/
- All materials will be given to students on the day of the class.
- Attendees are required to make their individual hotel reservations.

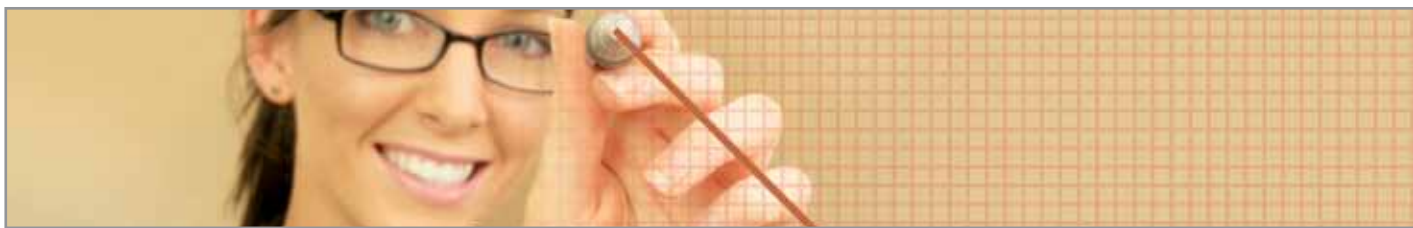
CANCELLATION POLICY

Cancellations must be received in writing. If cancellation notice is received at least 30 days prior to the class, a full refund will be issued, less a \$25 processing fee. If cancellation notice is received less than 30 days before the class, a 50% refund will be issued. No refunds will be made on the day of the class; however, the registration fee can be applied to a later class with a \$25 transfer fee.

If NARPM® cancels the course because minimum registrations have not been met or for any other reason, then tuition paid will be fully refundable. All courses are subject to cancellation by NARPM®.

In order to receive a certificate of completion, students must achieve a minimum of 70% on the NARPM® exams.





Jo-Anne Oliveri, is a CIPS (Certified International Property Specialist), is TRC (Transnational Referral Certified), and is the Founder and Managing Director of the property management business solutions company, ireviloution, headquartered in Brisbane, Queensland, Australia. Jo-Anne is a NARPM® International Member and an Australian real estate identity who has trained over 500 agencies and thousands of agency owners and Property Managers worldwide. With over 20 years of real estate experience, she is seen as a leading authority and thought-leader on all things property management and regularly speaks at the industry's top Australian and North American conferences. Visit www.ireviloution.com to find out more.

As you can see, setting KPIs is critical when it comes to keeping your business on track.

Keep Your Business on Track

Key Performance Indicators

Key Performance Indicators or KPIs are business metrics used to measure, monitor, and manage your property management team and business. These indicators show you how effectively targets, objectives and goals are being met and whether or not your property management business is on track to success. So, which KPIs should you be tracking and why?

KPI 1. MANAGEMENT FEE ANNUALIZED INCOME

Your Management Fee Annualized Income is the total annualized income a portfolio is earning or, if you have more than one portfolio, the sum total of all portfolios. This figure fluctuates as portfolios grow, due to the increased number of properties under management or increased rental rates.

Once your portfolio and business's annual income targets have been set, your Management Fee Monthly Income target should then be set and monitored. If monthly targets are not being achieved by your team, it is your job to determine why. Causes might include a high-arrears percentage, lack of rental increases, lost managements or high-vacancy numbers. Once the reasons have been determined, it is important that you implement effective measures to fix the issues and ensure your team remains on track to achieving your Management Fee Annualised Income target, and overall business goals.

KPI 2. AVERAGE WEEKLY RENT

Your Average Weekly Rent target can be determined once you have prepared your annual business plan. This target should take into account your market area's average weekly rent and the make-up of each portfolio. However, your target should, in fact, aim to achieve above-average market rental rates. Achieving above-average market rental rates results in increased income for your business and sets you apart from competitors.

Therefore, setting your Average Weekly Rent KPI allows your business to achieve average or above-average rental returns for your property owners. As a result, if properties are receiving less-than-average rental returns, you can either take necessary actions to help property owners achieve market rates or decide such management accounts are not viable for your agency. In this way, setting this KPI keeps your business on track and helps achieve greater returns for you and your clients.

KPI 3. AVERAGE MANAGEMENT FEE

Your Average Management Fee determines your monthly and annualized income, and therefore, significantly influences your property management business's overall asset value. For this reason, your Average Management Fee target should be as close as possible to your current management fee rate. That's because, anything less suggests your team may be discounting fees, which is a big no-no, as it devalues your business.

As a result, setting this KPI and measuring it on a month-to-month basis safeguards against team members discounting, deleting or, worse still, not charging management fees at all. In this way, setting this KPI helps protect your business's brand and reputation and also keeps you on track to achieve your Management Fee Annualized Income target.

KPI 4. AVERAGE ARREARS PERCENTAGE AND INCOME

Your Average Arrears Percentage and Income determines how each team member is managing their portfolio, as well as the impact arrears have had on your monthly income. Since most principals focus solely on their arrears percentage, many fail to take into account the monthly income lost in management fees. To protect your bottom line, your Average Arrears Percentage target really should be 0% (and Average Arrears Income target \$0), which is achievable with the right processes in place.

Setting your Average Arrears Percentage and Income KPI puts you in control of this critical factor. Tenants that are in arrears not only negatively impact income targets, but also increase the risk of losing management accounts. Monitoring this metric therefore allows you to pinpoint where and why arrears are occurring to ensure they are managed and removed. As a result, setting this KPI puts you in a better position to coach your team to achieve 0% arrears and 100% income.

KPI 5. AVERAGE PERCENTAGE OF FIXED-TERM TENANCIES

Your Average Percentage of Fixed-Term Tenancies target should be as close to 100% as possible. To do this, you must monitor this metric every month to ensure your team is not allowing tenants to lapse into periodic tenancies. Periodic tenancy terms put your business and property owners at risk of losing income. The key is to understand when tenancy terms are due for renewal, so you can manage workflow, productivity levels, and income targets.

Tracking your Average Percentage of Fixed Term Tenancies KPI helps reduce the risk of management accounts being lost during the renewal process. If renewals are not properly managed, property owners are more likely to terminate the management agreement during this time due to lack of renewal, lack of rental increase, lack of priority in managing the outgoing tenant notice period, and loss of income in between tenants. As such, tracking this KPI allows you to proactively manage this risk factor and set factual income targets for your team to work towards.

As you can see, tracking KPIs is critical when it comes to keeping your business on track. Since every metric impacts and, in many cases, determines other metrics, each one must be accurately set and effectively managed in order to fulfil your individual, team and business objectives. As a result, this will keep your business on track to achieving your agency's overall goals. 🏠

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A WARM WELCOME TO ALL THE NEW MEMBERS WHO JOINED FROM AUGUST 1 - AUGUST 31, 2016

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DISCUSSION BOARD Hot Topics

WHAT HOT TOPICS ARE PROPERTY MANAGERS CURRENTLY TALKING ABOUT?

NARPM® maintains Discussion Boards for several specialties within the organization. These Discussion Boards enable Members to stay in contact and to share questions and concerns as they arise. **If you would like to participate in one of these groups, visit <http://www.narpm.org/members/discussion-boards/> and follow the instructions.** National approves all Discussion Board Members and the Discussion Boards are only available to Property Managers who

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Q Should you collect a security deposit before lease signing?

A In some states, you can't collect the deposit until move in, so the usual answer is not to collect a deposit, but instead, collect a "reservation" or "hold fee" on a unit.

A Every Property Manager seems to have a different process on this, but most approve an applicant and then give a set period of time (say 24-48 hours) for the applicant to pay their hold money (usually equal to one month's rent – nonrefundable). Some also require payment of the first month's rent at that time as well. They do this to secure the unit and basically take the unit off the market.

A Our process is pretty much the same in that we take applications, but the applicant who pays option \$\$ first (we do an option to rent), essentially gets the unit (assuming they are an approved applicant). I think the point is that Property Manager's don't take a unit off the market until \$\$ have been paid and an approved applicant is present.

Remember – You should verify everything that you read on the Internet.

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