

BROKER/OWNER
Conference & Expo

March 28-30
Hyatt Regency
Hill Country
San Antonio, TX

Session Title: Top Revenue Generators
Presented by: BRAD LARSEN
Broker & Owner of RentWerx
MBA, RMP, MPM, CRMCC, TRLS, TRPM, GRI, CRS, ABR

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WHO IS THIS GUY???

- Owner of RentWerx based in San Antonio & Austin
- Manage 1,000 +/- Single Family Homes
- Host of the Property Management Mastermind Podcast
- Facebook Group: Property Management Mastermind
- Founder of the Property Management Mastermind Conference – www.PMMCON.com








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OUTLINE

- **TOPIC:** Review the Top Revenue Generators for a Property Management Company
- **AUDIENCE:** NARPM Broker-Owner Conference
- **INTENT:** Help YOU Provide Exceptional Service
- **ENDSTATE:** Generate More Revenue

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Disclaimer

Brad Larsen is not a licensed attorney. Any information provided in this presentation either verbally or in writing is not legal advice and should be verified by your own individual legal counsel prior to any implementation into your business.

Thank You Marc Cunningham – I stole this from you!

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Who Cares What You Call It?

- FEE MAXIMIZATION
- ANCILLIARY BUSINESS SERVICES
 - REVENUE GENERATION
 - MARKETING INCENTIVES

Bottom Line: Creating & Implementing Money Makers

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Who Are You to Want This?

Are you being a Greedy Capitalist Pig?



YOU SAY "GREEDY CAPITALIST PIG" LIKE IT'S A BAD THING

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Moral Obligation

- The Underlying Question is ALWAYS There
 - Clients EXPECT You to Be Profitable
 - Providing Great Service = Profitability
 - Profitability = Providing Great Service
- Team Wants Profitability = Stability & Opportunity!

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Where is the Math?

**Industry Average: For Every \$1 of Management Fees
= 25 cents of Non-Management Fees (\$1 : \$.25)**

**Industry Average: PPU is Less Than \$40 Per
Month / Per Unit**

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Math Equals?

PROFIT PER UNIT (PPU)

Last 12 Months: \$105+ PPU Per Month

Last 12 Months: 38%+ Profit Margin

Increases Business Valuation

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NARPM Accounting

Ties into the NARPM Accounting Standard

- Total Company Revenue Per Unit
- Profit Per Unit (PPU)
- Profit Margin (EBITDA)

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IMPLEMENTATION

- Prepare to Spend (Lose) \$1 to make \$10
- Is it Fair and Reasonable? (Shop Marketplace)
- Fortitude and Decisiveness
- Good Communication
- There Will ALWAYS Be Fallout! ☹️

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IMPLEMENTATION

Tie your Property Management Agreement into an "Owner's Handbook" that can be updated with 60 Days Notice

Implement Annual Policy Updates 1 January Every Year
*Video *Newsletter *Monthly Statements



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Warm Up- An EASY One!

Annual Technology and / or Tax Preparation Fee

- Charge to All Owners One Time Per Year – 1 January
- Covers the Expensive IRS Reporting Requirements / Audits / CPA Bills for TIN Verification
- TIN Verification – A Minefield of Headaches






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Number 10

Owner Surcharge Fee – Initial PM Agreement

- Automatic Fee to Owners Until Insurance Compliant
- Removed Once Named “Additionally Insured”
- *Totals Around **\$4,500+** Per Month
- Meant to be a Deterrent
- Reflective of the Indifference of Some Owners

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Number 9

Move In Orientation Fee

- Tenant Pays at Lease Signing
- Tenant Initiates and Schedules Within 30 Days
- Use Local Inspector – Document Inspection!
- Generates Work Orders – Ensures Move In Satisfaction
- *Totals Around **\$3,000** Per Month




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Number 8

Risk Mitigation Fee – Tenant

- Charged at Lease Signing – One Time Payment
- Based on Credit Score
- Lowers Barrier of Entry
- Reduces Need for 2x or 3x Security Deposit
- *Totals Around **\$4,000** Per Month

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Number 7

Preferred Tenant Program

- Charge a Monthly Percentage in lieu of Security Deposit
- Replaces Security Deposit / Lowers Move In Total \$\$\$
- Consider Bond or Insurance Back Up
- Other Vendors Working Well In This Arena
- Grows slowly monthly over time – Adoption Rate

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Number 6

Lease Preparation Fee – Tenant Lease Signing

- Charged to ALL Incoming Approved Tenants
- Covers the Time / Energy / Resources in Lease Execution
- *Totals Around **\$3,000+** Per Month


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Number 5

PET FEES

- Monthly or Up Front
- Offer FREE Pet Damage Guarantee to Owners
- Scale Fees using PetScreening.com
- Offer an Opt Out of PetScreening.com to Pay Highest Fee
- *Totals Around **\$18,000+** Per Month






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Number 4

Tenant / Resident Benefits Package

- Acquire Master Insurance Policy
- Offer Tenant Liability and Renter's Insurance
- Include Other Creative Benefits
- Include in All New Leases – Make Retroactive
- *Totals Around **\$19,000** Per Month






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Number 3

MAINTENANCE

- Preferred Vendor Program – Discount Invoices
- Maintenance Oversight Fees – Charge Over Invoice
- All Vendors Required to be on Program
- Justifications: Insurance, Payment Methods and Taxes!
- *Totals Around **\$22,000** Per Month

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Number 2

Owner's Maintenance Service Package

- Bundle all of your Inspections and Maintenance Charges
- Include Maintenance Oversight and HVAC Inspections
- <https://www.rentwerx.com/maintenance-service-package/>
- *Totals Around **\$30,000** Per Month






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Number 1

Management Fees – Leasing Fees – Renewal Fees



- Multiple Pricing Options for Management Fees
- Leasing or Marketing Fees a Must!
- Renewal Fees Should be Easily Justified
- Combined – This is the Biggest Revenue Source!
- *Totals Around **\$135,000** Per Month

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Protecting Tenants

- Master Level Insurance (Additionally Insured)
- Move In Orientations
- Risk Mitigation Programs
- 6 Month Lease Agreements (Rent + 20%)
- On Demand Pest Control Treatments
- 24/7 Maintenance Hotline

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Protecting Owners

- Free Security Deposit Guarantee
- Free Leasing Guarantee
- Free Animal Protection Guarantee
- Free Eviction Protection
- Included Benefits from Maintenance Service Package
- Resident Benefits Package (Owner Benefits)

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Bottom Line

How Do You Know Your Numbers?

Feel Obligated to Build a Profitable Business!

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MIC DROP



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