

# 10 Biggest Mistakes Property Managers Make in Their First 5 Years

Instructor  
Robert M. Locke, RMP, MPM



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# Biggest Mistake You've Made

Class Exercise



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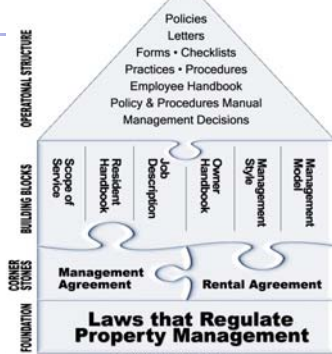
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The Structure of Residential Property Management



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## 1. Failure to Study Property Management Unique Laws

- Federal Fair Credit Reporting Act
- Adverse Action Letter
- Red Flag Rules
- State Landlord Tenant Laws
- New Lead Based Paint Laws
- Federal Discrimination Laws
- State Fair Housing Laws
- State License Laws



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## 2. Failure to Develop Customized Documents

- Association Forms are Too Broad
- Too Many Issues to Negotiate
- Too Many Opportunities to Make Errors
- Hard to Make Money



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## 3. Failure to Identify Your Management Style

- Broker Style
- Manager Style
  - Approve Applications
  - Handle Maintenance



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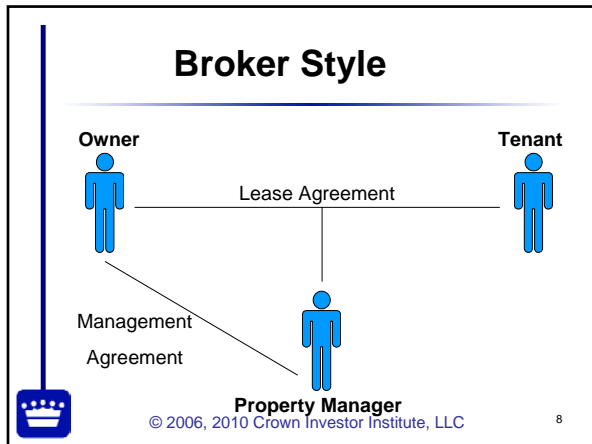
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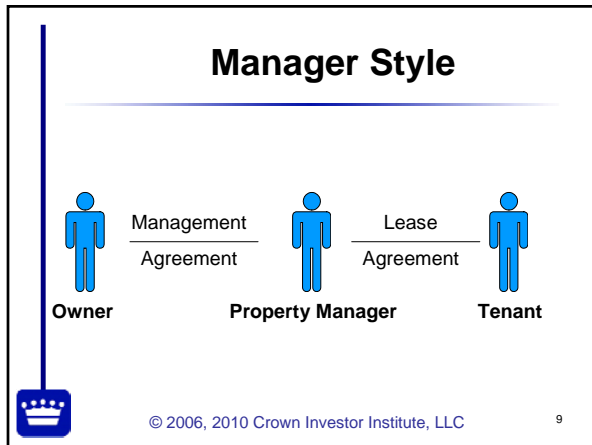
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### 4. Failure to Develop Owner and Tenant Handbooks \*

- Forces You to Articulate What You Do
- Forces Staff to Articulate the Same Message
- Saves Staff Time Answering the Same Questions Over and Over
- Give Opportunity to Announce New Fees

In the bottom left corner, there is a small blue icon of a crown with stars. In the bottom right corner, the text reads '© 2006, 2010 Crown Investor Institute, LLC' and the number '10'.

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## 5. Failure to Provide Owners With a Job Description

- What You Do
- What They Do
- Things You Work on Together



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## Property Manager's Job Description \*

### Manager's Responsibilities

Termite Bond	Appliance Warranty	City
Pest Control	Pools, Hot Tubs	Sheriff
City Inspector	Utilities	Court
Deferred Maintenance	HOA	Tenant
HVAC	Insurance	Property Taxes
Rent Collection	Lender	Neighborhood
Zoning	Appliances	Home Warranty
Owner's Personal Property	Maintenance	Builder Warranty
Owner's Closet	Rodents	Appraiser
Landscaping	Eviction	Property
Builder	IRS	Roof
Neighbors	1099	



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## Property Manager's Job Description \*



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## 6. Failure to Identify a Clear Management Model

- Who You Manage For
- Who You Will Manage
- What You Will Manage
- Where You Will Manage



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## 7. Failure to Embrace Your Trade Association & Designations

- NARPM.org
- Certified Support Specialist (CSS)
- Residential Management Professional (RMP)
- Master Property Manager (MPM)
- Certified Residential Management Company (CRMC)



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## 8. Failure to Embrace PM Software / Service Providers

- Standardized Trust Accounting
- Owner and Tenant Portals
- Payment Portals
- Tenant Screening
- Website Builders



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## Failing to Embrace PM Marketing Systems

- Default to Local Multiple Listing Services
- Invites Cooperating
- Internet Listing Sites



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## 9. Failure to Recognize PM as a Nickel-Dime Thin-Margin Business

- Cottage Industry
- Discounting Fees
- Unbundling Your Services
- Set Up Other Businesses



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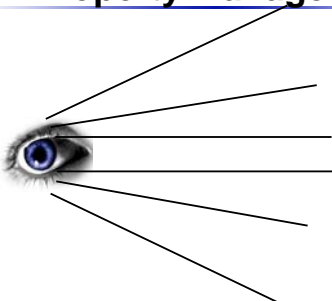
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## 10. Thinking You're a Property Manager



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## Businesses to Set up Around Your Management Business

- Sales
- Lease Purchase
- Maintenance
- Rent Recovery
- Loan Company
- Eviction Service



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## New Revenue Streams

- Think Like a S\_\_\_\_\_ P\_\_\_\_\_
- Unbundle Your Services
- Charge for Manual Processes
- Charge for Being Inconvenienced



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## Student Evaluations

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