

# Residential Resource

June 2004

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*The Mission of NARPM is to support professional and ethical practices of rental home management through networking, education, and certification.*

## Tenant Screening Overview

by Alan G. Matson

### THE HISTORY OF TENANT SCREENING

Tenant screening as an industry began in 1969 when Paul and LaRue Mikkelson of Rental Research Services Inc. saw the lack of information available for property managers. The big question was, "Why isn't there a way to tell if someone has been a bad tenant?" While credit bureaus did exist, they didn't tell you if someone was a bad tenant, or even if they had been evicted from a property before. The Mikkelson's saw the need and knew the solution, and so formed the nation's original tenant screening agency.

The immediate solution was not only to develop a report based on court eviction records and credit files, but also to develop a database of problem renters. The reports on the problem renters came from all of the property managers in the system. Since nine out of 10 problem renters never make it to the eviction stage, this information was absolutely necessary in order to screen out bad tenants.

Of course, it is also necessary to know if a person has a criminal history before accepting them as a tenant. Before computers were widely available, this meant sending an investigator to the state or county agency to request information. While time consuming and costly, it did provide the information. Now that computers are so advanced, it is possible to acquire this information much faster, and there is less cost involved.

Today there are many companies in this industry. Directly comparing their products is relatively difficult, due to the fact that the information they give you has varying levels of depth. However, just as with most things in life, you get what you pay for. If one product is priced well below another, you should be asking very pointed questions of the vendor as to the source and depth of their data. If you save a dollar or two and miss the fact that your applicant is a sex offender, just imagine the costs associated in ridding yourself of that problem!

### REASONS TO SCREEN

The price you pay for not conducting thorough tenant screening is very significant. When drug dealers or other types of destructive tenants operate out of your property, your property value declines. Let's face it—who wants to move into a property that criminals operate out of? The entire neighborhood suffers from this lessening in property value.

Property damage usually occurs with the bad tenant, either from abuse, retaliation or neglect. The cost to rid yourself of this tenant can be added to the cost of repairs. Do not forget to add the cost of not being able to rent the property again until repairs are completed.

When the bad element enters your property, you can bet that the great tenant will leave your property. The great tenant that takes care of the property and always pays on time just doesn't see why you do not value his/her business, as demonstrated when you let a criminal move in next door. On top of this, when the bad element makes it through your screening efforts (You do make the effort, don't you?), he/she usually tells his/her friends how easy it is to move into your property.

The eviction process is a very expensive one. Not only do you have both the fees for the legal process and all of your time spent working on the effort, but you also have to take into consideration the fact that you won't be able to rent that unit for 30 days or more. Put simply, it's a lot easier to keep them out than to get them out!

### DATA REQUIRED FOR A COMPLETE PICTURE

In order to see the complete picture on your applicant you will need information from a variety of sources. This makes it harder for a deceptive applicant to hide important information. You want to make certain that you are getting a thorough check in three main categories: 1) Housing Information, 2) Criminal Information, and 3) Credit Information.

*continued on page 3*

# PRESIDENT'S MESSAGE

Dear Fellow NARPM Member:

Welcome to summer in the NARPM world. I hope all my fellow property managers are prospering and enjoying this season of sunshine. This is the month when we recognize our fathers, and it is especially poignant to me as my father is celebrating his 80th birthday on June 19th. As we honor our fathers in our own lives this month, we must remember the father of NARPM. Sixteen years ago, there was a man with a software company in El Paso, TX who had a vision of a place where residential property managers could come together, help each other, and better their lives and profession by doing so. This man, Ralph Tutor, founded NARPM with 13 other property managers and birthed the culture of our association. His vision, the key to our success, and what really sets NARPM members apart from the others is how we interact with each other. That is our father's legacy to us—"cooperate instead of compete."

In my travels I am giving away the book, *A Box of Chocolates for the Property Manager*, as my presidential gift. This is the perfect way to honor our heritage. Ralph's first letter to the membership is in that book as well as his current views on who we are today. I know Ralph is proud of us. We have stayed true to his original vision, and I feel honored to be following his great tradition in the presidency of this association. Ralph's approach to the development of NARPM was as any good father's. He gave us the tools, the opportunities and the desire to succeed. For all of you blessed with a father like Ralph, I congratulate you and your father. For those who were not, remember Ralph this month and what he has brought to our profession and to each of us in turn.

This month is the perfect chance to say thanks to my own dad, Virgil Getto, for what he has given me in life. It is also my chance to express appreciation to our association father, Ralph Tutor, for what he has given me in my profession. Here's to both of you and may you forever live on in the grace of giving to others.

Happy Father's Day to all the great dads out there! We wouldn't be here without you.

Andrea G. Caldwell, MPM®  
NARPM President



NARPM President  
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NARPM Founding Father  
Ralph Tutor

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# An Overview of Tenant Screening

*continued from page 1*

First of all, you want to see if the applicant has ever been evicted from a property. If the applicant has been evicted in the past, you should be asking why this occurred. Sometimes it could be due to medical problems, and their inability to pay at that time. Multiple evictions are a bit harder to explain. Information on evictions comes from state court records. A tenant screening information provider should have information from states around the nation, or you may not find out what you need to know.

Since 9 out of 10 problem renters never make it to eviction court, you won't be seeing the whole picture unless you have a source of information that has problem renter reports. A problem renter report is something gathered from members of each tenant screening agency's client base. Since this data is collected by the tenant screening agency themselves, the length of time they have been in business is a good measure of how deep this information will be. Many vendors do not have this feature available at all, so you miss out on a wealth of data if you choose them simply due to price. Again, you get what you pay for.

Criminal records are an absolute must in order to keep the bad element out of your property. If your applicant has moved between states, make certain your source has multiple state information on file. If your applicant previously resided in Texas and Florida, will you be able to see any criminal history for these states?

Sex offenders are individuals that you cannot afford to have move in to your property, especially if you have children in your units. According to an *ABC News* article by Dean Schaber, one out of four sexual offenders does not register with authorities when they change locations. They prefer to remain anonymous. That will not protect your tenants. You could just check your state's list of offenders, but how do you find an offender from other states? Make certain your tenant screening method provides for multistate scans for sex offenders. Do you receive color mug shots for verified sexual offenders?

National credit information is very important to gauge a person's financial responsibility. Have their accounts been paid and kept up-to-date? Have they incurred too much debt for them even to be able to afford your rental? The credit file also provides a valuable cross-reference for current and previous addresses that the applicant may or may not have entered on the rental application. If an address appears on the credit file that wasn't listed by the applicant, you may need to look harder at that person's history. With the credit file comes a feature called SafeScan. This looks at the Social Security number entered, and reports the state it was issued in, the year it was issued and also gives warnings if fraud is possible.

## REPORT APPLICATION AND DELIVERY METHODS

Application and delivery methods vary in the tenant screening industry. Originally, you needed to mail the applicant's forms to the screening agency, but now that is performed electronically in most cases. While many services still use fax machines, these are being replaced by applications entered on the Internet. Both the ease of use and report delivery speed have significantly improved.

If you are using a fax machine for application and receipt of reports, you will probably need to make some phone calls to follow up occasionally. This is when either the phone number is constantly busy, or

the machine jammed or ran out of paper. While they were a great step ahead from the old means of mailing reports, using the Internet is far more efficient and cost effective.

Internet-based reports are usually available in a matter of 30 seconds or less, versus several hours or days for the faxed variety. Some vendors retain these reports online for you, so you do not even need to print them out. This means less time spent sorting and filing reports, and more time available for other important tasks.

## COST OF REPORTS VS. INFORMATION RECEIVED

Have you heard about the shoe sale? Yes, it was wonderful; you could buy any shoe in the store for just \$1. Such a deal! Of course if you wanted both shoes the price was a bit higher.

These types of "deals" are available in any business, including the tenant screening business. Will your vendor give you eviction information? If they have a problem renter database, how many files are in it and when was it started? You need to ask your vendor how many criminal records they have in their database. How is sexual predator data presented to you? How many states do they gather their information from, and do you have to pay extra if more than one state is included?

If a tenant screening company cannot answer these questions, then you may be buying just one shoe! It doesn't make sense to pay any money to a screening company that doesn't have the depth of data to discover the problem before a person moves into your property.

## IN SUMMARY

As a property manager it is important to save money and run your business both efficiently and economically. When it comes to tenant screening fees, virtually every property manager passes this cost on to the applicant as an application fee—so it isn't even their expense! On the other hand, the expense for not screening can be enormous, and is fully absorbed by the property manager.

Problem tenant costs:

- Decline in property value
- Repairs to damaged property
- Possible seizure of drug-related property
- Loss of good tenants
- Court costs for evictions
- Loss of rental income during eviction process

Add your frustration and sleepless nights to this list and it becomes abundantly clear that it pays to screen as thoroughly as possible. Since the cost can be passed on to the applicant as an application fee, there really is no reason not to.

*Alan G. Matson is the national sales manager for Rental Research Services. He can be reached by e-mail at [alan@rentalresearch.com](mailto:alan@rentalresearch.com), or at 800/328-0333 phone, or Toll Free Fax 800/642-5226. Learn more about Rental Research Services by visiting [www.rentalresearch.com](http://www.rentalresearch.com).*

# NEW MEMBERS

Welcome new NARPM members! The following is a list of new members who joined NARPM from April 1 to April 30, 2004.

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# NARPM and its Value

By Jill J. Boles, RMP®, President Orlando Chapter NARPM

Being on the Membership Committee affords me the opportunity to listen and communicate with other members all over the area either through phone calls, e-mails, or letters. One such communication recently struck a cord with me that I wanted to share with you.

Recently, a new member asked "Have you ever been able to figure the value a professional property manager adds to a rental?" I think that maybe the new member was asking a literal question in terms of monetary benefits. The answers she got were interesting and thought-provoking, and I wanted to use this forum to pass them along to you.

The real and measurable value of membership comes from the participation in classes, conferences, conventions, and such, and the practical application of that information to our businesses. The acquisition of a designation is a demonstration of a person's investment in their professional education. Through the certification classes and the above mentioned participation, and in addition the networking opportunities that present themselves to us at such times, we are able to develop company policies, procedures, and systems that can provide better over-all service to an owner.

We demonstrate this enhanced service through the acquisition of better-qualified tenants by the use of comprehensive programs of marketing, tenant selection, leases/rental agreements, periodic property visits or inspections, and so forth. It is also from the use of qualified maintenance or service people. Perhaps it is also from the fact that we are much better versed in both federal and local Fair Housing and Landlord/Tenant Laws than a private owner or traditional real estate agent.

The additional amount an owner receives through the use of a NARPM professional comes in the benefit of less costly maintenance or regular inspections and knowledge of maintenance requirements that saves them repair costs over the long term. It also comes in the value of savings on legal fees and litigation, as many owners do not stay current in the changing regulatory environment while we as professionals do.

Another member pointed out that what you cannot relate to an owner in terms of dollars and cents is that a NARPM member is more dedicated, more assured, and generally a happier manager than he/she will find anywhere else in the industry, and that always means better benefits to the client.

I received so many responses from members that I could go on forever. But I must stop somewhere. Remember the Mastercard advertisement? That is the perfect way to express what NARPM means to our clients and us:

- Peace of mind that a professional property manager screens better because of what they learn in NARPM—*priceless*.
- Time for yourself and family and reduced stress because you hired a NARPM trained property manager who can rent your property more efficiently and quickly—*priceless*.
- Trust that you have in your property manager because they can identify the problems more quickly and resolve them faster—*priceless*.
- The comfort of sleeping a whole night through without a worry or exorbitant expense—*priceless*.

One last piece of good information that I was given:

To be a Professional at anything, you simply have to be paid to perform a task or service. To be an accredited professional you have to be competent, educated, and experienced to the point of achieving some type of formal recognition.

That's what NARPM can provide, and that's what many of us strive to be—an accredited professional.

*Jill Boles, RMP®, REALTOR®, works for Don Asher and Associates in Orlando, FL. Jill is president of the 2004 Orlando NARPM Chapter, vice chair 2004 NARPM Membership, support chair 2004 NARPM Membership, and vice chair 2004 ORRA Property Management Forum.*

## AFFILIATE MEMBERS LISTED BY SERVICES

### Business Products:

Landlordsource.com  
Oliphant Financial Corporation  
Paychex Inc.  
Peachtree Business Products  
Professional Office Services of ID Inc.  
Starker Services Inc.  
Tenant Plus Corp.

### Internet Tools:

123Rentahome.com  
Escapia Inc.  
Homepaiges  
HomeRentalAds.com  
HomeRentals.net  
Lease Place Inc.  
Rental Home Investor LLC  
RentClicks.com  
Runzheimer International Ltd.

### Legal Services:

Law Offices of DeMartini & Walker  
Law Offices of Heist, Weisse, & Lucrezi P.A.  
Law Offices of Barnes Walker Chartered

### Maintenance:

Building Specs Inc.  
EnviroCare Inc.  
Handyman Matters  
OnSite PRO Inc.  
Power Lift Foundation Repair  
Sherwin-Williams Company  
Tankless Hot Water

### Marketing:

Home Management Network LLC

### Software:

EFC Systems  
Logicbuilt Inc.  
London Computer Systems Inc.  
PROMAS Landlord Software Center  
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Tracker Systems Inc.  
Winning Edge Software Solutions  
Yardi Systems Inc.

### Tenant Screening:

700Credit Inc.  
RentGrow, Inc.

For more affiliate information, please visit the NARPM Web site [www.narpm.org](http://www.narpm.org).

# Meet Your NARPM Leaders



**JEAN STORMS, MPM®** is the National Association of Residential Property Managers' historian. She established the History Committee and became its chair in an effort to gather, archive, and profile NARPM's history at the 15th Anniversary Convention and Trade Show in Hawaii.

Ms. Storms is president/owner of JSL Real Estate Services Inc. and Landlordsource.com, located in

Lincoln, CA (near Sacramento). JSL Real Estate Services Inc. once managed over 400 properties and has been in business for more than 20 years. Ms. Storm's focus is currently consulting, teaching, writing, and providing products for the residential property management industry. Her company, Landlordsource.com is a national NARPM affiliate member.

Entering the real estate industry in 1979, Ms. Storms has been actively involved in property management since 1981. She joined NARPM in 1993 and has served the association in a variety of capacities, which includes National instructor and author, Education Committee chair—1995-1996, Long Range Planning Committee chair 1999-2000, National board 1995-2000, Editorial Committee chair—1997-2000, National treasurer, National secretary, National vice president, and a member of many national committees. In addition to being the current NARPM historian, she is also serving on the association's Education Committee and Affiliate Committee. Ms. Storms is also a member of the Sacramento Chapter of NARPM and served as their president in 1995.

Ms. Storms has been an active member in several associations through the years, including Sacramento Association of Realtors, California Association of Realtors, National Association of Realtors, and the Real Estate Educators Association. As an industry leader, she also provides technology products and a newsletter service for property managers, teaches workshops, and writes for various property management publications such as the Sacramento Chapter newsletter and NARPM's *Residential Resource*.



**WENDELL D. DAVIS, MPM®, CRB, GRI** is treasurer of the National Association of Residential Property Managers (NARPM). He became Treasurer in January 2004 and his term of office will run through December 2004.

Mr. Davis is regional vice president of Watson Realty Corp, located in Jacksonville, FL (location of their home office). The firm manages various types of properties including single-

family, small multifamily, townhomes, condominiums, vacation rentals, and commercial units. He is actively involved in the company's planning and growth development. As the regional manager over their Property Management Division, Mr. Davis is responsible for client/customer care, all administration aspects, and supervises 65 employees/independent contractors, over 20 office sites, and 3,000 properties in two states. In addition, he is president of Watson Maintenance Services Inc. with over 30 employees and State Licensed Divisions of Home Improvement, Plumbing, Heating & Air, and Electrical.

Entering the real estate industry in 1978, Mr. Davis obtained his Broker license in 1988, has served the property management industry since 1989, and started his career with Watson Realty Corp. in 1991. He joined NARPM in 1996 and has served the association in a variety of capacities including Legislative Committee chair, director, secretary, and chair of several Ad Hoc Committees. In addition to serving as this year's treasurer, Mr. Davis is also a director, member of the Executive Committee, Legislative chair, and was the chair of the 2004 Leadership Symposium and Winter Business Meeting. He is also a member of the Northeast Florida Chapter of NARPM and is serving as the 2004 president of the Florida Association of Residential Property Managers (FARPM).

Mr. Davis has been an active member in several associations through the years, including being president of the Northeast Florida Association of Realtors (NEFAR), District vice president of the Florida Association of Realtors (FAR), director and Delegate of the National Association of Realtors (NAR), president of the Clay County Chamber of Commerce, and a member of the National Coaches Association. As an industry leader, he has been a guest speaker for the Chamber of Commerce, Leadership Clay, Rotary, and many other civic groups. He has also had articles published in the *Residential Resource*, *The Standard*, and the *NEFAR News*.

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## CERTIFICATION CORNER

by **Suzanne Reeder, MPM®, NARPM Certification Chair 2004**

*The Certification Committee is pleased to announce the following new candidate. Good luck!*

### **RMP® CANDIDATE**

Chesley Karr, Bruni Karr Agency, Albuquerque, NM

# Landlord Liability

by Robert L. Cain, Cain Publications Inc.

Every year the American Trial Lawyers Association conducts a training seminar that teaches lawyers how to sue and win against landlords and property managers. The seminar teaches lawyers step-by-step how to make the landlord appear liable.

Mostly they deal with the victims of crime in rental properties. But the landlords of accident victims are also fair game. As they prepare their suit, these lawyers comb a property to look for any instance where a landlord could conceivably be considered "negligent."

For example, suppose one of your tenants is raped and robbed. Upon inspection it looks as if the window was left open, since there is no sign of forced entry. It doesn't look that way to the trial attorney, though, oh, no. It looks to him as if the lock on the window was defective. And in the multimillion dollar lawsuit against the property owner and manager, he claims that he can prove it.

The landlord knows full well the lock would have worked properly, had it actually been locked. But how would you prove such a thing. Remember, in a civil case the prevailing party is the one with the "preponderance of evidence," not the one who proves his or her case "beyond a reasonable doubt" as in a criminal case.

So the plaintiff's attorney drags out a heap of evidence that shows the lock was broken or defective, maybe even designed that way, and the landlord knew or should have known that it was.

What can landlords do? Says Chris McGoey, author of the book *Security: Adequate or Not*, "The best time to test and document the condition of door and window locks and latches is during the unit walk-through with the incoming and outgoing residents. The leasing consultant and the new resident should test each lock and latch and document that the devices work properly and are in good condition. It's not enough to generally state that all locks and latches are 'okay.' A better plan is to list the location and condition of each device. For example, the condition of the sliding glass door and the bedroom window latches separately."

Even if you did not already do it for each of your properties at move-in, you can still go back and do an inspection, not just of doors and windows and their locks, but of other things around the property that could result in trips and falls. Document everything, because documentation is what will save your bank account in case of a lawsuit.

Every repair you make and every screw you screw in to make the property more secure needs to be documented. Ask your attorney or go to your local apartment, landlord, or rental owners association to get an idea of exactly what you need to do to prove that you are taking not just adequate, but diligent care of your properties. Also check out Chris McGoey's Web site [www.crimedoctor.com](http://www.crimedoctor.com).

In most states in order for a plaintiff to win a negligence suit, he or she has to prove that the "defect" that allowed the crime to occur or resulted in the accident was caused by the negligence of the property owner or his agent. On the other hand, if you can show that you did a good job maintaining your property, the injured tenant or guest will not pre-

vail. In fact, the suit may never get to court if the plaintiff's attorney is presented with a stack of documentation proving that you did your job properly.

Just remember, never, ever claim to anyone that a property is safe or secure. That only invites litigation if any crime or accident occurs on your property. Do the job you need to do and note and date everything, even taking pictures if it is appropriate.

No landlord is safe as long as lawyers attend seminars to find out how to collect against us. Guard your investment carefully by diligent and prompt maintenance, especially of safety and security items.

If you would enjoy receiving a free property management message each month, please send your state/province and e-mail address to [column@rentalprop.com](mailto:column@rentalprop.com).

*Robert Cain is a nationally-recognized speaker and writer on property management and real estate issues. For a free sample copy of the Rental Property Reporter or Northwest Landlord call 800/654-5456 or visit the Web site at [www.rentalprop.com](http://www.rentalprop.com).*



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# Outsourcing Facilities Management—Getting the Best Personnel to Do the Job Right and Keep Security Tight

by Andy Bell

There is a story making the rounds in facilities management circles about the property administrator who came into his building one Monday morning only to discover his office nearly cleaned out of computers, filing cabinets, telephones—almost anything that wasn't nailed down.

Within a week, police had arrested the thieves—a maintenance crew that had performed electrical and drywall work the week before. They had used their entry to the building to literally “case the joint.” Since tenants had seen them around the property, their truck on a Saturday and Sunday hardly raised an eyebrow.

Fortunately, incidents this severe are the exception. Still property crime, according to the latest FBI survey, represents 75% of all crimes. Most of them are preventable, if property managers would simply take the extra step of knowing who is doing the work within the building—not just bringing in workers when a system breaks down and taking the chance of allowing those with a criminal past direct access to the facility. The benefits of setting uniform standards for all building maintenance and repair are numerous and go beyond just preventing crime.

Surprisingly, even in today's post 9/11 world, many building owners and managers hire electricians, carpenters, roofers, and the like without conducting even a rudimentary background check. So it's not just the possibility of a crime taking place, but historically many building trade jobs have been provided by day laborers with varying skills.

Since certification in the trades can vary from state to state, even county to county, it has proven a challenge to keep elevators, air conditioning, and other key building components going.

By outsourcing work, it means a higher level of accountability. A company can have a set of criteria that is spelled out and contracted for. A uniform standard of workmanship also provides better bottom-line results.

The trend of outsourcing repair and maintenance is growing and not just to prevent crime, but to maximize efficiency. In a recent survey by the Outsourcing Institute, it was predicted that companies will outsource 40% of their operating budgets within the next three years. The alternative can prove negative in terms of keeping the building operations functioning smoothly.

Casual day workers do not know how their actions affect the rest of a facility. Hiring one company to coordinate all the facets—HVAC, electrical, plumbing, and so on simply makes good business sense. One crew won't get in the way of the other.

Facilities management makes sure that the skills utilized in all the disciplines will be uniform from month to month and across geographical boundaries. In fact, another result of the survey was that maintenance and repair is one of the fastest growing segments of all outsourcing.

Ray Kroc founded McDonald's to provide uniform products across geographical boundaries. The hamburger ordered in Denver would be the

same as the one in Boston or Miami. Now the principle of uniform standards has made its way into facility management. Go into any Starbucks or GAP in just about any city and the physical look, if not the merchandise, will be the same. Yet the standards for repair and maintenance in any two cities could be vastly different. There are areas of the country in which certification for almost any of the building trades can vary widely by simply crossing a state or county line.

That is why so many property managers are looking to nationwide companies that have one, single high set of standards that in many cases exceed those of the local governing body.

There is also the simple fact that when the work is done right the first time, profits go up. It stands to reason there will be even greater profit when functions that were once almost left to chance become part of a total operational plan. There is also the added dividend that a clean, well-maintained facility attracts more customers and will bring in a higher price when it comes time to sell.

In today's fast-moving real estate market where properties can turn over in a matter of days and loans are being refinanced at all-time low rates, it is not uncommon for property owners to reassess their properties.

Whether trying to make a decision to sell, refinance, or simply keeping the criminal element out, it is no longer acceptable to leave building maintenance to chance. There is a better solution.

*Andy Bell is the founder and CEO of Handyman Matters Inc., a Denver-based company that provides on-site maintenance and repair to the property management industry. The company's Web site is [www.handymanmatters.com](http://www.handymanmatters.com).*





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# Know It Now...Fix It Now!

by Ernest F. Oriente, The Coach

Details and dollars—your world as a property management professional is filled with details and dollars, some much more important than others. When working with our property management clients we ask them to focus on three important areas of their business: People, Profits and Performance. Listed below are some important questions to consider.

## PEOPLE

1. Are you appropriately staffed? If not, what positions need to be filled right now, this week, and this month?
2. Does each person on your property management team have a written career and learning plan?
3. What is your average tenure of employment, by position? Is this average going up or down?
4. Why are people leaving your company? Can you see any trends?
5. Do your communication, equipment, and technology systems support the success of those on your team?

## TIP FROM THE COACH

As a property management professional, you know people drive your business. Use these five simple questions to monitor the pulse of your property management team and watch their performance soar!

## PROFITS

1. How quickly do you receive financial reports for the month that just finished?
2. How does this month's financial performance compare to last month's?
3. How does this quarter's financial performance compare to the same quarter last year?
4. Does your entire property management team know how your company is performing financially?
5. How closely is the compensation of your property management team tied to your financial performance this month?
6. Are expenses growing? When was the last time your team re-bid each line item on your financial reports?
7. Late rental payments—what are the trends?

## TIP FROM THE COACH

Use these seven questions to rapidly observe the financial trends within your company. Remember, success in the property management profession is a direct reflection of the speed at which you address financial performance issues and make decisions to alter course when necessary.

## PERFORMANCE

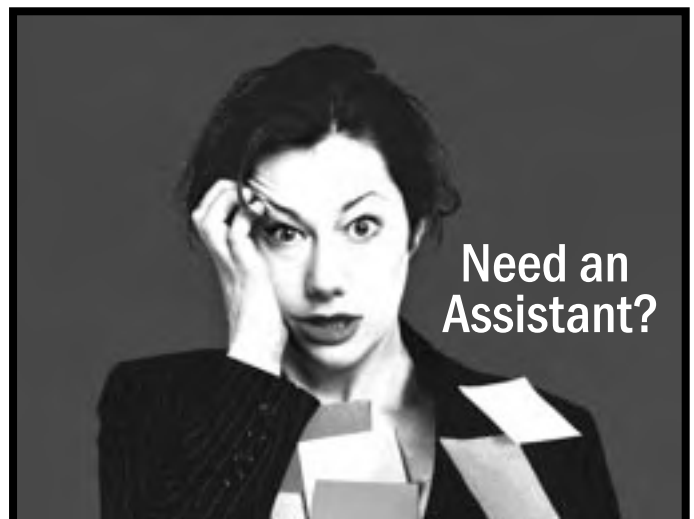
1. Are you meeting your weekly/monthly occupancy goals at the properties you own/manage?

2. Do you know how many calls are being missed at your apartment communities today? How does this compare to your company benchmark? How does this compare with national trends?
3. Do you know the volume of traffic generated at your apartment communities, today? How does this volume of traffic compare to your company benchmark? How does this compare with national trends?
4. Do we know how long your leasing teams are spending on the telephone with each future resident today? How does this compare to your company benchmark? How does this compare with national trends?

## TIP FROM THE COACH

In recent years, leading property management executives/professionals have been able to answer the above questions. Companies such as CallSource® (www.callsource.com) are helping property management companies benchmark performance at their apartment communities and then notifying them by e-mail whenever property performance varies from normal trends. Are you and your property management team ready for the future?

*Author's note: Ernest F. Oriente, The Coach, is the founder of PowerHour®, a professional business coaching/recruiting service, and the author of SmartMatch Alliances®. PowerHour® is based in Olympic-town—Park City, UT. To receive a free property management success newsletter send an e-mail to: ernest@powerhour.com. Recent PowerHour® articles have appeared in 3,500+ business/trade publications and Web sites.*



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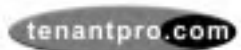
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# Failing Septic Systems Always Require Immediate Attention

by **Stuart Lieberman**

A failing septic system can be quite a traumatic event. And failing septic systems are very common phenomenon.

What happens when a septic system fails to properly function? Often, you will find a pooling of water in the area of the septic disposal area. There will also likely be a foul odor in the area, and sanitary waste may actually become visible. In the business, these are "floatables." Not a good situation.

**Don't miss out! Learn more about NARPM in Baltimore on page 16.**



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What should you do if your system is failing? First and foremost you need to find a way to fix it immediately. Human waste contains bacteria and viruses that can make people ill. You need to fix this problem.

In addition, no matter where you reside, laws require that your septic system work properly. If you are maintaining an improperly working septic system, you are most assuredly violating the law and can be fined.

Also, if your system is not working properly you risk legal liability because you might make people sick. If you make people sick or create what is referred to as a "public nuisance," you can be sued, and you may have to pay damages, including punitive damages to those you have or may hurt. Punitive damages are damages designed to punish a wrong-doer and can result in penalties of many thousands of dollars.

Of course, these can be expensive propositions. Some government entities have loans and grants available for these expenditures. But if they do not, you will be on your own.

One other alternative is to lobby your local officials for public sewers. But public sewers are not easy to obtain. They are expensive and in these days of dwindling government budgets, funds are often not available for these expenditures unless public sewers are absolutely necessary because of area-wide septic failures. Local governments may even be entitled to infrastructure grants and loans to construct area-wide sewer systems.

Should you be fortunate enough to live near a public sewer line, you may receive permission to connect your home into the system. Depending on where you live, this permission can be easy to obtain, or nearly impossible.

Proper and regular septic system maintenance should prolong the system's life. There are professionals available everywhere who can help you. Check their references before you retain their services.

If a system cannot be maintained or repaired, you may have to install a new system. That may require locating a new septic field, which means conducting percolation tests to determine which soils can support a septic system.

Not all soils can support a septic system and if yours cannot, you really can have a problem. You may have to install an elevated system or look for an innovative technology that is acceptable to local officials. I have been involved in cases without apparent septic system solutions, although fortunately such cases are few and far between.

Property managers must ensure that wastewater systems are in working order. Septic system problems need to be promptly corrected by licensed, capable professionals.

*Stuart Lieberman and Shari Blecher are partners in Princeton's Lieberman & Blecher. Their law firm specializes in environmental law and also focuses on land uses, real estate, and toxic tort litigation. The firm's Web site is [www.lieberman-blecher.com](http://www.lieberman-blecher.com).*

# The Benefits of Home Ventilation by Troy Munn

The purpose of a home ventilation system is to maintain a healthy living environment by supplying fresh air to your home while at the same time removing stale and polluted air. Home ventilation also helps to maintain proper humidity levels of 30% to 50%.

The air in your home is used many times over, often with fresh air entering only when we open doors or windows. As we strive to build homes more and more energy efficient, we create an environment prone to indoor air quality problems, thereby, reducing the home's ability to breathe, and natural air changes do not occur.

The reason for the buildup of indoor pollution in today's homes is a direct result of our efforts to conserve energy. With insufficient home ventilation, pollutants can build up and become very concentrated. These pollutants come from many sources and some, such as mold, are more problematic when combined with high humidity levels, which is another problem associated with inadequate home ventilation.

When humidity is too high, mold, mildew, and rot can become serious problems. A mold outbreak can cause thousands of dollars worth of damage to your home and in some cases can make a home uninhabitable.

Another problem with high humidity is dust mites. Every home has dust mites and they thrive in humid conditions. This is a concern for people who suffer from dust mite allergies.

Low humidity, on the other hand, can cause nose and throat irritation, dry skin, wood can shrink and crack, and hardwood flooring

can shrink and become noisy when walked on. Static electricity is a symptom of low humidity.

Home ventilation is one of the most important things you can manage, in order to maintain a healthy environment for you and your loved ones.

Heat recovery ventilators, air exchangers, kitchen and bathroom exhaust fans, attic ventilation fans, dryer vents, and attic and crawl space vents are all important components of proper home ventilation.

Pet dander, pollen, lead, dust mites, mold spores, tobacco smoke, household chemicals, pesticides, cleaning supplies, paints and solvents are only some of the common pollutants that can build up without adequate home ventilation.

Carbon monoxide, carbon dioxide, and soot from fuel burning appliances and heating systems can also become a problem without proper home ventilation.

Proper home ventilation can help reduce allergy and asthma symptoms and help ease other respiratory ailments that burden millions of people.

*Troy Munn is the Web master of [home-air-care.com](http://www.home-air-care.com) where he offers valuable information and tips on improving the air quality of your home. To find more information to help you reduce allergy symptoms and control indoor pollution visit: <http://www.home-air-care.com> or e-mail [tdmunn@nb.sympatico.ca](mailto:tdmunn@nb.sympatico.ca).*

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# Are You Ticking People Off with Your E-mails?

by Alexandria K. Brown, AKB MarCom Tips

## 4 MISTAKES TO AVOID WHEN SENDING MESSAGES

Even now that e-mail has been around for several years, some of us still aren't getting the message when it comes to being both effective and polite. While e-mail is a quick, easy, and informal way to exchange information, it still needs some TLC in order to do its job, which is to *communicate*!

One statistic says the average American worker receives approximately 50 e-mails a day—that's a lot of information to read through. And this number sounds low to me—I get around 100 a day! Numbers like these mean that your little message is literally competing for your recipient's attention. You better make sure your e-mail says what you want the recipient to know—fast!

While I have a mile-long list of e-mail atrocities that I could share, here are the four most common mistakes I see in my in-box every day. By paying attention to these simple points, you can easily ensure your messages come across clearly and professionally—and that they actually get read!

### MISTAKE #1: "DISSING" THE SUBJECT

Ever receive an e-mail with an empty subject line? That drives me nuts! It's simply a courtesy to tell your reader what info you are delivering. When receiving a list of new e-mails, we all use the subject lines to quickly determine what each one is about and whether we need to open it right away.



The more info you give in the subject line, the better. For example, instead of just titling your e-mail "Meeting," give me the details: "Marketing Meeting Set for Nov. 9." This way I know instantly that you're talking about the Marketing Department and that I have a meeting to go to on November 9.

Also keep in mind that many e-mail systems cut-off long subject lines, so shoot for six words or less.

### MISTAKE #2: RAMBLING ON AND ON AND ON AND—

Because we're all receiving way too much information every day, it's important to make your point *quickly* and *clearly*. Have you ever gotten an e-mail that's so long you put off reading it, and later discovered it had some important information at the end? An associate of mine used to do this—she'd send a drawn-out missive about her enlightening trip to Bali, and at

the very end of her message she'd sneak in something urgent like, "Oh and the client will be here today at 2 p.m. instead of 4." Yikes!

Fire your "biggest gun" first. If you have something important to tell me, or if you want me to take any sort of action, be sure to make your point in the first few sentences. Otherwise I may not read it.

Try to keep your entire e-mail shorter than two computer screens—one screen is best. For long, detailed messages, provide a brief list or summary at the top, and break up the copy below with sub-heads.

Or, better yet, split up your points into a few different e-mails. For example, if you need to: (1) tell me something important about my taxes, (2) ask if I'm available for a conference call tomorrow, and (3) fill me in about your hot date from last weekend, make each subject a separate e-mail. Not only will you ensure that I'll read each point, but if I need to get back to you on something, I can just save that particular message.

### MISTAKE #3: FUNKY FORMATTING

Your e-mail program may let you underline, italicize, boldface, and color your words, but when your recipients read your messages, these features may not carry through. Text formatting rarely translates between e-mail systems, and your reader may instead get a garbled mess of abstract characters (like this: "##@@!!&&&") that muddles your message.

A safe way to emphasize a word is to place an \*asterisk\* before and after the word, as I do here. Typing words in all-caps is another option. But while caps make an impact when used occasionally, they're extremely hard to read.

THE TOPS AND BOTTOMS OF CAPITAL LETTERS ARE COMPLETELY ALIGNED, MAKING IT HARDER TO QUICKLY DIFFERENTIATE

## Contribute to the Residential Resource

<u>Issue Date</u>	<u>Submission Due Date</u>
August 2004	June 15, 2004
Sept/Oct 2004	July 15, 2004
November 2004	September 15, 2004
December 2004	October 15, 2004
January 2005	November 15, 2004
February 2005	December 15, 2004

If you are interested in writing an article, please e-mail an attachment of your article in Word or text format to Jessica Jacobs [jjacobs@assnmgmt.com](mailto:jjacobs@assnmgmt.com) or send her a Word or text file on 3-1/2" diskette to P.O. Box 140647, Austin, TX 78714-0647. All articles are subject to editing and approval of subject matter.

WORDS. NEVER TYPE YOUR WHOLE MESSAGE IN ALL CAPS UNLESS YOU WANT TO IRRITATE SOMEONE, BECAUSE IT COMES ACROSS AS "SCREAMING." ARE YOUR EYES HURTING YET? OK, SORRY!

Typing in all caps also labels you as an Internet newbie—many computer first-timers are inexplicably attracted to that caps lock key. (Someone should start an intervention group for that.)

**MISTAKE #4: OPERATING UNDERCOVER**

Ever get an e-mail from someone and you just cannot figure out who it is? I have had to explain many times to associates that e-mail addresses like fuzzybear4u@wackomail.net do not quite let your recipients know whom is calling. Many people may even delete your e-mail, mistaking your message for spam. (And goofy screen names do not do much good for your professional image either.)

Even if your identity is obviously based on your e-mail address, it's still a courtesy to sign your e-mail. And even better, include your

signature file. You know what a signature (or "sig") file is, right? It's that little blurb with contact info that you can automatically insert at the end of every e-mail you send.

Most e-mail programs now allow you to use sig files—even AOL 6.0. At the least, just list your name, title, company, phone, e-mail address, and Web site URL. And do not think that including a sig file in every e-mail is overkill—I find it wonderfully handy to grab a client's phone number off of the last e-mail to me.

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## Ambassador Program April 2004

The Ambassador Program was designed a few years ago to reward our current members for referring new members to our organization. Who better to spread the word of the benefits of NARPM than its members? If you refer five new members in one year, you will receive an award certificate that may be used toward your next year's dues or for events for the coming year. When you achieve ambassador status and receive your \$195 NARPM credit, it can be used toward your annual dues or registration at a NARPM National Convention. It is flexible! Just follow the simple steps outlined here:

- ★ Call NARPM Headquarters at 800/782-3452, and request membership application forms. Headquarters, upon request, will mail the application directly to the prospective member but will not fill in the "referred by" line.
- ★ The 12-month period to obtain the five new members starts the day the first new membership application is processed by headquarters.
- ★ When Headquarters receives the fifth new membership application, an Award Certificate will be issued and dated. A recognition certificate will also be issued, and you, as the "Ambassador," will be recognized in the *Residential Resource*.
- ★ The Award Certificate can be used to pay NARPM annual dues, or like amount can be applied toward National Convention.
- ★ It must be used in full at the time of use and attached to your dues or registration for Convention. The value of the Award Certificate is equal to what the national dues were at the time the Award Certificate was issued. It also must be used within 12 months of the issue date.
- ★ A member can earn more than one Award Certificate per 12-month period.

### AMBASSADOR PROGRAM

April 2004 New Members

<u>New Member</u>	<u>Ambassador Member</u>
Lynette Montoya	Chelsey Carr
Bonnie Emge	Marianne Galbreath
Marc Stengholt	Thomas J. Lee, II
Reymund Polendey	Primrose K. Leong-Nakamoto, CRS, GRI
Victoria Polendey	Primrose K. Leong-Nakamoto, CRS, GRI
Bernita Davidson	Lisa Coghill
Roger Schalk	David C. Harper
Edward Verdi	Cathy Pellettieri
Linda Woodstock	Scherry Webb
Heidi Hobson	Kay Wise
Donald Mathias	Tracey Augusta Naumann
Robert Fulghum	Jill J. Boles, RMP®
Roma Walters	Sandra L. Cope, GRI, RMP®
Liz Olague	Lawanda Corbett, RMP®
Diane Pfaehler	Nancy Maggioro
Jack Huber	Susan Toribiong, RMP®

We have 16 new members through our Ambassador Program and one new Ambassador Award for Betsy Morgan, Tampa Chapter.

# Do You Want to Buy a Real Estate Management Business?

by Ronald F. Hammond, RMP®, CCIM, RPA

Welcome to NARPM's newest column—Five-Star Articles. Since it's beginning, the Residential Resource has been providing members with information vital to the heart of property management issues. Over the years, we have discovered some very talented and notable authors. The 15th Anniversary offered the great opportunity to look back and reminisce about how far we have come. Because of all the requests for some of the more popular articles, we have decided to give these articles their due in an ongoing series of reprints of these "best of the best" articles.

For our second column we are running part two of the highly requested three-part series on buying, selling, and evaluating a real estate management business by Ron Hammond. Be sure to stay tuned to this column for more great articles! Enjoy!

*This is part two of a three-part series on buying, selling and evaluating a real estate management business, first printed in the Residential Resource in January 2000.*

At the 1999 California State Convention of the National Association of Residential Property managers (NARPM), Mr. Wallace W. Berry, CPM (owner/broker of A.B.E. Business Realty Service—a company that specializes in the sale and acquisition of real estate management businesses) conducted a seminar on this subject.

### SOMETHING TO KNOW BEFORE GETTING STARTED

A real estate management business must abide by the laws in the state in which the business is located. For example, in California, real estate management businesses (if they are involved in managing property owned by others), are licensed and regulated by the Department of Real Estate and governed by the California Business and Professions Code (B&P). A broker's license is required to operate a real estate management business. If the real estate management business operates as a corporation it must have a corporate broker's license. And the "broker of record" must be an officer of the corporation. A broker who accepts rents belonging to another must deposit those funds into a trust account maintained by the broker within three days after the receipt of the trust funds, if not immediately turned over to the owner. A broker must retain for three years, copies of all property management agreements, trust account records, and all other documents involving any transaction for which a broker's license is required.

Many realtors and the public in general believe if they have ever leased a property or called a plumber to fix a leak, then that would qualify them to be a property manager. Believe me, after more than 25 years of professionally managing real estate, nothing could be further from the truth. I would advise anyone interested in real estate management to consult with others in the field, like those members of NARPM or IREM. Read everything you can get your hands on pertaining to real estate management and consult with a good real

estate attorney and an accountant before taking that first step. These people will become part of your permanent management team.

### SELECTING A MARKET AREA

Real estate management is an essential part of the overall real estate industry. It is critical for property managers to know the real estate market in the area they plan to operate in. It is necessary, as it is in sales, to constantly update your knowledge of the growth potential, sales prices, and of course rental values. Another important factor would be your competitors and geographic service area population. A third factor would be the consideration of the fees one must charge to be profitable. Although some real estate brokerage offices have tried using property management as a lost leader for future listings, most have found the funds allocated would be better spent on advertising with a lot less stress and liability. This is especially true when they can simply refer the management to a company that doesn't sell and who will refer the sales back to them.

Once this survey of the selected market area has been conducted, it will give the real estate manager a good idea of the type, size, and character of real estate management firm they wish to acquire and operate, and if it will fit into their current operation or business plan.

### DUE DILIGENCE

When selecting the real estate management business one wishes to acquire, the property manager must conduct a thorough and diligent investigation of the total operation. The real estate management business involves a high degree of personal service that has been built on the reputation of the owners and their key people. Some of these areas of concern would be:

- Review of the last three to five years of financial records.
- Evaluation of firm's management and support staff.
- In-depth analysis of current management accounts.
- Overall judgement of the firm's reputation (Goodwill).

### THE BOOKS

The quality of the financial records would be a strong indication of the property manager's approach to the real estate management business. Although it may be difficult to get property managers to "open their books," you must get at least several years of annual profit and loss statements to make a preliminary evaluation. Once this has been done, if the results are positive, you may want to get your accountant involved to evaluate all the financial records.

### THE STAFF

It is the staff that is the most important intangible asset of the real estate management business. The turnover rate in this business is quite high. The experience and loyalty of the employees will dictate how well the clients will be served. Of course any evaluation of the

staff would be subjective, but their longevity would indicate their proven worth. To conduct the evaluation one would need a list of the personnel, and their job descriptions, and how much each is paid. For those who deal directly with the owners themselves, get their opinion. It is also important to determine if the key personnel are willing to stay on after the business is purchased. Even if you plan to integrate this real estate management business into your current operation you would want to know if these people would fit well with your current staff.

### THE MANAGEMENT ACCOUNT

In most real estate management businesses, 80%–90% of the gross revenues is derived from the management fees. You must now analyze each account to determine such things as, base fee earned in the last 12 months, vacancy rate, the date the contracts expire, and how long each property has been under contract.

Now you can analyze the entire portfolio and determine if there are problem areas such as

- poorly located properties,
- properties too spread out for efficient coverage, and
- contracts due to expire.

Next you would want to make on-site inspections of the real estate under management. This will allow you to determine if there are problems such as

- negative tenant relations,
- negative owner relations,
- properties being sold or listed soon,
- poorly maintained properties, and
- low management fees.

You must now determine which accounts are likely to remain after the purchase and which ones you may want to cancel.

### GOODWILL AND VALUE

Businesses receive their value (the establishing of which will be discussed in detail in Part III) from both intangible and hard assets. The value of the hard assets is easily determined. Items such as computers, telephone systems, furniture, fixtures, fax machines, and real estate owned by the real estate management business are all considered hard assets and are generally just a small part of the overall price. The intangible assets are more difficult to appraise and are referred to in many different ways, most commonly as “Goodwill,” but basically it comes down to the general reputation of the business.

By the time you have reached this point of your due diligence investigation, you have probably decided whether you wish to acquire the business or not. A final overall review of the business’s reputation and the calculation of value will help you decide the price to be presented in the offer to purchase.

### SETTING THE TERMS

Once you have agreed on a price, the next item is setting the terms. A good rule of thumb is that a buyer should not pay more than 50% down with the rest payable in two installments. Do one at the end of six months, the other at the end of 12, and then only on the basis of

the management business that is actually retained. The last point is very important. It requires both the buyer and the seller to gamble that at least half of the business will remain. The seller gets 50% of the sale price up front, but he must take his chances that the buyer will keep the business going as well as the seller did so that he will get the other 50%.

As with any major purchase, the buying process should be approached in a thorough and careful manner. It will require a great deal of time, but it is necessary if you want to be successful.

*Part Three of this series in our next issue will cover evaluating a real estate management business.*

*Ronald F. Hammond, CCIM, RPA, RMP®, is the broker/CEO of Hammond & Hammond Inc., a professional real estate management company in Chatsworth, CA. Ron has been a member of NARPM since 1998 and a licensed Real Estate broker since 1981. Ron is a nationally recognized leader in the real estate management field and is regularly consulted by attorneys and the media for his input on matters relating to real estate management. Ron is a certified landlord/tenant mediator and recognized as an expert witness in the real estate management field by the Superior Court of California. Ron is currently a MPM® candidate and a past president of the North Los Angeles Chapter of NARPM.*

## Submit to NARPM Today!

It is easy to submit. Just e-mail [jjacobs@assnmgmt.com](mailto:jjacobs@assnmgmt.com) today. If you are not the author of any materials you think pertinent, send us the Web link, or fax a copy along with publication information so we can pursue reprint rights for use of the materials.

## CHECK OUT THE NARPM STORE TODAY!

### Item of the Month!



#### BROCHURE— WHY YOU NEED A PROFESSIONAL PROPERTY MANAGER

What are the benefits of hiring a professional property manager? Are there good reasons for managing your own rental property? What distinguishes a professional property manager from other Landlords? These questions are imperative not only to

the property management profession, but also to the potential client. This brochure does all the talking for you. Just insert your business card and distribute as needed. This new and improved full-color brochure is sure to impress!

Order online or fax your order form to  
NARPM Headquarters: 512/454-3036

ORDER ONLINE IN THE MEMBERS ONLY SECTION

[www.narpm.org](http://www.narpm.org)

## CONVENTION CORNER

# Speakers Are Ablaze in Baltimore

In 1904, Baltimore, MD, experienced a catastrophic fire that caused unthinkable devastation to the city. One hundred years later, the Maryland Historical Society is commemorating the event with, "Baltimore Ablaze: The Great Baltimore Fire of 1904," running through October 31, 2004. This presentation is said to be, "...a heart-stopping, engaging and educational exhibition with a variety of programs..." The same can be said of NARPM's 16th Annual Convention and Trade Show, as the Programs Committee has coordinated an outstanding arrangement of speakers, topics, and workshops.

This year's schedule includes five general sessions and 30 workshops. To meet the needs of NARPM's members, the workshops have been structured into the following tracks: Track A—Company Owner, Track B—Property Manager, Track C—Support Staff, Track D—Expert Panels, and Track E—Hot Topics. Be sure to check out the details of this variety of workshops in the convention registration brochure.

The five general sessions promise to be rewarding, as exceptional nationally recognized speakers will lead them. During the opening session on **Wednesday afternoon**, **Larry Johnson** will help us open new doors. Johnson is the coauthor of, "Absolute Honesty: Building a Corporate Culture That Values Straight Talk And Rewards Integrity." He shows leaders how to create cultures where honesty and integrity flourish. Convention attendees will leave this session with practical tools for

- applying the "Six Laws of Absolute Honesty" that will build trust and reduce the amount of dysfunctional family dynamics that consume people's energy and time;
- short-circuiting the "Kumbaya" syndrome so that people will speak their minds openly and honestly without fear of retribution;
- using "Constructive Confrontation" to resolve differences of opinion and fix sticky problems quickly and without damaging relationships;
- getting chronic whiners to stop sniveling and do something positive to fix the problems they whine about; and
- stopping "lipotage," where people give lip-service to a decision and then sabotage the decision in discussions around the water cooler.

If you would like to learn more about Larry Johnson, please visit his Web site at [www.larry-johnson.com](http://www.larry-johnson.com).

**Thursday** begins with a general session directed by **Cam Marston** and his presentation, "Four Generations in the Workplace." For the first time in history, corporate managers are working with four distinct and very different generations of employees—Matures, Boomers, Xers, and Millennials. Each generation is motivated quite differently, aspires to different personal and professional goals, and interprets accepted business practices and business etiquette in drastically

diverse fashions. Marston will teach us how these generations are so individually unique and give us a glimpse of what is to come as the younger generations slowly mature in the workplace. Visit Cam Marston's Web site at [www.marstoncomm.com](http://www.marstoncomm.com) for more information on this exciting topic.



**Later that day**, **Nadeen Green** from *For Rent Magazine* will entertain conventioners. Green was a well-received workshop presenter at NARPM's 14th Annual Convention and Trade Show in Atlanta in 2002. This year, she will be the host of the, "Jeopardy Fair Housing Game." Three randomly selected contestants will compete in a Jeopardy style program in which various "doors" related to important fair housing topics are selected and "opened" by the contestants who race to be the first to answer the questions and earn points. Topics include HUD,

History, Disabilities, Accessibility, Correct the Rule, Advertising No-Noes, Familial Status, and more. The topics are discussed as they appear, and the attendees are invited to question or comment accordingly until the next door is opened. This will be a great opportunity to test your knowledge on this topic and is sure to be loads of fun!

**On Friday morning**, **Matthew Ferrara** will present, "Millennium Marketing." Millennium Marketing is about prospecting techniques and Internet tools that make property promotions and personal marketing more powerful than ever. Discover untapped sources of leads and devise instant strategies for contacting more potential clients while keeping in contact with past clients. Ferrara will customize a marketing program especially for NARPM members to use the new and most updated technology. Formally trained in philosophy, Matthew Ferrara has been advising and teaching business professionals to use technology since 1990. Moving from a career in talk radio to seminars, he brings his clarity of thought and sharp skills as an educator to the classroom, auditorium, boardroom, and online learning environment. Ferrara has earned a reputation for delivering quality insights that consistently help individuals and companies go beyond the routine uses of technology and implement successful competitive business strategies. If you want to experience more, visit his Web site at [www.mfseminars.com](http://www.mfseminars.com).

The **final general session** speaker of the convention is **Jeff Crilley**, an Emmy Award-winning TV reporter in Dallas, TX, recently named by the Texas Associated Press, "The Best TV Reporter in the state." He has authored a book, *Free Publicity*, which will be available for sale directly after his presentation. Should you wish to purchase a copy before the convention you can do so at his Web site, [www.jeffcrilley.com](http://www.jeffcrilley.com). Crilley is going to teach attendees how to write a "Killer" press release, conceive ideas guaranteed to get coverage, know who to call and when, know what to say in an interview, hold a news conference the media will love, combat negative news, and keep reporters coming back for more. With this line up of incredible, informative, and talented speakers, you will be on fire to breathe life back into your business, so register for the convention today.



# Opening New Doors at the Baltimore NARPM Convention in September

## LOCATION

Our 2004 Annual Convention and Trade Show will be at the Hyatt Regency Baltimore-Inner Harbor, 300 Light Street, Baltimore, MD 21202. The Hyatt Regency Baltimore is located in the crown jewel of the city, the Inner Harbor, and connected by skywalk to Harborplace attractions.

The hotel features a complimentary exercise facility, outdoor pool, whirlpool sauna, two tennis courts, basketball court, putting green, and jogging path.

Convention attendees will enjoy the special rate of \$159 single/double, \$179 triple, and \$199 quad, plus tax, by calling the Hotel Reservation Department at 800/233-1234 or 410/528-1234, before the group cut-off date of August 20, 2004. After this date, reservations will be on a space- and rate-available basis. Check-in is 3 p.m. and check-out is noon. Hotel parking is \$17 per day self-parking or \$22 per day valet.

## ORDER CONVENTION PINS AND T-SHIRTS IN ADVANCE AT DISCOUNT PRICES

There will be a 2004 NARPM Annual Convention Commemorative Pin that you can purchase in advance on your enclosed Registration Form at \$4, a \$1 discount from the on-site price of \$5. Also we will

have NARPM Convention T-shirts for sale at the Convention for \$14; you can purchase them in advance on your Registration Form for only \$11. Be sure to mark size(s) and quantity needed. These order-in-advance discount prices are only good with registrations received by August 31, 2004. All items will be delivered at the Convention.

## WEDNESDAY EXHIBITOR GRAND OPENING

Our Grand Opening of the Exhibits and Opening Reception will be held on Wednesday, September 22, from 6–8 p.m. The ribbon cutting for the Trade Show will be done by the 2003 Affiliate Member of the Year, HomeRentals.net.

## SILENT AUCTION

For the past several years, NARPM has raised money for its special community project, Habitat for Humanity. Last year's fund-raiser through a Silent Auction was so successful, we are making it a tradition. This year, you can help the Chesapeake Chapter by placing generous bids on valuable items such as: wonderful vacations, fashionable jewelry, collectibles, tickets to Baltimore Orioles' games, dinners, tours, and more. So bring your checkbooks and help this most worthy cause! Auction items will be listed in your convention packets. The Auction opens on Friday, September 24, at 8 a.m. and closes Friday at 2:45 p.m., just prior to the close of the Trade Show. Auction winners will be announced at 3 p.m.

## ★ CONVENTION SPECIAL EVENTS REGISTRATION FORM ★

All of these are optional, not included in the registration fee.

(Please print or type)

Name \_\_\_\_\_ Spouse/Guest Name, if attending \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Golf Tournament (Level/Handicap \_\_\_\_\_) \_\_\_\_\_@ \$160 \$ \_\_\_\_\_

President's Tour (Ride the Ducks): \_\_\_\_\_@ \$45 per person \$ \_\_\_\_\_

"Crustacean Celebration" Crab Feast: \_\_\_\_\_@ \$50 (prior to August 1) \_\_\_\_\_@ \$55 (after August 1) \$ \_\_\_\_\_

Star-Spangled Gala: \_\_\_\_\_@ \$55 (prior to August 1) \_\_\_\_\_@ \$60 (after August 1) \$ \_\_\_\_\_

**TOTAL** \$ \_\_\_\_\_

Method of Payment (Payment for optional events can be combined with other convention payments—just enclose this form with Convention Registration Form)

I have enclosed a check for \$ \_\_\_\_\_ CK/M.O. # \_\_\_\_\_ Date \_\_\_\_\_

Please charge my credit card in the amount of \$ \_\_\_\_\_ as follows:  VISA  Mastercard  Discover  American Express

Card Number \_\_\_\_\_ Exp. Date \_\_\_\_\_

Billing Address \_\_\_\_\_

Name of Cardholder \_\_\_\_\_ Signature \_\_\_\_\_

*I authorize NARPM to charge my credit card.*

National Association of Residential Property Managers  
**16th Annual Convention Registration Form**  
 September 22–25, 2004 • Baltimore, MD

**1. REGISTRATION** (Please type or print)

Name \_\_\_\_\_ Name for Badge \_\_\_\_\_  
 Company Name \_\_\_\_\_ Title \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Phone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_  
 Check your designation:  RMP®  MPM®  CRMC® Candidate:  RMP®  MPM®  CRMC®  
 NARPM Chapter \_\_\_\_\_  
 Are you a Chapter leader?  Yes  No  
 If yes, what position do you hold? \_\_\_\_\_

NARPM Member?  
 Yes  No

Is this your first NARPM Convention?  
 Yes  No



**SPECIAL ASSISTANCE**

I will require special assistance

I have special dietary needs

Specify: \_\_\_\_\_

**2. REGISTRATION FEES**

**Convention Registration**

	Early Bird Discount Postmarked by August 1	Postmarked After August 1	Fees Paid
<input type="checkbox"/> NARPM Member	\$425	\$495	\$ _____
<input type="checkbox"/> Join NARPM & Register*	\$620	\$690	\$ _____
<input type="checkbox"/> Nonmember	\$500	\$570	\$ _____
<input type="checkbox"/> Team Discount**	-\$50	-\$50	\$ _____

**Single Day Registration:**

Wed.  Thurs.  Fri.  Sat. \$200 \$200 \$ \_\_\_\_\_

**Extra Guest Tickets (included for registrants in Convention Registration)**

Breakfast:  Thursday  Friday  Saturday \$15 each day \$ \_\_\_\_\_  
 Lunch:  Thursday  Friday \$30 each day \$ \_\_\_\_\_

**3. CERTIFICATION CLASS FEES†**

	Member	Nonmember	Fees Paid
<input type="checkbox"/> RMP® Tenancy (Sept. 21)	\$195	\$250	\$ _____
<input type="checkbox"/> RMP® Applying Technology to Property Management (Sept. 21)	\$195	\$250	\$ _____
<input type="checkbox"/> RMP® Habitability Standards and Maintenance (Sept. 22)	\$195	\$250	\$ _____
<input type="checkbox"/> RMP® Operations (Sept. 25)	\$195	\$250	\$ _____
<input type="checkbox"/> MPM® Risk Management (Sept. 20-21)	\$395	\$450	\$ _____
<input type="checkbox"/> Ethics Class (Sept. 24)	\$45	\$60	\$ _____
<input type="checkbox"/> MPM® Risk Personnel Procedures and Employee Relations. (Sept. 25-26)	\$395	\$450	\$ _____

**Retake:**  RMP® (\$100)  MPM® (\$300) \$ \_\_\_\_\_

(list course) \_\_\_\_\_

**RMP®/MPM® Designess:**  RMP® (\$97.50)  MPM® (\$197.50) \$ \_\_\_\_\_

(list course) \_\_\_\_\_

**4. 2004 NARPM ANNUAL CONVENTION COMMEMORATIVE ITEMS**

T-shirt \_\_\_@\$11 each Sizes:  S  M  L  XL  XXL  XXXL (check one or more) \$ \_\_\_\_\_

Pin \_\_\_@\$4 each \$ \_\_\_\_\_

**5. TOTAL FEES** \$ \_\_\_\_\_

**6. METHOD OF PAYMENT**

I have enclosed a check for \$ \_\_\_\_\_ Ck/M.O. # \_\_\_\_\_ Date \_\_\_\_\_

Please charge my credit card in the amount of \$ \_\_\_\_\_ as follows:

VISA  MasterCard  Discover  American Express

Card Number \_\_\_\_\_ Exp. Date \_\_\_\_\_

Name of Cardholder \_\_\_\_\_

Billing Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Signature \_\_\_\_\_

*I authorize NARPM to charge my credit card.*

Preregistrations must be postmarked or faxed by August 31, 2004. After August 1, send higher fee shown in second column. Do not send registration after August 31, 2004, please register on-site.

\* **Join & Register**—Not yet a member? For an additional \$195, you can become a NARPM member and register for the conference at the reduced member rate. Check the "Join NARPM & Register" option on the registration form and submit the membership application enclosed, with this form.

\*\* **Team Discount**—When two or more NARPM members from one office register for the full conference, the second and additional registrants receive a \$50 discount. Registration forms and payment must be received jointly.

† An additional fee of \$30 for RMP® classes and \$55 for MPM® classes is required if registering after August 1.

**CANCELLATION POLICIES**

**Conference**

Cancellations must be received in writing. If cancellation is received 30 days prior to September 21, 2004, there is a full refund less a \$25 processing fee. If cancellation is received 15-29 days prior to September 21, there is a 50% refund. There is NO refund if cancelled 1-14 days prior to September 21.

**Certification Classes**

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 class; however, the registration fee can be applied to a later class with a \$25 transfer fee.

*If this convention is cancelled for any reason, the liability of NARPM to the registrant is limited to the return of the registration fee.*

**MONETARY POLICIES**

If rebilling of a credit card is necessary, a \$25 processing fee will be charged. A charge of \$25 will apply for all non-sufficient fund checks. Checks not in U.S. funds will be returned.

**THREE EASY WAYS TO REGISTER**

**1. MAIL:** Send your form with payment to NARPM, P.O. Box 140647, Austin, TX 78714-0647.

**2. FAX:** Send your form with credit card payment to 512/454-3036. Please do not mail the original.

**3. INTERNET:** Find the registration form on the NARPM Web site at [www.narpm.org](http://www.narpm.org). Credit card payment only.

**INFORMATION**

NARPM Headquarters  
 800/782-3452 or 512/387-6091  
[info@narpm.org](mailto:info@narpm.org)

# 2004 RMP®/MPM® Certification Classes

Date	Location	Class	Instructor
June 22	South San Francisco, CA	MPM® Personnel Procedures/Employee Relations	Sally Backus, MPM®
June 22	South San Francisco, CA	RMP® Marketing	Mark Kreditor, MPM®
June 23	South San Francisco, CA	Ethics†	Sylvia Hill, MPM®
July 22	San Jose, CA	RMP® Applying Technology to Property Mgmt.	Sylvia Hill, MPM®
Sept 20-21	Baltimore, MD	MPM® Risk Management	Dave Holt, MPM®
Sept 21	Baltimore, MD	RMP® Tenancy	Peter Meer, MPM®
Sept 21	Baltimore, MD	RMP® Applying Technology to Property Management	Jean Storms, MPM®
Sept 22	Baltimore, MD	RMP® Habitability Standards and Maintenance	Kit Garren, MPM®
Sept 24	Baltimore, MD	Ethics	Suzanne Reeder, MPM®
Sept 25-26	Baltimore, MD	MPM® Personnel Procedures/Employee Relations	Sylvia Hill, MPM®
Sept 25	Baltimore, MD	RMP® Operations	Suzanne Reeder, MPM®

To register for classes, complete the registration form and mail or fax with payment to NARPM Headquarters.

†Registration form below is not applicable for Ethics class.

For more information or to receive Ethics registration form, call Headquarters at 800/782-3452.

## Interested in Sponsoring Certification Classes?

Opportunities are available to chapters that would like to further member education, promote certification, and increase their chapter funds by sponsoring a certification class. However, it takes time to plan a class—so give your chapter five to six month's lead-time if you wish to sponsor one of these events.

Find out more by calling Bill Jackson, RMP®, at 425/467-7785 or e-mailing bill@protocolpropertymgmt.com. Bill can provide you with the details you need to make a Certification class a successful venture.

## RMP®/MPM® Class Registration

FEES	Early	
<b>RMP® Classes</b>	Registration*	Registration*
Member	\$195.00	\$225.00
Nonmember	\$250.00	\$280.00
Retake	\$100.00	\$130.00
RMP®/MPM® designee	\$97.50	\$127.50

MPM® Classes		
Member	\$395.00	\$450.00
Nonmember	\$450.00	\$505.00
Retake	\$300.00	\$355.00
MPM®	\$197.50	\$252.50

\* To receive the early registration price payment must be post-marked, faxed, or e-mailed 30 days prior to the class.

### CLASS INFORMATION

- On-site registration begins at 8:00 a.m. Class hours are 8:30 a.m. to 4:00 p.m.
- RMP® classes qualify for 6 hours of NARPM certification.
- MPM® classes qualify for 12 hours of NARPM certification.
- All materials will be given to students on the day of the class.
- All 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 class; however, the registration fee can be applied to a later class with a \$25 transfer fee.

Due to low registration, a class may be cancelled with 15 days prior notice. If NARPM cancels a class, registration fee could be credited to a future class or fully refunded upon request.

(Please print or type)

Name \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_

E-mail \_\_\_\_\_

### List Classes

Name of class	Class Date	Cost
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
Total		\$ _____

### Method of Payment

I have enclosed a check for \$ \_\_\_\_\_ Ck/M.O. # \_\_\_\_\_ Date \_\_\_\_\_

Please charge my credit card in the amount of \$ \_\_\_\_\_ as follows:

Visa  MasterCard  Discover  American Express

Card Number \_\_\_\_\_ Exp. Date \_\_\_\_\_

Name of Cardholder \_\_\_\_\_

Billing Address \_\_\_\_\_

Signature \_\_\_\_\_

I authorize NARPM to charge my credit card.

### Two Easy Ways to Register

**1. MAIL** your form with payment to NARPM, P.O. Box 140647, Austin, TX 78714-0647.

**2. FAX** your form with credit card payment to 512/454-3036. Please do not mail the original.



P.O. Box 140647  
Austin, TX 78714-0647

FIRST-CLASS MAIL  
U.S. POSTAGE PAID  
AUSTIN TX  
PERMIT NO. 2714

# Starting a Maintenance Business for Profit

by **R. Scott Corbridge, Broker, Sarasota Management & Leasing**

You're probably thinking; "Just what I need, more headaches to deal with."

However, done right, a maintenance business is a natural for your property management business to add additional income, have easy access to services when you need them, and have direct control of the quality of services that are provided to your owner.

After years of working with outside handymen, being subject to their whim and schedule, and watching my back log of maintenance requests build to the point of having angry tenants, I made the scary decision to hire a full time handyman. "Would there be enough business for this person to keep them busy? Would I bankrupt my small business paying his salary? Would we hire someone who would terrorize my tenants, and get me into legal trouble due to mistakes?"

I just had to push these fears aside because the upside possibilities were too attractive to pass up. All of the money I was paying out for these services could add to my bottom line and at the same time improve the quality of my management services.

Almost from the word "go," it was a success. (At that point the definition of success was to not lose any money). I was lucky enough to find a high energy, conscientious, "go getter" who respected our customers and brought a high level of experience and expertise to our business. Soon afterward, I purchased a work van to carry materials and supplies to cut down on supply runs; thereby reducing the cost of services to our owners.

Shortly thereafter, I had the chance to hire a professional painter who also had maintenance experience. (Another scary decision.) Both had worked for local hotels where it was important to be versatile, fast, and neat (and underpaid). Now all of those turn-around painting jobs were being done on *our* schedule and for *our* profit.

We now had to make sure that we had enough business to pay for everyone, so we developed a separate name and logo, placed them on the vehicles, and began to market the business outside of our own inventory. We soon discovered that there is a need for professional maintenance services by homeowners, other property management companies and realtors. A recently retired man with construction experience was easily found to oversee the work being done and provide estimates for a very reasonable salary. As of this time our maintenance operations are growing at a faster pace than the property management side.

Of course there are important considerations that have to be made in the areas of Workers Compensation Insurance, Liability Insurance, licensing, and firewall protection between your maintenance and property management businesses, but we would never turn back to our old way of doing business. It is much more fun to have full control over these areas of service.

*R. Scott Corbridge, is a broker at Sarasota Management & Leasing.*