

# Train the Trainer



## Instructor's Reference Manual

Phone: 800-782-3452  
Fax: 866-466-2776  
E-mail: [info@narpm.org](mailto:info@narpm.org)  
[www.narpm.org](http://www.narpm.org)



National Association of Residential Property Managers



# Table of Contents

## **Standard Book Inserts**

- ❖ Course Disclaimer (Sample)

## **Ethics**

- ❖ PDF of Course
- ❖ Handouts
- ❖ Timed Outline
- ❖ Revised Test

## **Maintenance Basics and Beyond**

- ❖ PDF of Course
- ❖ Handouts
- ❖ Course Review
- ❖ Outline
- ❖ Revised Test

## **Habitability Standards & Maintenance**

- ❖ PDF of Course
- ❖ Outline
- ❖ Revised Test



## **NARPM® 101**

- ❖ PDF of Course
- ❖ Handouts
- ❖ Outline
- ❖ Revised Test

## **Marketing**

- ❖ PDF of Course
- ❖ Review
- ❖ Outline
- ❖ Revised Test

## **Office Operations**

- ❖ PDF of Course
- ❖ Handouts
- ❖ Outline
- ❖ Review
- ❖ Revised Test

## **Owner/Client Essentials**

- ❖ PDF of Course
- ❖ Review
- ❖ Outline
- ❖ Revised Test



### **Owner/Client Advanced**

- ❖ PDF of Course
- ❖ Review
- ❖ Outline
- ❖ Revised Test

### **Personnel Procedures Essentials**

- ❖ PDF of Course
- ❖ Handouts
- ❖ Review
- ❖ Outline
- ❖ Revised Test

### **Personnel Procedures Advanced**

- ❖ PDF of Course
- ❖ Handouts
- ❖ Review
- ❖ Outline
- ❖ Revised Test



## **Risk Management Essentials**

- ❖ PDF of Course
- ❖ Review
- ❖ Outline
- ❖ Revised Test

## **Risk Management Advanced**

- ❖ PDF of Course
- ❖ Handouts
- ❖ Review
- ❖ Outline
- ❖ Revised Test

## **Tenancy**

- ❖ PDF of Course
- ❖ Review
- ❖ Outline
- ❖ Revised Test



## **Disclaimer**

Our discussion regarding Habitability Standards and Maintenance in residential property management includes personal views and opinions of the authors and instructors based on experience, research, and conversations with other Property Managers.

We cannot represent the law or specific situations where you live or work, nor make assurances or warrant that what we say will apply to your situation or area.

As you know, when we talk about prices, fees, or commissions, we can be accused of price-fixing. We want to make it clear that we are not suggesting fees or commissions to be set or agreed upon. Any mention of fees or commissions is only to clarify our discussion by giving examples. Fees are determined by competition and the marketplace. Each market is different and, therefore, fees differ from company to company.

Information used in the case of studies of problems and solutions is fictional. Any similarity to actual events or people is coincidental.

This course does not purport to provide an exhaustive discussion of any area of the law and should not be used as a substitute for legal counsel. Legal issues discussed are solely for illustrative purposes and neither NARPM® nor the author is responsible for the legal content. Forms, contracts and agreements, as well as all other printed materials are provided as examples for guidance only and are not to be used without specific approval by your own legal counsel. Since laws change periodically and vary from state to state, neither NARPM® nor the author assumes any responsibility for content of any printed material herein. **CONSULT YOUR LEGAL ADVISOR BEFORE IMPLEMENTING ANY POLICIES OR PROCEDURES OR USING ANY PRINTED MATERIALS.**



NEW TAB





# Ethics

## Student Outline




Phone: 800-782-3452  
Fax: 866-466-2776  
E-mail: [info@narpm.org](mailto:info@narpm.org)  
**[www.narpm.org](http://www.narpm.org)**




National Association of Residential Property Managers

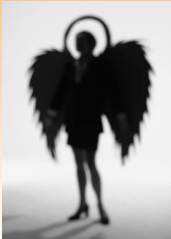




## NARPM Ethics 2012 Edition



National Association of Residential Property Managers



---

---

---

---

---


---

---

---

## Introduction

- Why Have a Code of Ethics
- The NARPM® Code of Ethics and Standards of Professionalism
- The NARPM® Complaint Process



7/11/2012

Copyright © 2009 NARPM®

2

---

---

---

---

---

---


---

---

## Ethics and the Property Manager

This section will:

- Explore the different ways in which ethics plays a role in the industry
- Outline how ethical conduct can improve your reputation and business
- Define some of the perceptions and behaviors a property manager may come across.



7/11/2012

Copyright © 2009 NARPM®

3

---

---

---

---

---

---

---

---



## There are Owners, Tenants, Third-Parties



- Owners, tenants, and third parties all different wants and expectations
- There are legal guidelines that must be followed regardless of those wants
- There is also the code of ethics that needs to be followed



*Ethics can help to build trust  
and help us navigate through the  
relationships we have*

7/11/2012

  
Copyright © 2009 NARPM®

4

---

---

---

---

---

---

---

---

## Ethics Are Crucial in Property Management

- Tough choices made by property managers affect clients, tenants, and third-parties differently
- Our income is directly based on how we perform
- The reputation we have can make or break our business



7/11/2012

  
Copyright © 2009 NARPM®

5

---

---

---

---

---

---

---

---

## Ethics in Play

Here are some situations in which ethics plays a role in property management. For each, consider:

How the property manager should ethically react in each situation.

7/11/2012

  
Copyright © 2009 NARPM®

6

---

---

---

---

---

---

---

---



## What's a Business to Do?



A client who you really need for your business doesn't want you to disclose structural defects to potential tenants?

7/11/2012

  
Copyright © 2009 NARPM®

7

---

---

---

---

---

---

---

---

## Let's Make a Deal

A client who owns a landscaping company will only sign with a property manager if the property manager can get his other clients to use his services for lawn maintenance.

7/11/2012

  
Copyright © 2009 NARPM®

8

---

---

---

---

---

---

---

---

## Every Man for Himself

A potential client informs a property manager who he has been in negotiations with that he has narrowed his choices down to the property manager and the management company for which the property manager used to work. Does the property manager say anything about his old company?

7/11/2012

  
Copyright © 2009 NARPM®

9

---

---

---

---

---

---

---

---



## For a Limited Time

A property manager is being pressured by an owner to rent a house. After getting no interest on the property for months, a potential tenant is shown the house. The property manager really wants the tenant to apply and wants to tell him that there has been a lot of interest in the property. Should she?

7/11/2012

10

---

---

---

---

---

---

---

---

## NARPM's Code of Ethics and Standards of Professionalism

- Promote high standards
- Give a measurement of the NARPM® level of professionalism
- Has 13 Articles and 45 Standards.
- Must be subscribed to in order to maintain membership

7/11/2012

11

---

---

---

---

---

---

---

---

## Article 1: Responsibility to Protect the Public

***It is the responsibility of the property manager to protect the public against fraud, misrepresentation, and unethical practices in property management.***

*There are 8 standards of Professionalism in Article 1*

7/11/2012

12

---

---

---

---

---

---

---

---



## Article 1: Standard 1-1

The property manager shall endeavor to eliminate in the community, through the normal course of business, any practices which could be damaging to the public or bring discredit to the profession.

7/11/2012

  
Copyright © 2009 NARPM®

13

---

---

---

---

---

---

---

---

## Standards 1-2 and 1-3

### 1-2

The property manager shall assist the governmental agency charged with regulating the practices of property managers.

### 1-3

The property manager shall comply with all local and state ordinances regarding real estate law, licensing, insurance, and banking.

7/11/2012

  
Copyright © 2009 NARPM®

14

---

---

---

---

---

---

---

---

## Article 1: Standard 4

Standard 4 states:

The property manager shall not knowingly, during or following their professional relationships with their clients or their tenants, reveal confidential information of the clients or tenants. The property manager must take all precautions in keeping information in regard to owners and tenants reasonably secured to prevent identity theft.

7/11/2012

  
Copyright © 2009 NARPM®

15

---

---

---

---

---

---

---

---



*Standards 5 and 6 are associated with a property manager's Web site and says:*

**1-5**

The property manager shall use reasonable efforts to be sure that information on their website is current. If it becomes apparent that information on the website is not current, then the property manager shall promptly take corrective action.

**1-6**

The websites of the property manager shall not contain any deceptive [metatags](#) or other devices/methods to direct, drive, or divert Internet traffic or to otherwise mislead customers. The websites shall also not manipulate listing content in any way that produces a deceptive or misleading result.

7/11/2012

Copyright © 2009 NARPM®

16



---

---

---

---

---

---

---

---

Standards 7 and 8 both relate to a property manager's responsibility to the public, most likely in his or her capacity showing and advertising property. They state:

**1-7**

Property managers shall disclose all details on the availability of rental properties to prospective parties on a regular and timely basis.

**1-8**

Property managers shall avoid exaggeration, misrepresentation, misinformation, or concealment of pertinent facts relating to the advertising, leasing, and management of the property.

7/11/2012

Copyright © 2009 NARPM®

17



---

---

---

---

---

---

---

---

## Article 2: Discrimination

The property manager shall not discriminate in the rental, lease, or negotiation for real property based on fair housing laws as disseminated by the U.S. Department of Housing and Urban Development and shall comply with all federal, state, and local laws concerning discrimination.

**STANDARDS OF PROFESSIONALISM**

**2-1** It is the duty of the property manager to educate those with whom the property manager is affiliated with to comply with all fair housing laws.

7/11/2012

Copyright © 2009 NARPM®

18



---

---

---

---

---

---

---

---



## Article 3: Duty to the Client

The property manager has a **fiduciary** responsibility to the client and shall at all times act in the best interests of the client.

*Article 3 includes six standards of professionalism.*

7/11/2012

19

---

---

---

---

---

---

---

---

Standard 3.1 states:

***The property manager shall use written management agreements and written extensions, if required, outlining all responsibilities and fees. The client will be provided a copy of signed agreements and extensions and the property manager will maintain a copy.***

Let's explore the following scenario:

7/11/2012

20

---

---

---

---

---

---

---

---

Standard 3-2 states:

***Property managers shall communicate regularly with the client and provide written reports of receipts and disbursements on a regular and agreed upon basis. In the event of any dispute, the property manager shall provide a written accounting as soon as practical.***

Standard 3 addresses how tenant applications are handled. It states:  
***Tenant applications shall be reviewed and verified in order to determine the applicant's ability to pay and to determine the likelihood that the applicant will comply with all provisions of the rental agreement.***

Standard 3-4 deals with disclosure and states:

***The property manager shall accept no commissions, rebates, profits, discounts, or any other benefit which has not been fully disclosed to and approved by the client.***

7/11/2012

21

---

---

---

---

---

---

---

---



**Standard 3-5, 3-6:**

Misleading the client in terms of the market value of a unit would also be unethical. Standard 3-5 states:

***The property manager shall not mislead owners about the rental market value of their property in an attempt to secure a rental listing.***

Standard 3-6 also entails facts relating to the property as follows:

***Property managers shall disclose to their client all pertinent facts relating to the transaction.***

7/11/2012

  
Copyright © 2009 NARPM®

22

---

---

---

---

---

---

---

---

Much like your responsibilities to your clients outlined in Article 3, NARPM's code of ethics requires certain obligations to tenants. Article 4 states:

***The property manager shall treat all tenants honestly and professionally when applying for, living in, and vacating a managed residence. The property manager shall hold a high regard for the safety and health of those lawfully at a managed property.***

Standard 4-1 states:

***The property manager shall offer all prospective renters a written application.***

Standard 4-2 states:

***Property managers shall provide all tenants with a copy of the signed rental agreement, and extensions with all addendums attached.***

Standard 4-3 states:

***The property manager shall make all disclosures as required by state and local laws and provide the tenant an opportunity to complete a written condition report at the time of moving in.***

7/11/2012

  
Copyright © 2009 NARPM®

23

---

---

---

---

---

---

---

---

Standard 4-4 states:

***The property manager shall respond promptly to requests for repairs.***

*Take a look at the following case and decide whether the property manager violated the code of ethics and, if so, what you would recommend ...*

**Sorry, But ..**

Tenants Roy and Rhonda filed a complaint against a NARPM property manager, I'm-New-At-This, because he won't repair the property they are renting from him. The property is one of several the owner has in an older section of town. The tenants claim they gave the property manager a list of needed repairs along with a copy of a code violations notice their city posted on the property. They claim the property is not safe but they can't afford to move.

I'm-New-At-This sent a response saying there is nothing he can do. He indicates he contacted the owner about the code violations notice and the tenants' list of needed repairs. The owner stated he does not have the money for the repairs and does not believe there are any safety issues. I'm-New-At-This claims he needs to build his portfolio and cannot afford to turn away any clients.

**What do you recommend?**

7/11/2012

  
Copyright © 2009 NARPM®

24

---

---

---

---

---

---

---

---



Standard 4-5:

***Within the time prescribed by law, a written deposit refund determination shall be provided to the tenant after they have vacated the property. No undue delay in refunding or accounting for the security deposit shall take place.***

**Not Every State Has the Same Rules in terms of Security Deposits.**

**Do you know what your state requires?**

7/11/2012

25

---

---

---

---

---

---

---

---

Article 5:

***The property manager shall manage all properties in accordance with safety and habitability requirements of the local jurisdiction.***

What exactly does this mean? It largely depends on what the jurisdiction in which you manage considers habitable.

In addition to providing your tenants with proper maintenance, there are also clients to consider. Standard 5-1 states:

***The property manager shall not manage properties for clients who refuse, or are unable, to maintain their property in accordance with safety and habitability requirements of the local jurisdiction.***

Standard 5-2 addresses how property manager must handle clients who do not maintain their properties:

***Property managers shall terminate management of property if client does not comply with habitability requirements***

7/11/2012

26

---

---

---

---

---

---

---

---

**Right or Wrong?**

*Consider this scenario, keeping Article 5 in mind ...*

Benny, a property manager, advertises a home for rent and offers it to Maynard, a prospective tenant, stating that the home is in good repair. Maynard moves into the home and discovers that the heater does not work and that the septic system backs up. He notifies Benny, and later that day a heating repair technician and a plumber are called to the property to remedy the defective conditions. Maynard files an ethics complaint stating that Benny's statement about the home being in good condition was a false statement that misrepresented the condition of the property. Benny counters that he did not have any prior knowledge about the condition of the heater or the septic system.

**Is there an ethics violation?**

7/11/2012

27

---

---

---

---

---

---

---

---



Article 6 states:

***The property manager shall hold all funds received on behalf of others in compliance with state law with full disclosure to the client and these funds will be kept separate from the firm's or personal funds of the property manager.***

There is only one standard of professionalism in Article 6. Standard 6-1 states:

***Property managers shall prepare and furnish to the client accurate and timely financial reports relating to their rental unit in accordance with the terms of the management agreement.***

7/11/2012

28

---

---

---

---

---

---

---

---

#### Article 7: Charge to Disclose Expertise

Article 7 states:

***The property manager must provide accurate information within his area of expertise, but refrain from the unauthorized practice of any other profession that may require a separate license, such as: law, accounting, and financial planning, construction, and contracting.***

There is only one standard of professionalism involved with Article 7. 7-1 states: ***Members shall undertake only those areas of expertise that they can reasonably be expected to perform with professional competence***

7/11/2012

29

---

---

---

---

---

---

---

---

Article 8 states:

***The property manager shall act in the best interests of their employer/broker.***

Similar to the agency relationship a property manager has to clients and tenants, a property manager also has a fiduciary relationship with his or her employer. The agent is put in a position of trust.

*Three standards of professionalism are part of Article 8*

7/11/2012

30

---

---

---

---

---

---

---

---



The three standards of professionalism are:

8-1

***The property manager shall not have any undisclosed conflict of interest with their employer/broker. If a conflict should arise, the member shall notify their employer/broker immediately.***

8-2

***The property manager shall not receive any form of compensation, rebates, or any other benefits without full disclosure to employer/broker.***

8-3

***The property manager may not take or use any proprietary documentation, or client/tenant lists, during or after relationship with employer/broker without express written consent from employer/broker.***



---

---

---

---

---

---

---

---

Article 9 states:

***NARPM professional members shall refrain from criticizing other property managers or their business practices.***



*This article involves four standards of professionalism*



---

---

---

---

---

---

---

---

9-1

***The property manager shall treat all property managers in an honest and professional manner and shall not knowingly engage in any practice or take any action against a property manager in an un-businesslike manner.***

9-2

***The property manager shall not knowingly solicit competitor's clients. This does not preclude the property manager from making general announcements about their own services. For purposes of this code, a general announcement may be defined as a general telephone canvass or a general mailing or distribution addressed to all prospects in a given geographical area or in a specific profession, business, club, organization, or other classification or group. This code does not restrict fair and reasonable competition among property managers.***

9-3

***In the event of a controversy between property managers with different firms, the property managers/owner of firm shall submit the dispute to [mediation](#) prior to litigation.***

9-4

***Property managers shall not use the work of competing management firms that are considered proprietary without the expressed written permission of the management firm***



---

---

---

---

---

---

---

---



Article 10 states:

**The property manager shall not engage in the improper acts of price fixing, anti-trust, or any anti-competitive practices with other property managers.**

Three standards are involved with the article's interpretation. They are:

10-1

**Unless the property manager is purchasing another property management company, fees, commissions, and compensations, shall not be discussed with other property managers. The property manager shall always seek to avoid the appearance of impropriety in these matters.**

10-2

**The property manager's fees, commissions, and compensations shall be determined by the property manager, or the property manager's broker, based upon, but not limited to, expertise, experience, and the cost of service or expense.**

10-3

**Members shall not be party to any discussions that would lead to potential antitrust issues such as boycotting, price fixing, collusion, market allocation, or any other items as addressed in the Sherman Antitrust Act.**



---

---

---

---

---

---

---

---

Article 11 states:

**NARPM® members shall ensure that all advertising is clear and forthright and lists only facts about the property or services provided**

This article is articulated through three standards of professionalism. They are:

11-1

**Regardless of the type of advertising media used, content shall be truthful and honest at all times.**

11-2

**No property shall be offered as "For Rent" without the permission of the client. If an unlisted property is offered, permission must be obtained from the owner.**

11-3

**Disclosure must be made to all parties if information gathered through electronic advertising media may be sold to an outside party.**



---

---

---

---

---

---

---

---

Article 12 states:

**The property manager shall strive to be informed about relevant matters affecting the property management field on a local, state, and national level.**

The article involves five standards of professionalism. They are:

12-1

**The property manager shall strive to improve the property management profession and NARPM by sharing with others their lessons of experience for the benefit of all.**

12-2

**The property manager shall strive to be informed about relevant matters affecting the property management field on a local, state, and national level.**

12-3

**The property managers shall maintain their real estate license by meeting continuing education requirements as set out by the state in which they work.**

12-4

**NARPM members shall abide by NARPM's bylaws and any other guidelines approved by the board and shall do no harm to the organization.**

12-5

**NARPM® members shall ensure that all electronic communications and marketing they prepare are professional with respect given to the recipients.**



---

---

---

---

---

---

---

---



Article 13 states:

**All professional members of NARPM® agree to participate in any professional standards investigation and/or hearing should a complaint be properly filed with the association.**

It consists of three standards or professionalism. They are:

13-1

**Members will take all necessary action to remain educated and knowledgeable of the NARPM® Code of Ethics.**

13-2

**NARPM® members shall not interfere with any investigative action relating to a professional standards case by the association.**

13-3

**Members shall promptly supply any information requested by the association during a professional standards investigation.**

Now that we have gone over all 13 Articles of the NARPM Code of Ethics, we'll look at the complaint procedure ...



---

---

---

---

---

---

---

---

## The Complaint Procedure

This section will outline the complaint procedure involved with the code of ethics and the potential committee recommendations.



---

---

---

---

---

---

---

---

## Initiating a Complaint

- Anyone who believes that a member may be guilty of any action may file a complaint
- Use the complaint form
- Complaints must be filed within 180 days (six months) after an incident.
- A \$100 administrative fee must be submitted with all complaints.



---

---

---

---

---

---

---

---



## The Process

- Complaints are referred to the chair of the Professional Standards Committee
- A committee reviews the complaint
- Complaints are either settled between parties, dismissed, or referred
- If the complaint is referred, the member named has 20 days to respond

*Failure by a member to respond to the request may result in an automatic complaint review which may result in a violation of the NARPM Code of Ethics.*



---

---

---

---

---

---

---

---

## Multiple Allegations

If the complaint lists several allegations of unethical conduct:

- The committee decides which would violate the code
- If more than one allegation violates the code, each are determined separately
- If any are dismissed by the committee, they can be appealed



---

---

---

---

---

---

---

---

## Proof and Findings

The complainant has the burden of proving the charges to the committee.

The committee may amend the complaint by removing any inappropriate cited article(s) of the code or adding any appropriate article(s).

All parties to the complaint will be notified of any amendments to the complaint by the committee prior to the review session and final determination



---

---

---

---

---

---

---

---



## Complaint Moves Forward

Should the Professional Standards Committee determine the complaint should go forward to a complaint review session, a new committee will meet in executive session.

The committee is comprised of two members of the Professional Standards Committee and one from the state where the members practices real estate.

The primary question to be determined is whether the complaint supports a violation of one or more of the articles of the code.

The panel shall prepare a concise written decision that includes a basis on how the decision was reached. If a violation is found, the decision will include a conclusion and a recommendation for discipline.



---

---

---

---

---

---

---

---

## Possible Sanctions

Sanctions can include:

- Letter of reprimand, a copy of which is placed in the member's file.
- Probation for not less than 30 days nor more than one year along with completion of the ethics course. All designation application processes cease until the member's probation period ends.
- Suspension for not less than thirty 30 days nor more than one year with automatic reinstatement of membership in good standing at the end of the suspension and completion of the ethics course.
- Membership suspended with no reinstatement privilege for one to three years.
- The individual can be expelled from membership and not be entitled to reinstatement and will permanently lose all rights to use NARPM designations.
- If a NARPM member resigns before final action is taken by the board of directors, the complaint review is suspended.



---

---

---

---

---

---

---

---

## Appeals Process

•If the Professional Standards Committee dismisses the complaint as not applicable to the NARPM Code of Ethics, this decision can be appealed to the Professional Standards Chair within 20 days from receipt of the dismissal notice by the complainant.

•If the committee determines that the complaint was improperly dismissed by the Professional Standards Committee, it will forward it for a new complaint review

•The complainant and/or respondent(s) must submit an appeal of the Professional Standards Committee Decision of Ethics Complaint form along with a \$200 fee within 20 days of receiving the decision.

•NARPM's Board of Directors makes the final determination if the decision should stand



---

---

---

---

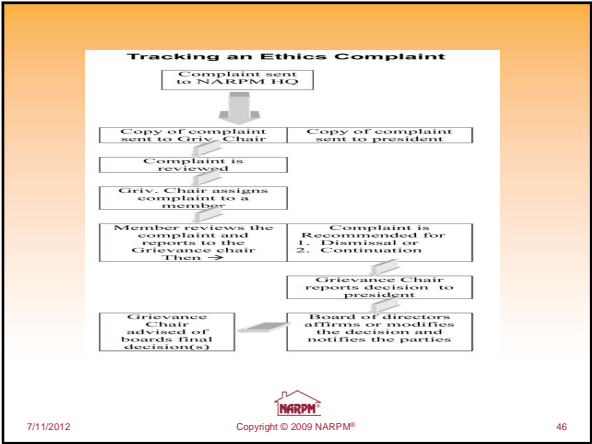
---

---

---

---





---

---

---

---

---

---

---

---



## Activity 1: Tillie and the Garden

Let's look at this situation...



Ginger, a property manager and proud NARPM member, entered into an agreement to find Meredith, the owner of a large duplex in Caryberg, a suitable tenant. The unit is in a very peaceful neighborhood and tucked between a park and a community garden. Ginger knows that much of Caryberg is bustling, so she features the peaceful nature of the unit prominently in all of her advertising.

Tillie, a recently retired mortgage broker, was shown the unit and commented to Ginger several times how nice the solitude would be. Tillie completed the rental application and forwarded it along with the \$75 application fee to Ginger, who had it approved by Meredith the following Tuesday.

Just two days later Ginger was at a Caryberg city meeting where she learned that the community garden next to the property was to be razed and a Humongo-Mart was to be built. Everything was approved by the city.

Ginger knew how much the natural surrounds meant to Tillie, so she told her soon-to-be tenant about the city's plans. Tillie sadly asked for her deposit back and withdraws her application. She was glad Ginger told her before she signed the lease and paid the security deposit. Ginger understood and provided her with the refund.

Ginger's next call was to Meredith explaining that they would have to change the ads for the property and find a new tenant.

Meredith was furious.

"You had no right to tell her about the Humongo-Mart," she screeches. "You are supposed to represent me, not a tenant."

Meredith is familiar with the ethics complaint procedure for NARPM and immediately begins the process of filing a complaint against Ginger for not properly representing her.

**Do you believe Meredith has a legitimate complaint against Ginger?**



*Take a look at this scenario, taken from an actual case before the ethics panel, and see if you can decide what, if anything, the property manager did wrong ...*

## **On the Fence**

Bill Cheaply, a client of Sally Smooth, RMP, files a complaint against her for improperly handling his funds. Bill claims he is only liable for the cost of repairs he authorized. During his last month of management with Sally, Bill sold the property. Bill claims Sally arranged a \$780.00 patio fence repair that escrow paid from his proceeds of the sale. He wants her to reimburse him because she performed the work without his authorization.

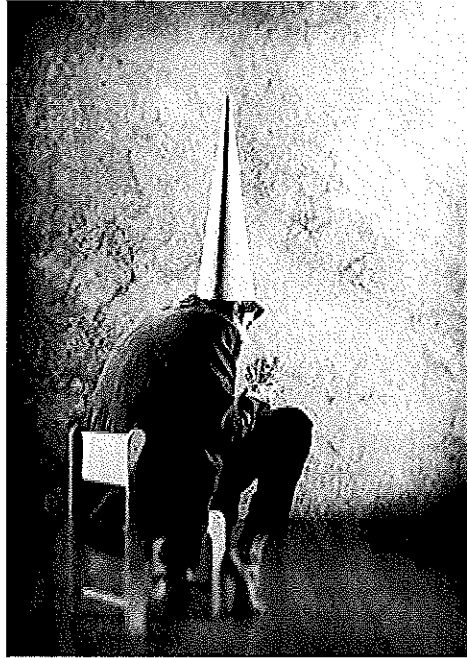
Sally's response indicates Bill had a selling agent, who called her authorizing the fence repair, to complete a condition of the sale so escrow would draw up the closing documents. During her last month of management, she had been taking orders from his agent to complete necessary requirements of the lender. Sally claims she was simply following one more directive from his agent and does not want to reimburse him because she believes it was a valid owner expense. She submitted a copy of the management agreement with her response that required owner authorization for all property repairs



## **Did Sally do anything wrong?**



## **But it was for the Good of the Client**



Kristhoff hired Sandy to renovate his vacant four-plex building, lease the units, and manage the property. After the renovations were done, it came to Kristhoff's attention that Sandy had been receiving "review fees" from various contractors who had performed the work.

When Kristhoff confronted Sandy with this information, she responded that she realized shortly after starting the renovations that the job was going to be more time-consuming than she first thought. Sandy, not wanting to add to Kristhoff's renovation overhead, then sought "review fees" from several contractors who also agreed not to increase their prices.

Kristhoff files a complaint alleging that Sandy engaged in unethical conduct regardless of the contractor fees not being raised as a result of "review fees."

**In this case the fee only helped the owner with pricing. Was there unethical conduct?**



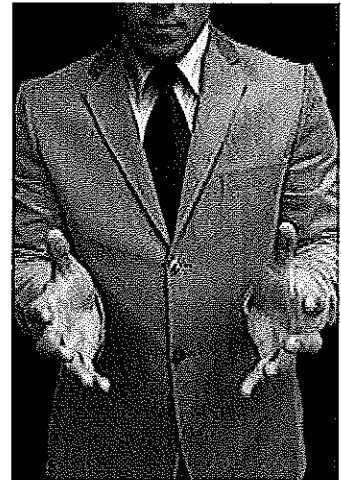
## **Misleading?**

After much discussion about market conditions, Teddy engaged the services of Ruth Ann via a written agreement for a home to be rented at \$1,200 per month. After eight weeks of unsuccessfully finding a tenant, Teddy called Ruth Ann to inquire as to reasons the home remained vacant.

Ruth Ann said she knew after two weeks on the market that the price was too high, and that in order for the home to rent the price should be lowered to under \$1,000. Teddy believed that she misled him and filed an ethics complaint.

Ruth Ann contended that it had been her experience that the only way to convince owners to take a lower price is to have the market teach owners that lesson.

**Did Ruth Ann do anything wrong?**

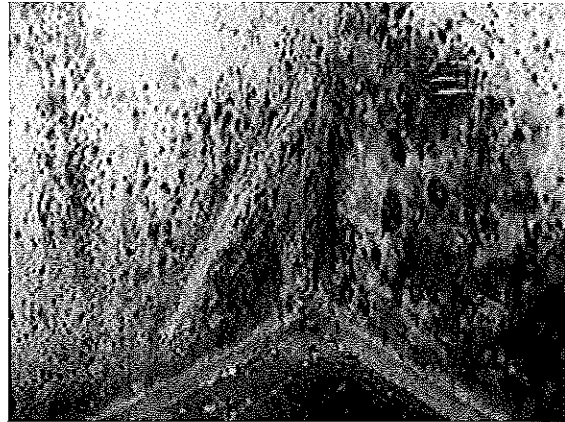




# The House on Antigua Street

## But I Was Sure I Was Right

Property manager Benny had just signed Carol, a prominent investor, as a new client. Carol owned approximately 23 homes throughout Baton Rouge and was easily Benny's biggest signing yet. All the paperwork was done and Benny was set to start renting out the residences. He hadn't had the chance to have his maintenance people go through them thoroughly yet, but he was very anxious to prove to Carol that she had made the right decision in signing with him.



Benny made an appointment to show Suzy and Samuel a home on Antigua Street. The couple loved the location and the price fit perfectly with their budget. While looking around the house Suzy noticed some dark patches on the upper portions of the wall.

"What's that?" she inquired. "It's not mold is it?"

Benny didn't know what the dark patches were, but assured the couple that it was just some dirt that a little elbow grease would take care of before they even moved in. "Besides the house is stucco," he said. "Mold needs more fibrous materials; it can't live on stucco."

Benny really believed that was the case and convinced the couple to sign the lease and move in.

Shortly after moving in, Samuel started coughing and complaining of headaches and fatigue. Within six months, Benny found himself being handed court documents seeking restitution for a chronic respiratory illness that Samuel had. Samuel's doctor had traced the cause to mold growing in the Antigua Street home they were renting from Benny.

**Should Benny have done anything differently?**



## Petey Versus Bob



Property manager Petey, a member of NARPM, files a complaint against Bob Squib, a fellow property manager and NARPM member. He alleged there was an incident in Bob's office with a potential client.

The potential client had several properties that he needed managed and Bob wanted to add them to his portfolio. The potential client stated that he was interviewing several property management firms.

"Which ones?" asked Bob.

The potential client named several. Bob snickers at the mention of one in particular. "You don't want to hire that company because they give poor service and don't return calls," he noted.

The client contacted Petey to ask if it was true.

**Was Pete correct in filing a complaint? If so, what would you recommend the ethics panel do?**





## National Association of Residential Property Managers

### General Instructions for Filing and Replying to an Ethics Complaint

**A.** All complaints must be typewritten. Any reply must be typewritten. If the matter is not recommended for dismissal, the Professional Standards Committee will supply a copy of the complaint to the respondent(s).

**B.** All complaints will be sent to NARPM® Headquarters. Headquarters will then forward to the Professional Standards chairperson and keep the original for the file.

1. All evidence by the parties is to be submitted with the original letter of complaint and with the original letter of reply.
2. Additional evidence, if any, will not be accepted and will be returned to the sender of the evidence by NARPM® Headquarters.

**C.** Make check payable for \$100 to NARPM®. This covers processing expenses for filing the complaint.

1. If a violation of the NARPM® Code of Ethics is found against a member of the organization the \$100 processing fee will be refunded.

**D.** If the Professional Standards Committee finds the complaint to be an issue constituting a cause of action, steps will be undertaken to discover finding of fact.

1. The Professional Standards Committee will send to the respondent(s) via certified letter, return receipt requested, a request to reply to the complaint within 20 days.
2. A copy of the certified letter will also be sent to the respondent(s) via first class mail.
3. If a respondent does not reply within 20 days, the complaint may be taken as true by default and the Professional Standards Chairperson will so notify the NARPM® president.

**E.** If the complaint is not found to constitute a cause of action, the Professional Standards Committee will recommend dismissal of the complaint.

1. Returned complaints will include the steps to appeal the decision of the Grievance Committee.
  - a. All appeals must be mailed to NARPM® Headquarters and received within 20 days of the date the decision was mailed to the complainant.

**F.** The NARPM® president will be provided with a copy of the decision of the Professional Standards Committee once ratified by the NARPM® Board of Directors.



To the NARPM Professional Standards Committee

\_\_\_\_\_  
Date submitted

\_\_\_\_\_  
Complainant(s)

\_\_\_\_\_  
Respondent(s)

Complainant(s) charge(s):

I / we, allege that a violation of the Code of Ethics, article(s) \_\_\_\_\_  
have been perpetrated by the above named respondents. I/we, offer the attached signed and dated  
statement for your review and consideration.

This complaint is true and correct to the best of our knowledge. This complaint has been submitted  
within 180 days of the facts constituting the complaint. I/we, declare that the best of my/our  
knowledge, that these allegations are true and correct.

I/we, hereby state that the circumstances constituting this complaint ☐ are involved ☐ are not  
involved in any civil or criminal litigation, or with any regulatory or administrative agency.

I/we, agree that if the circumstances constituting this complaint should become involved in any civil  
or criminal litigation, or with any regulatory or administrative agency while NARPM considers this  
complaint, that I we, will notify NARPM no later than three days after such involvement.

I understand that the Professional Standards Committee may recommend dismissal of this complaint  
in part or in total, and that I/we, will have twenty (20) days from the date of the dismissal notice to  
appeal this decision.

Complainant(s)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Type or print your name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Type or print your name

Mailing Address & Telephone number:

(Printed)

Date Received at NARPM	Date Forwarded to Professional S Chair	Case Number



## Timed Outline

### Introduction: 10 minutes

This section provides a brief introduction and orientation to the course, as well as provide a little of the history behind NARPM's Code of Ethics and the basis behind what makes having a code of ethics important.

### Ethics and the Property Manager: 20 minutes

This section explores the fiduciary and statutory duties that property managers have with their clients, customers and one another. These relationships are part of the reason ethics are crucial to the profession. This section also provides case studies on:

- Authorizing repairs
- Making loans to clients
- Kick-backs
- Negotiations
- Showing and advertising

### Responsibility to Protect the Public: 20 minutes

This section details the responsibilities the NARPM property manager has to the public. These responsibilities are represented by Article 1 and Article 2. It includes the following topics:

- Article 1: Responsibility to Protect the Public
- Case study on disclosure
- Article 1: Standard 1-1
- Standards 1-2 and 1-3
- Article 1: Standard 4
- Standards 5 and 6
- Standards 7 and 8
- Article 2: Discrimination
- Discrimination and Responsibilities

### Responsibility to the Client: 20 minutes

This section outlines the ethical responsibilities in regards to the fiduciary duties the property manager has to his or her client. These are detailed by focus on the following portions of the code of ethics:

- Article 3: Duty to the Client
- Standard 3-1
- Standard 3-2



- Standard 3-3
- Standard 3-4
- Standard 3-5, 3-6

### **Obligations to Tenants: 20 minutes**

This section will outline Article 4: Obligations to Tenants, which are covered by:

- Standard 4-1
- Standard 4-2
- Standard 4-3
- Standard 4-4
- Standard 4-5

### **Care of Managed Properties: 10 minutes**

This section looks at Article 5: Care of Managed Properties and what is expected of the property manager. It includes the following:

- Article 5: Property Condition
- Standard 5-1, 5-2
- Habitability
- A case study on representation of a dwelling

### **Protection of Funds: 15 minutes**

This section briefly examines the ethical requirements of Article 6: Protection of Funds. Information includes:

- Article 6: Protection of Funds
- State Rules
- Commingling

### **Charge to Disclose Expertise: 5 minutes**

This section briefly discusses Article 7: Charge to Disclose Expertise, which directs NARPM members to provide accurate information within their areas of expertise, but not undertake activities in other areas requiring expertise. It includes a case study on unqualified disclosure.

### **Commitment to Firm: 5 minutes**

This section will outline the property manager's duties to his firm and employer or broker.

- The property manager shall not have any undisclosed conflict of interest with their employer/broker. If a conflict should arise, the member shall notify their employer/broker immediately.
- The property manager shall not receive any form of compensation, rebates, or any other benefits without full disclosure to employer/broker.



- The property manager may not take or use any proprietary documentation, or client/tenant lists, during or after relationship with employer/broker without express written consent from

### **Article 9: Relations with Other Property Managers: 5 minutes**

This section explores the property manager's ethical responsibilities when it comes to fellow property managers.

### **Article 10: Business Practices: 5 minutes**

This section provides information on NARPM's ethics as they relate to business practices, including boycotting, price-fixing, and market allocation.

### **Truth in Advertising: 5 minutes**

This section briefly describes Article 11: Truth in Advertising and its standards.

### **Responsibility to NARPM and the Profession: 5 minutes**

This section outlines Article 12, the NARPM member's Responsibility to NARPM and the profession.

### **NARPM Code of Ethics: 5 minutes**

This section outlines Article 13, NARPM Code of Ethics.

### **The Complaint Procedure: 20 minutes**

This section outlines the complaint procedure involved with the code of ethics and the potential committee recommendations. It includes the following topics:

- Initiating a Complaint
- The Process
- Multiple Allegations
- Proof and Findings
- Complaints Going Forward
- Range of Penalties
- Appeals Process
- Tracking an Ethics Complaint

### **Final Exam: 15 min.**

### **Total: 180 minutes**



# NARPM® ETHICS 2012 INSTRUCTOR KEY

## 1. A suspended member:

- A. Is not allowed to use his or her designations, but can vote
- B. Is allowed to vote, but not use his or her designations
- C. Can still vote and use his or her designations
- D. Cannot vote nor use his or her designations (Correct Answer)

## 2. Article 3 involves:

- A. Fiduciary responsibilities to clients (Correct Answer)
- B. Statutory obligations to clients
- C. Moral obligations to clients
- D. None of these

## 3. At what point in a property manager-tenant relationship does the code of ethics come into play?

- A. After the tenant has signed the lease
- B. After the tenant has moved in
- C. As soon as the property manager encounters the tenant (Correct Answer)
- D. As soon as the tenant completes an application for the property

## 4. Ethical standards involving confidential information:

- A. End with the termination of a property management agreement
- B. End with the termination of a lease
- C. End either with the termination of a property management agreement or a lease
- D. Continue after the agency relationship (Correct Answer)



**5. Ethically, which of the following Web site URLs could be used by Pete, who manages property in San Antonio through Alamo Management?**

- A. [www.onlypropertymanagerinsanantonio.com](http://www.onlypropertymanagerinsanantonio.com)
- B. [www.rentalsinsanantonio.com](http://www.rentalsinsanantonio.com) (Correct Answer)
- C. [www.bestlittlerentalsintexas.com](http://www.bestlittlerentalsintexas.com)
- D. None of these

**6. Having a code of ethics:**

- A. Allows a property manager to build trust with those with whom he or she works (Correct Answer)
- B. Allows a property manager to bypass local regulations
- C. Sacrifices potential profits
- D. None of these

**7. How many members of the Professional Standards Committee are assigned to review a complaint?**

- A. Two or more (Correct Answer)
- B. Just the chairperson provides the review
- C. At least 3, one of whom must come from the state in which the alleged violation occurred
- D. The entire four-member committee

**8. How much is the administrative fee involved with filing an appeal?**

- A. \$100
- B. \$50
- C. There is no fee
- D. \$200 (Correct Answer)



**9. In terms of Article 2 and discrimination, property managers must adhere to laws disseminated by:**

- A. The property manager's state only
- B. The U.S. Department of Housing and Urban Development (Correct Answer)
- C. NARPM®
- D. None of these

**10. In terms of ethics, the most pronounced relationships a property manager has is with:**

- A. Fellow property managers
- B. State regulatory boards
- C. Owners and tenants (Correct Answer)
- D. Third-party agents

~~**11. Ingrid sends out a mailer only advertising her services to an area of the city in which most of the properties are managed by Sally, who is a fellow NARPM member. Would an ethics complaint file brought by Sally be successful?**~~

- ~~A. Yes~~
- ~~B. No (Correct Answer)~~

**12. NARPM member Simone DeRascale's property management agreement with Cornelius Zatto ended on July 26. Alice moved out of the house Cornelius managed Aug. 1. On Aug. 5, Alice asks Cornelius about her security deposit and move-out inspection. For the first time, Cornelius informs her that he no longer manages the property and she should take it up with Simone. Under this scenario:**

- A. There is no ethics violation because the management agreement had ended
- B. There is a violation of Article 1 for failing to reveal pertinent facts (Correct Answer)
- C. There is a violation of Cornelius' duties to the client because he informed Alice to contact Simone
- D. None of these



**13. Owner Augustus doesn't want to follow all of the fair housing regulations in his municipality. How can Stevie, who manages his properties, best react?**

- A. Follow Augustus' instructions
- B. Inform Augustus of the liability involved with not following regulations (Correct Answer)
- C. Deny minority applications before they reach Augustus
- D. Only advertise in areas demographically congruent to Augustus' views

**14. Property manager Stacy has a listing agreement with Samantha to find a renter for her home. Samantha wants to receive \$1,200 per month in rent. Davey applies to rent the home, but won't pay any more than \$1,000. Samantha tells Stacy to go ahead and process the application. While the application is still being processed, a rental agent for another firm that is not affiliated with NARPM, brings Stacy an application for the full \$1,200. Stacy doesn't present that offer to Samantha, indicating that she is already working on finding a tenant. Under this scenario:**

- A. There is no ethics violation because the firm has no connection to NARPM
- B. There is no ethics violation because Stacy has an obligation to Davey
- C. There is an ethics violation because Stacy has a responsibility to potential tenants
- D. There is an ethics violation because Stacy has a responsibility to Samantha's best interest (Correct Answer)

**15. Property manager Tony has inspected Curtis' properties in hopes of having Curtis sign a property management agreement with him. Tony believes that the rental values range between \$800 and \$1,400 per month. Tony tells Curtis that he could rent the units for between \$1,200 and \$1,500. Could this constitute an ethics violation?**

- A. Yes (Correct Answer)
- B. No



**16. Stan is leaving Dave's property management company to start one of his own. Which of these actions by Stan would adhere to the code of ethics?**

- A. Stan takes the contact information of the owners with whom he has been working
- B. Stan takes a list of clients after Dave says it is okay
- C. Stan takes the contact information of clients with written permission of Dave (Correct Answer)
- D. Any of these

**17. Steve Dirkpatrick, a principal broker and member of NARPM, hired Janice to provide full property management and real estate services for his firm. She is still working on getting her license, but Steve is confident she will be licensed before any problems occur with the state, which requires those acting in a property management capacity to be licensed. Under this scenario:**

- A. There is no ethical violation, but there may be state regulatory issues
- B. As long as the attempt at licensure is being made, there is neither an ethical nor regulatory issue
- C. There may be a state violation, but there is also a violation of Article 1 for failing to protect the public (Correct Answer)
- D. Not hiring Janice would be a violation of Article 2 because discrimination

**18. Tenants Kirby and Randi could file an ethics complaint against Stan, a property manager and NARPM member, under which of the following circumstances?**

- A. The garbage disposal was not working and not repaired for a month after Stan was notified
- B. There was no air conditioning in the home Kirby and Randi rented in South Dakota
- C. After being notified that the furnace was not working during the dead of winter, Stan did not send repair crews to the home for two weeks (Correct Answer)
- D. Any of these



**19. True or False: A NARPM member has an ethical responsibility to assist fellow members, but not necessarily the governmental entity charged with regulating the industry**

A. True

B. False (Correct Answer)

**20. True or False: As long as a disclosure has been made regarding commissions and discounts, the client does not need to approve**

A. True

B. False (Correct Answer)

**21. True or False: Keeping a positive relationship a property manager develops with his or her clients is more important than always following the code of ethics**

A. True

B. False (Correct Answer)

**22. Under Article 7, a property manager must disclose his expertise and:**

A. Refrain from the unauthorized practice of any other profession requiring a separate license (Correct Answer)

B. Provide clients with experts in areas in which they are not licensed

C. Provide a disclaimer when discussing matters outside his or her area of expertise

D. None of these



**23. Wheelchair-bound Samantha sought to rent a two-bedroom condo from Jimmy, a NARPM member and property manager. The unit would need a ramp to the entryway and wider doors. She wanted to complete the work before the move-in and would pay for the cost. Which of the following responses from Jimmy would NOT constitute an ethics and/or fair housing violation?**

- A. "I am sorry Samantha, but the owner does not want the ramp installed, so we can't rent to you."
- B. "I just don't think the neighbors would want to look at the ramp, so we can't rent to you."
- C. "The owner didn't want the ramp installed despite my best efforts to convince him otherwise. I am no longer managing the property." (Correct Answer)
- D. "If we let you have a ramp, we'd have to let everyone else have a ramp."

**24. Which article directs members to protect the public?**

- A. Article 1 (Correct Answer)
- B. Article 2
- C. Article 3
- D. Article 4

**25. Which of the following is a reason ethics may have a bigger role in the property management profession?**

- A. There has traditionally been a lot of unethical behavior in the profession
- B. Most unethical acts would be hidden from the public
- C. There is a greater amount of supervision in the profession
- D. There is a reputation at stake (Correct Answer)

**26. Which of the following is true concerning the code of ethics?**

- A. It is a voluntary part of membership
- B. It was formally adopted in 1989
- C. It has 5 articles and 19 standards
- D. It provides a measurement of the NARPM® level of professionalism (Correct Answer)



**27. Which of the following listings on a Web site would adhere to the code of ethics?**

- A. A listing for a vacancy that was rented 7 days ago
- B. A listing for a vacancy that was filled 30 days ago
- C. A listing with accurate information but includes stock photos
- D. None of these (Correct Answer)

**28. Which of the following would be ethically advisable for a property manager who has a client who will not comply with an area's habitability standards**

- A. Removing funds monthly from the clients account as a penalty for not complying
- B. Terminating the property management agreement (Correct Answer)
- C. Having the owner sign a waiver removing the property manager from liability for the conditions and presenting copies to tenants
- D. Any of these

**29. Which of these people may file an ethics complaint with NARPM?**

- A. A property manager who is a member of NARPM
- B. The bookkeeper who is a support staff NARPM member
- C. A property manager who is not a member of NARPM
- D. All of these people may file a complaint (Correct Answer)

**30. Who has the burden of proof in an ethics complaint?**

- A. The member being accused
- B. The evidence is judged objectively
- C. The complainant (Correct Answer)
- D. The Professional Standards Committee



NEW TAB





# Maintenance: Basics and Beyond Student Outline



Phone: 800-782-3452  
Fax: 866-466-2776  
E-mail: [info@narpm.org](mailto:info@narpm.org)  
[www.narpm.org](http://www.narpm.org)



National Association of Residential Property Managers



## Maintenance: Basics and Beyond



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

1

---

---

---

---

---

---

---

---

## Introduction to Maintenance and Repair

- Every property manager deals with maintenance issues
  - What we manage, we must maintain.
- Residential properties are a depreciating asset
- There is an expectation from clients and tenants that the property manager has expertise in routine maintenance issues



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

2

---

---

---

---

---

---

---

---

## Introduction to Maintenance and Repair

- Tenant and owner conflict
  - Tenant feels it's an emergency
  - Owner prefers to defer it
- Fee versus free
  - What does it cost to manage maintenance?



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

3

---

---

---

---

---

---

---

---



## The House in the Eyes of the Property Manager



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

4

---

---

---

---

---

---

---

---

## The House as Seen by the Tenant



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

5

---

---

---

---

---

---

---

---

## The House as Seen by the Property Owner



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

6

---

---

---

---

---

---

---

---



## Course Preview

- Maintenance policies and procedures
- Rental and management agreement clauses
- Managing tenant and owner expectations
- Maintenance categories
- Understanding maintenance
- Staffing
- Maintenance competency required

3/31/2011



Copyright© 2011

7

---

---

---

---

---

---

---

---

## Course Preview

- Schedule and tracking
- Working with sub-contractors
- In-house maintenance
- Inspections/surveys
- Accounting
- Consider taking Operating a In-House Maintenance Company Course

3/31/2011



Copyright© 2011

8

---

---

---

---

---

---

---

---

## Common Maintenance Policies and Procedures

- Preventative maintenance
- Receiving maintenance requests
- Recurring maintenance
- Creating work order
- Processing invoices
- House cleaning job specifications
- Outside vendor information

3/31/2011



Copyright© 2011

9

---

---

---

---

---

---

---

---



## Common Maintenance Policies & Procedures

- Recurring maintenance & inspections/surveys
- All inspections/assessments/surveys
- Initial evaluations
- Move-in/Move-out inspections/assessments
- Routine inspections/surveys
- Annual heating systems servicing
- Common property maintenance standards

3/31/2011



Copyright© 2011

10

---

---

---

---

---

---

---

---

## Example of a Rental Agreement Maintenance Clause

- See sample Maintenance Addendum in handouts
- YOUR Attorney must review before adding to your Rental Agreement

3/31/2011



Copyright© 2011

11

---

---

---

---

---

---

---

---

## Example of a Management Agreement Maintenance Clause

- See Sample Maintenance Addendum in Handouts
- YOUR Attorney must review before adding to your Management Agreement

3/31/2011



Copyright© 2011

12

---

---

---

---

---

---

---

---



## Managing Tenant Expectations

- Shaping the tenant's expectations is management's responsibility
- Typical maintenance needs from the tenant's view
  - Emergency
  - Non-emergency/corrective
  - Communication
  - Written form requirements – Yes/No
  - Follow-up

3/31/2011



Copyright© 2011

13

---

---

---

---

---

---

---

---

## Managing Tenant Expectations

- Emergency
  - Requires immediate attention to minimize property damage or safety concerns
  - Flood, blood, or fire
  - Set expectation at lease orientation and/or Tenant Handbook

3/31/2011



Copyright© 2011

14

---

---

---

---

---

---

---

---

## Managing Tenant Expectations

- Non-emergency/corrective
  - No immediate threat of damage or safety
  - Set expectation a
    - Lease orientation
    - Tenant handbook
  - The overall goal is to exceed the expectation you set

3/31/2011



Copyright© 2011

15

---

---

---

---

---

---

---

---



## Managing Tenants Expectations

- Communication
  - Troubleshooting
    - Videos
    - Handbook
    - Handouts with lease packet
  - Acknowledge receipt of request
  - Follow up calls
  - Requirement in writing or not

3/31/2011

  
National Association of Residential Property Managers

Copyright© 2011

16

---

---

---

---

---

---

---

---

- OMG to see notes below
- <http://www.wonderhowto.com/how-to-unjam-garbage-disposal-78951/view/>
- [http://www.iskills.com/apps/learningobjects/ViewFlash.jsp?fn=lo\\_changefilter.swf&sd=ace](http://www.iskills.com/apps/learningobjects/ViewFlash.jsp?fn=lo_changefilter.swf&sd=ace)

3/31/2011

  
National Association of Residential Property Managers

Copyright© 2011

17

---

---

---

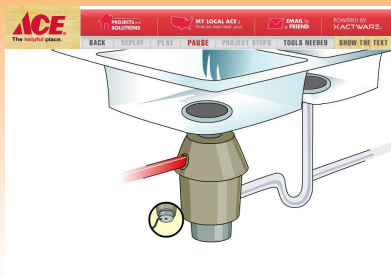
---

---

---

---

---



3/31/2011

  
National Association of Residential Property Managers

Copyright© 2011

18

---

---

---

---

---

---

---

---





---

---

---

---

---

---

---

---

## Managing Tenants Expectations

- Discussion
  - Tenant portals
  - E-mail
  - Online form
  - Maintenance phone line / voice mail
  - Acknowledge receipt of request

3/31/2011 National Association of Residential Property Managers Copyright© 2011 20

---

---

---

---

---

---

---

---

## Managing Tenants Expectations

- Follow up calls on initial work order
  - Systematic replies and follow up
    - Benefits of automated
      - Automatic
      - Dependable consistent
      - No/low cost
    - Limitations of automated
      - Less personal

3/31/2011 National Association of Residential Property Managers Copyright© 2011 21

---

---

---

---

---

---

---

---



## Follow-up Upon Completion of Work Order

- Verify work is completed
  - Track open work order reports
  - Contact resident
  - Personal survey



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

22

---

---

---

---

---

---

---

---

## Managing Owner Expectations

- Funds
  - Starts with the management agreement
    - Minimum reserve
    - Loans to owner? Pros and Cons
    - Wait on funds (how to track?)
    - Hold back owner monthly distributions
    - Credit cards
    - Maintenance markups/fees



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

23

---

---

---

---

---

---

---

---

## Managing Owner Expectations

- Communication
  - Notification and authorization
    - When to notify
    - Depends on authorization limit
    - Depends on type of maintenance or repair
    - Prior to turnover (impending vacancy)
    - After any property visit



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

24

---

---

---

---

---

---

---

---



## Managing Owner Expectations

- Communication
  - Notification and authorization
    - If owner does maintenance – *class discussion*
      - Owner preferred vendors
  - How to notify
    - Electronic. e.g. email thru software
    - Phone call
    - Written
    - Others?

3/31/2011



Copyright© 2011

25

---

---

---

---

---

---

---

---

## Owner Maintenance Categories

- Preventative
- Corrective
- Routine
- Cosmetic
- Emergency
- Deferred

3/31/2011



Copyright© 2011

26

---

---

---

---

---

---

---

---

## Preventative

- Maintenance work to prevent damage or depreciation
  - Typically not a priority
  - Often scheduled as seasonal work
  - Can be scheduled in advance
  - Good source of work for slow times
    - Examples:
      - Painting and deck sealing
      - Caulking and doorstops

3/31/2011



Copyright© 2011

27

---

---

---

---

---

---

---

---



## Corrective

- Repair or replacement of damaged or worn items
  - Requires priority scheduling
  - May involve product warranty
  - May involve a home warranty or builder warranty



5/31/2011

National Association of Residential Property Managers

Copyright© 2011

28

---

---

---

---

---

---

---

---

## Routine

- Regular service planned and performed
  - HVAC
  - Termite
  - Gutters
  - Snow removal/lawn care
  - Common area maintenance (CAM)



National Association of Residential Property Managers

---

---

---

---

---

---

---

---

## Cosmetic

- Décor or superficial
  - Interior & exterior
  - Scratched/worn flooring
  - Outdated colors and styles



5/31/2011

National Association of Residential Property Managers

Copyright© 2011

30

---

---

---

---

---

---

---

---



## Emergency

- Eminent threat to life or property
  - Requires immediate response
  - May require emergency response professionals
  - Owner/tenant notification
  - Insurance claim administration
  - Media Plan



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

30

---

---

---

---

---

---

---

---

## Deferred

- Postponing maintenance
  - Financial
  - Unaware of issue
- Higher future costs to cure
- Causes devaluation of property



Missing shingle tabs

3/31/2011

National Association of Residential Property Managers

Copyright© 2011

32

---

---

---

---

---

---

---

---

## Understanding Maintenance

- Real estate is a depreciating asset
- Property usage varies (cooking, appliances)
- Product defects
- Functional obsolescence (ex. 5BR/1Bath)
- Ability to relate to contractors
- Owner/clients expect it
- Protect you from liability
- Potential profit center



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

33

---

---

---

---

---

---

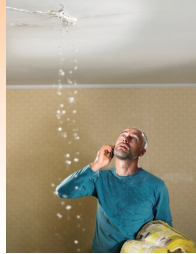
---

---



## Who's Responsible for Maintenance

- Owner
- Tenant
- Vendor
- Property manager/company



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

34

---

---

---

---

---

---

---

---

## Warranty

- Product
- Home
- Service plan



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

35

---

---

---

---

---

---

---

---

## Awareness of Existing Contract and Warranties

- Request copies of warranties and instruction manuals
- Special service contracts existing
- Register all warranty cards
- Warranty tracking
  - Technology/software
  - Hard files. Not as reliable



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

36

---

---

---

---

---

---

---

---



## Maintenance Functions of a Property Manager

- General knowledge
- Be an informed coordinator
- Secure the best price and quality
  - Job specifications
  - Brand and quality
  - Rates for specialty trades
  - Bid procedures



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

37

---

---

---

---

---

---

---

---

## Legal Responsibility

- Contractual obligation
- Judged as a professional with special knowledge
- Always check work for quality and materials
- Know up-to-date habitability standards



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

38

---

---

---

---

---

---

---

---

## Staffing

- Client/customer responsibility
  - Always refer to state Landlord/Tenant Laws
  - NARPM® Code of Ethics Article 5



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

39

---

---

---

---

---

---

---

---



## Staffing

- Office organization
  - Refer to **NARPM® Personnel Procedures Courses** is this the current name?
  - Property manager
  - Maintenance coordinator/support staff
  - Maintenance technician
  - Others?



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

40

---

---

---

---

---

---

---

---

## Staffing

- Requirements
  - Maintenance knowledge
  - Company system training
  - Excellent customer service skills
  - Fair housing training
  - Knowledge of maintenance and habitability laws and regulations



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

41

---

---

---

---

---

---

---

---

## Staffing

- On-call
  - Who takes the call
  - Voice mail/phone systems
  - Answering service



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

42

---

---

---

---

---

---

---

---



## Maintenance Competency Required

- Identify and evaluate
- Knowledge of scheduling
- Coordinate schedules of skilled technicians
- Ability to judge approximate costs
- Be able to make recommendations

3/31/2011



National Association of Residential Property Managers

Copyright© 2011

43

---

---

---

---

---

---

---

---

## Maintenance Competency Required

- Owners will blame the property manager, and may sue the property manager for poor quality repairs
- Courts have held that property managers have a superior knowledge of maintenance issues and repairs, and thus place a higher standard on property managers compared to the general public

3/31/2011



National Association of Residential Property Managers

Copyright© 2011

44

---

---

---

---

---

---

---

---

## Above Average Competency

- Ability to analyze a problem
- Identify appropriate service technician
- Understand the urgency
- Knowing how long the job should take
- Able to estimate costs

3/31/2011



National Association of Residential Property Managers

Copyright© 2011

45

---

---

---

---

---

---

---

---



## Estimating Costs

- Provide several options
- Calculate costs of each solution
- Determine method and terms of payment
- Make recommendation



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

46

---

---

---

---

---

---

---

---

## Technology

- GPS tracking
- Web-based software
- Electronic inspection (survey) reports
- Work order software



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

47

---

---

---

---

---

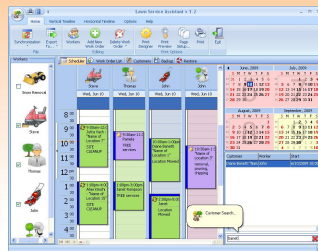
---

---

---

## Scheduling and Tracking

- Schedule by:
  - Priority
  - Location
  - Category



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

48

---

---

---

---

---

---

---

---



## Scheduling and Tracking

- Tack by:
  - Property manager
  - Property
  - Vendor value tracking
  - Completion time



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

49

---

---

---

---

---

---

---

---

## Scheduling and Tracking

- Handling call backs
  - Interrupts daily flow (loss of time)
  - Trend analysis identifies issues with:
    - Vendor
    - Property manager/staff person
    - Property
    - Owner
    - Tenant



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

50

---

---

---

---

---

---

---

---

## Scheduling and Tracking

- Lock box/key control
  - Coding
  - Storage
  - Check out/in
  - Auditing
  - Technology
    - Bar-coding



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

51

---

---

---

---

---

---

---

---



## Scheduling and Tracking

- Planning
  - Turnovers
  - Seasonal work
    - Sprinkler systems, gutter cleaning, HVAC service
  - Capital improvements
    - Replacements of:
      - Roof, flooring, door/windows, siding, and landscaping



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

52

---

---

---

---

---

---

---

---

## Work Order Tracking

- Manual
- Automated



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

53

---

---

---

---

---

---

---

---

## Work Requests

- |                            |                  |
|----------------------------|------------------|
| • Written                  | • Verbal         |
| – Note submitted with rent | – Phone          |
| – Service request form     | – Office visit   |
| – Email                    | – Property visit |
| – On-line access           |                  |



National Association of Residential Property Managers

---

---

---

---

---

---

---

---



## Scheduling Work

- Occupied:
  - Safety/health/work schedules
  - Type of maintenance needed: i.e. preventative vs. corrective
  - Defer upgrading until rent increases are due
  - Tenant termination that allows upgrades in property and rent



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

55

---

---

---

---

---

---

---

---

## Scheduling Work

### Vacant/turnover

- Scope of work
- Cost vs. benefits in scheduling between occupancy
- Factor in lost rents or lower rents if work is not done



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

56

---

---

---

---

---

---

---

---

## Working with Subs

### The team

- |                   |                        |
|-------------------|------------------------|
| – HVAC            | – Painter              |
| Plumber           | – Tree removal         |
| – Electrician     | – Disaster restoration |
| – Appliance       | – Handyman             |
| – Floor covering  | – General contractor   |
| – Carpet cleaning | – Window/screen repair |
| – House cleaning  | – Pool service         |
| – Landscaping     |                        |
| – Roofer          |                        |



National Association of Residential Property Managers

---

---

---

---

---

---

---

---



## Working with Subs

- Insurance
  - Workers compensation
    - Require even for sole proprietors
  - General liability
    - Limits



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

58

---

---

---

---

---

---

---

---

## Working with Subs

- Certification
  - Lead Based Paint (LBP) Renovation, Repair & Painting (RRP)
  - Trade
- Licensing
  - General Contractor
  - Trade
- Expectations
  - Vendor/contractor agreement



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

59

---

---

---

---

---

---

---

---

## Working with Subs

- Bids
  - Is the agreed upon fixed amount the contractor agrees to complete the work
- Estimates
  - An approximation of what the job will cost
- Time and Materials (T&M)
  - Labor PLUS materials (likely includes a markup on materials)



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

60

---

---

---

---

---

---

---

---



## Working with Subs

- Scope of Work
  - Includes what is to be done, either a bid price, estimate, or time & materials
  - Can define how work is to be done and type of materials to be used
- Permitted Work
  - Work that requires government permits
    - Major electrical, new deck, etc.



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

61

---

---

---

---

---

---

---

---

## Working with Subs

- When to inspect & follow up
  - Dollar amount of work
  - Risk involved
  - New vendor
  - Random check
  - Tenant complaint of work
- Lien waivers
  - From contractors prior to payment



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

62

---

---

---

---

---

---

---

---

## Working with Subs

- Schedule of payment
  - Weekly
  - Monthly
  - When the owner has the funds
  - Preferred vendor payment program
    - Requires prior written disclosure to owner



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

63

---

---

---

---

---

---

---

---



## Working with Subs

- Field work order
  - Communicating work not on work order*i.e. – leaking toilet at wax ring turns into a subfloor/flooring replacement.*



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

64

---

---

---

---

---

---

---

---

## Communicating With the Owner

- Preview your recommendations and include detailed job specifications
- Provide the owner with several options
  - Phased work?
  - Is there a less expensive solution?
- Are there any financing solutions needed?
- Be patient – it takes time for the owner to work through your information
  - PM recommends, but owner decides



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

65

---

---

---

---

---

---

---

---

## Why Use Independent Contractors

- No specialized maintenance staff
- Inexpensive to implement
- Simplest method to monitor and operate
- Reduced insurance requirements
- Reduced payroll
- Some reduced liability



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

66

---

---

---

---

---

---

---

---



## Finding Independent Contractors

- NARPM® affiliates
- Trade publications
- Trade referrals
- Owners
- Yard signs
- Staff
- Supply houses
- Trade shows



---

---

---

---

---

---

---

---

## Screening Independent Contractors

- References
- Better Business Bureau
- Check equipment and vehicle
- Verify insurance
- Credit check
- Criminal history
- Overall appearance
- Attitude



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

68

---

---

---

---

---

---

---

---

## Independent Contractor Set-Up

- Insurance certificates
- License information
- Review billing and payment procedures
- Review work order process
- Review communications
- Complete contractor application
- Start with limited work
- Contractor/vendor agreement



---

---

---

---

---

---

---

---



## Maintaining Independent Contractors

- Review performance
  - Billing
  - Response
  - Communications
- Annual review
- Update file periodically
  - Insurance
  - Contact information
  - Capacity

3/31/2011

Copyright© 2011

70

---

---

---

---

---

---

---

---

## Using In-House Maintenance

- Increased scheduling controls
- Improved emergency response
- Property knowledge in-house
- Improved communications
- Profit center
- NARPM® Operating an In-House Maintenance Company Course

3/31/2011

Copyright© 2011

71

---

---

---

---

---

---

---

---

## In-House Maintenance Staff Set-Up

- Insurance coverage
  - Liability
  - Workers' compensation
- Tools & equipment
- Transportation
- Uniform
- Employee policies
  - Code of conduct



3/31/2011

Copyright© 2011

72

---

---

---

---

---

---

---

---



## In-House Maintenance Staff Set-Up

- Training
  - Safety
  - Administrative
  - Communications



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

73

---

---

---

---

---

---

---

---

## Inspections/Surveys

- Property check/survey
  - Suggested better terms to use:
    - Annual survey/assessment
    - Move-in condition report
    - Move-out condition report



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

74

---

---

---

---

---

---

---

---

## Inspections/Surveys

- Section 8
  - Refer to HUD Section 8 guidelines:
  - [www.hud.gov/offices/adm/hudclips/forms/files/52580-a.pdf](http://www.hud.gov/offices/adm/hudclips/forms/files/52580-a.pdf)
  - Section 8 may have stricter habitability guidelines
    - LBP
    - Smoke detectors in each bedroom



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

75

---

---

---

---

---

---

---

---



## Inspections

- Municipal
  - Rental licensing inspections
  - Certificate of occupancy
  - City code enforcement (i.e. grass too tall)
  - Permits



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

76

---

---

---

---

---

---

---

---

## Property Survey

- Random
- Routine
- Annual
- Interior/exterior



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

77

---

---

---

---

---

---

---

---

## Random Survey

- Drive-by
- Reported/suspected lease violations
- Prompted by neighbor call
- Prompted by maintenance call



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

78

---

---

---

---

---

---

---

---



## Routine Survey

- Scheduled
- Turn-over
- Quarterly
- Seasonal



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

79

---

---

---

---

---

---

---

---

## Annual Survey

- Scheduled
- Fee or free based
- Critical owner communication



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

80

---

---

---

---

---

---

---

---

## Evaluation and Solution for Maintenance Needs

- New account
- Turn-over
- Annual survey
- Property up-grade
- Capital improvements



3/31/2011

National Association of Residential Property Managers

Copyright© 2011

81

---

---

---

---

---

---

---

---



## New Account Maintenance

- Never take on a new account until you have curb-surveyed the property to determine general condition
- Set-up complete interior/exterior survey of new accounts within one week after start of contract
- Define problems & needs
- Make recommendations



5/31/2011

National Association of Residential Property Managers

Copyright© 2011

82

---

---

---

---

---

---

---

---

## New Account Hazards

- Loose/inadequate stairs & railings
- Irregular sidewalks
- Smoke detectors
- CO detectors
- Hazardous electrical wiring
- Un-secured water heater (regional)
- Garage door w/o safety eye
- Hazardous tree and tree limbs
- Self latching pool gate
- Chimneys
- Stored chemicals/paint
- Others



National Association of Residential Property Managers

---

---

---

---

---

---

---

---

## New Account Checklist for Occupied Properties

- Smoke detectors work properly
- Door and window locks work properly
- Any plumbing leaks
- HVAC working properly
- Items in need to be repaired or replaced now



5/31/2011

National Association of Residential Property Managers

Copyright© 2011

84

---

---

---

---

---

---

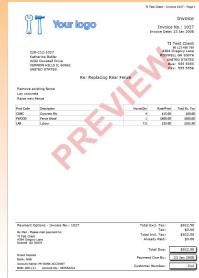
---

---



## Accounting

- Work orders and invoices
  - Manual vs. computer
  - Processing and matching
  - Reviewing
  - Documentation to the owner



3/31/2011

 National Association of Residential Property Managers

Copyright© 2011

85

---

---

---

---

---

---

---

---

## Accounting

- Management of maintenance charges
  - Potential profit center related to maintenance
  - Disclosure in management agreement
  - May require a contractors license
  - Methods of calculating charges
    - Percentage
    - Fixed per Job
    - Time and Materials

3/31/2011

 National Association of Residential Property Managers

Copyright© 2011

86

---

---

---

---

---

---

---

---

## Accounting

- Cost analysis
  - You should estimate that it could take an hour or more in aggregate staff time to process a typical work order from start to finish



3/31/2011

 National Association of Residential Property Managers

Copyright© 2011

87

---

---

---

---

---

---

---

---



## Accounting

### Setting up chart of accounts

Level of detail depends upon your market, your agreement, and your business model

- Investor vs. homeowner
  - Example: post a minor plumbing repair as:  
Maintenance and repair  
or  
Plumbing: repair lavatory water stop



5/15/2011

National Association of Residential Property Managers

Copyright© 2011

88

---

---

---

---

---

---

---

---

## Other NARPM® Designation Classes

- Habitability Standards and Maintenance
- Marketing
- Tenancy
- Operating a Maintenance Company
- Owner/Client Relations
- Personnel Procedures Essentials
- Personnel Procedures Advanced
- Risk Management Essentials
- Risk Management Advanced



89

National Association of Residential Property Managers

5/15/2011

---

---

---

---

---

---

---

---

## THANK YOU FOR ATTENDING

NOW IT'S TIME FOR...

THE EXAM

PLEASE COMPLETE THE EVALUATION  
FORMS.



90

National Association of Residential Property Managers

5/15/2011

---

---

---

---

---

---

---

---



### Sample Management Agreement Maintenance Clause

3.3 To hire, discharge, and pay all engineers, janitors, and other employees (if applicable); to make or cause to be made all ordinary repairs and replacements necessary to preserve the premises in its present condition and for the operating efficiency thereof and all alterations required to comply with lease requirements, and to do decorating on the premises; to negotiate contracts for nonrecurring items not exceeding \$XXX.00 and to enter into agreements for all necessary repairs, maintenance, minor alterations, and utility services; and to purchase supplies and pay all bills. AGENT shall secure the approval of the OWNER for any alteration or expenditures in excess of \$XXX.00 for any one item, except monthly or recurring operation charges and emergency repairs in excess of the maximum, if, in the opinion of the AGENT, such repairs are necessary to protect the property from damage or to maintain services to the Residents as called for by their tenancy.

3.4 To re-key all exterior locks on the occasion of any and all Resident or OWNER occupancy change.

6.1 The OWNER expressly withholds from the AGENT any power or authority to make any structural changes in any building or to make any other major alterations or additions in or to any such building or equipment therein, or to incur any expense chargeable to the OWNER other than expenses related to exercising the express powers above vested in the AGENT without the prior written direction of the following person:

NAME: George and Martha Washington ADDRESS: 340 Plainview Drive, Mount Vernon, VA 19080

Except such emergency repairs as may be required because of danger to life or property or which are immediately necessary for the preservation and safety of the Premises or the safety of the Residents and occupants thereof or are required to avoid the suspension of any necessary service to the Premises.



### Sample Rental Agreement Maintenance Clause

**18. Alterations to Premises:** The Resident shall not paint or decorate the Premises or make any alterations, additions, or improvements in or to the Premises without the Landlord's **prior** written consent. Satellite receiver, cable, telephone or communications wiring installation is permitted only with explicit written permission and approval by the Landlord. Any un-authorized alterations will result in a charge to the Resident for damage and repair. Any permitted work must be completed in a workmanlike manner using standards, materials and contractors approved by the Landlord. All such permitted work shall be done at the Resident's expense and at such times and in such manner as the Landlord may approve. All alteration, additions, and improvements upon the Premises, made by either the Landlord or Resident, shall become the property of the Landlord and shall remain upon and become a part of the Premises at the end of the residency hereby created.



## ROUTINE PROPERTY CHECK

\_\_\_\_\_  
Address

\_\_\_\_\_  
Date

- Cleanliness \_\_\_\_\_
- Any Pets \_\_\_\_\_
- Total Occupants \_\_\_\_\_
- Smoke Detector working \_\_\_\_\_
- CO Detector there: YES NO
- Visual hazards \_\_\_\_\_
- Evidence of pests \_\_\_\_\_
- Any other work needed \_\_\_\_\_
- Condition of Furnace Filter \_\_\_\_\_
- Tub caulking/grouting \_\_\_\_\_

## ROUTINE PROPERTY CHECK

\_\_\_\_\_  
Address

\_\_\_\_\_  
Date

- Cleanliness \_\_\_\_\_
- Any Pets \_\_\_\_\_
- Total Occupants \_\_\_\_\_
- Smoke Detector working \_\_\_\_\_
- CO Detector there: YES NO
- Visual hazards \_\_\_\_\_
- Evidence of pests \_\_\_\_\_
- Any other work needed \_\_\_\_\_
- Condition of Furnace Filter \_\_\_\_\_
- Tub caulking/grouting \_\_\_\_\_



**Changing Furnace Filter:**

[http://www.iskills.com/apps/learningobjects/ViewFlash.jsp?fn=lo\\_changefilter.swf&sd=ace](http://www.iskills.com/apps/learningobjects/ViewFlash.jsp?fn=lo_changefilter.swf&sd=ace)

**Testing Smoke Detector:**

[http://www.iskills.com/apps/learningobjects/ViewFlash.jsp?fn=lo\\_smoketest.swf&sd=ace](http://www.iskills.com/apps/learningobjects/ViewFlash.jsp?fn=lo_smoketest.swf&sd=ace)

**Unjamming Garbage Disposal:**

[http://www.iskills.com/apps/learningobjects/ViewFlash.jsp?fn=lo\\_jamdisp.swf&sd=ace](http://www.iskills.com/apps/learningobjects/ViewFlash.jsp?fn=lo_jamdisp.swf&sd=ace)

**Turning off water supply:**

[http://www.iskills.com/apps/learningobjects/ViewFlash.jsp?fn=lo\\_mainwater.swf&sd=ace](http://www.iskills.com/apps/learningobjects/ViewFlash.jsp?fn=lo_mainwater.swf&sd=ace)





## VENDOR AGREEMENT

The undersigned agrees to the following conditions:

- The vendor has received a Tonsofrentals.com® Vendor Guide to review prior to signing this agreement.
- The vendor agrees to follow the policies and procedures of tonsofrentals.com® when performing work for tonsofrentals.com®.
- The vendor will complete the following forms prior to commencing any work for tonsofrentals.com®:
  - Vendor Information Form
  - Vendor Insurance Form
  - Vendor Contract
  - W-9 Form

### Insurance

- Vendors will carry Worker's Compensation if they have more than three employees unless otherwise agreed and will fulfill the following requirements:
  - The vendor will notify their Worker's Compensation Company and request them to furnish tonsofrentals.com® with an original endorsement of the policy.
  - The vendor will have a certificate of insurance issued from the agent with tonsofrentals.com® being the certificate holder.
  - The vendor will notify tonsofrentals.com® if insurance company changes.
- Vendors will carry general liability insurance.
  - Tonsofrentals.com® will not use vendors who do not carry general liability insurance and requests the vendor to carry appropriate level of insurance based on the equitable nature of exposure.
  - Vendors will supply an original endorsement of the current liability insurance policy.
  - Vendors will have a certificate of insurance issued from the agent with tonsofrentals.com® being the certificate holder.
  - Vendors will notify tonsofrentals.com® if their insurance company changes.

### Tax information

- Vendors will supply a completed W-9 form providing a social security number or Tax ID.
- It is the responsibility of vendors to notify tonsofrentals.com® of any changes and we have provided a Change of Information Form in the back of the Tonsofrentals.com® Vendor Guideline.

### Workmanship

- Vendors will supply competent work and the vendor guarantees they will redo the work to the satisfaction of tonsofrentals.com® if necessary.
- The work is on a "contract labor" basis and vendors understand that tonsofrentals.com® does not treat any vendor as an employee.

### Vehicles

- All vendors must supply their own vehicles.
- Vendor vehicles must be in a reasonable working condition.
- Vendors cannot use any tonsofrentals.com® company-owned vehicles.
- Vendors must carry appropriate insurance for their vehicles as well as hired and non-owner auto insurance, if applicable.



### **Vacation time**

- Vendors are to notify tonsofrentals.com® of scheduled vacations a week in advance.
- Vendors are to notify tonsofrentals.com® if they cannot complete a work order because of a pending vacation.

### **Work Orders**

- Vendors agree to accept work orders by email, fax and telephone.
- Vendors are to notify tonsofrentals.com® immediately if the problem exceeds the authorized amount on the work order.
- Vendors are to pay for parts for maintenance requests and tonsofrentals.com® then reimburses them when the vendor submits invoices for payment.

### **Work Order Bids**

- Vendors are to notify tonsofrentals.com® if they are aware they will be unable to offer a bid and complete the work in a timely manner.
- When tonsofrentals.com® receive the approval or denial from the owner, they will notify the vendors when to start work on the property or if the work order is completely cancelled.

### **Keys**

- Vendors are to follow the Tonsofrentals.com® Vendor Guideline regarding keys.
- Vendors are to be responsible to tonsofrentals.com® property keys at all times.

### **Residents**

- Vendors are to be courteous and professional with residents.
- Vendors are to be dressed appropriately for work when meeting with residents.
- Vendors are NOT to smoke or use smokeless tobacco on property.
- Vendors are to clean up their work in the property.
- Vendors are NOT to use restroom on property.
- Vendors are NOT to make comments on repairs or the condition of the property to residents.
- Vendors are NOT to discuss in detail the repairs with residents.
- Vendors are NOT to make promises to residents unless it is within the work order request.
- Vendors are to call tonsofrentals.com® from the property if necessary to clarify the work or request permission to do additional maintenance they see is required relating to the work order.
- Tonsofrentals.com® requests vendors use their cellular phones when calling from a resident residence. However, if necessary, the vendor is to request permission to use the resident's telephone.
- If residents request other work, the vendor is to instruct them to call tonsofrentals.com® and place a work order.
- If residents pose a threat, vendors are to immediately leave the property and notify tonsofrentals.com®.

### **Payment**

- Vendors are to submit their invoices within 15 days of completion of work.
- Vendors understand that tonsofrentals.com® makes payments on a 30-day cycle, and does not reimburse vendors immediately.
- Vendors are responsible for contacting tonsofrentals.com® as soon as possible if they have an error or dispute with a payment.
- Vendors understand that tonsofrentals.com® works for the owner and the owner is responsible for the funds for payment.
- Vendors understand tonsofrentals.com® must comply with any court ordered deductions from payments.



**Disputes**

- Vendors are to put all disputes with tonsofrentals.com® in writing.

**Drug-free policy**

- The undersigned vendor understands that tonsofrentals.com® requires a drug-free policy with all personnel and vendors.
- By signing this agreement, the undersigned vendor, its employees, and/or subcontractors commit to a drug-free policy when working on the tonsofrentals.com® managed properties and appointments with residents.

**Indemnification**

The Vendor shall indemnify, defend, protect and hold harmless the property, its owner, guests and management agents from and against any and all claims, damages, losses and expenses including reasonable attorney's fees, of every kind, nature and character resulting from, relating to or arising out of (a) any claim, cause or action or actions of any third parties that result directly from the operation by or conduct of or obligations incurred by the vendor or (b) the inaccuracy, nonfulfillment or breach of any representation, warranty, covenant or agreement made by the vendor herein.

I agree to the terms of this Vendor Agreement with tonsofrentals.com® and have received the Tonsofrentals.com® Vendor Guideline.

Name of Vendor (please print)	Authorized Vendor Signature	Date: _____
_____	_____	Date: _____

Company





## VENDOR APPLICATION

THE FOLLOWING INFORMATION ON THIS PAGE IS REQUIRED IN ORDER TO PROCESS THE APPLICATION				
Company name				
Full name			Other last names	
Home phone			Nicknames	
Work phone		Cell phone		Tax ID
Birth date				Social Sec. #
				Driver's license #
<b>What type of work does your company do? Please fill out detail on the following lines</b>				
<b>Please answer all of the following questions</b>				
Do you have a fax?	(Yes) (No)	List Fax #		
Do you have a cellular phone?	(Yes) (No)	Cellular #		
Do you have an email address?	(Yes) (No)	Email		
Do you have a contractor's license?	(Yes) (No)	License #		
Do you have a current bond?	(Yes) (No)	Company		
If so, how much do you carry?	\$			
Do you carry current business/liability insurance?	(Yes) (No)	Company		
If so, amount of liability	\$			
Do you have employees?	(Yes) (No)			
Do you use other licensed contractors?	(Yes) (No)			
Do you carry current worker's comp	(Yes) (No)	Company		
Will you allow a credit check on yourself and/or your company?	(Yes) (No)			
Will you agree to a drug-free policy?	(Yes) (No)			
Do you have a reliable and reasonable vehicle for work?	(Yes) (No)			
<b>Please list four references below</b>				
Reference	Relationship	Reference telephone number		

I, the **UNDERSIGNED APPLICANT**, affirm that the information contained in this application is true and correct, and I authorize tonsofrentals.com to verify all information contained in this application. Misstatements, either false or incorrect are reasons for denial of application. I authorize tonsofrentals.com® to run a credit report on myself and/or my company.

<b>APPLICANT SIGNATURE</b>	<b>DATE:</b>
----------------------------	--------------

Submit application to **Tonsofrentals.com**  
**PO Box 580**  
**Arden, NC 28704**

**Bus: (828) 650-6850**  
**Fax: (828) 654-8270**  
**Email: info@tonsofrentals.com**



## WAIVER OF LIEN RIGHTS

**To:** HomeStreet Capital and Assigns  
**Re:** Copper Terrace Apts, Boise ID  
HomeStreet Capital Loan #506331

The undersigned has a right to claim a lien for labor performed, materials furnished or transported and / or equipment supplied or rented for use in connection with the Project ("Goods and Services"). Said Goods and Services are described by the following attached invoice(s):

Invoice Numbers

Dates

_____	_____
_____	_____

For good and valuable consideration, including receipt of a payment in the amount specified in subparagraph (a), the undersigned waives and relinquishes any and all liens and all rights it may have to claim a lien on the Project through the last invoice date. With respect to the attached invoice(s) and the Goods and Services described therein:

- (a) The undersigned acknowledges, represents and warrants to you that as of the date of this Waiver, it has been paid a total of \$\_\_\_\_.
- (b) The undersigned represents and warrants to you that all sums due and owing to its subcontractors, suppliers and employees providing Goods and Services have been paid and none of its subcontractors, suppliers, employees, or affiliated employee plans has a present right to claim a lien against the Project.
- (c) The undersigned agrees to indemnify, defend and hold you harmless from any and all claims, liens, losses, liabilities, costs and expenses (including reasonable attorney's fees and costs) resulting from or out of the non-payment of any sums payable to its subcontractors, suppliers, employees or affiliated employee plans.

The undersigned acknowledges, represents and warrants to you that as of the date of this Waiver:

- (a) No sums due and owing the undersigned for any Goods and Services are past due;
- (b) No sums due and owing to subcontractors, suppliers and employees providing Goods and Services are past due.

Name: \_\_\_\_\_

By: \_\_\_\_\_  
(signature)  
\_\_\_\_\_  
(printed name of signatory)

Its: \_\_\_\_\_ Date: \_\_\_\_\_



## **Maintenance: Basics and Beyond**

### **General**

- Some typos throughout
- Some wordy slides
- Break out/define sections better

### **Intro to Maintenance and Repair**

- Quote from Selling the Invisible – it's not really articulated as to what it means in context
- Course preview is really a course outline. Consistent terminology is needed among the classes

### **Maintenance Policies and Procedures**

- Communication: Some specification should be mentioned when notifying the owner; it simply says depends on the type of maintenance and the cost threshold

### **Who's Responsible for Maintenance**

- There is just a list on the slide with no notes (if it's the owner then when and why; if it's the tenant ...)
- Warranty slide needs a better explanation of the types of warranties
- Legal Responsibility slide just uses the same quote from Selling the Invisible

### **Staffing**

- Remove others? From slide and add to notes

### **Maintenance Competence**

- There is mention that estimating costs will be discussed in detail, but it never is (or at least it's not included in the notes, etc.)
- Lock-Box coding – need more specific notes
- Maintenance set-up – need more information on training
- Accounting section seems out of place



Outline for Maintenance: Basics and Beyond				
Learning Unit Title	Learning Objectives	Teaching Techniques	Estimated Time	
Policies and Perspectives	<ul style="list-style-type: none"> <li>List common policies and procedures found in property management</li> <li>Detail maintenance agreement clauses in rental and management agreements</li> </ul>	Live Lectures and PowerPoint Handouts	30 minutes	
Managing Tenant Expectations	<ul style="list-style-type: none"> <li>Outline the maintenance needs a tenant has</li> <li>Differentiate between emergency and corrective maintenance</li> <li>Identify ways in which property managers can communicate with tenants</li> <li>Detail the role work orders play in tenant communication</li> </ul>	Live Lectures and PowerPoint Handouts	20 minutes	
Managing Owner Expectations	<ul style="list-style-type: none"> <li>Analyze a management agreement to ensure that expectations are being addressed</li> <li>Determine under which situations an owner needs to be contacted</li> <li>Detail the types of maintenance that will come into play in the relationship between a property manager and owner</li> </ul>	Live Lectures and PowerPoint Handouts	20 minutes	
Understanding Maintenance	<ul style="list-style-type: none"> <li>Determine who should handle certain types of maintenance</li> <li>Define functional obsolescence</li> <li>Outline basics of warranties</li> <li>Detail the necessary functions of a property manager</li> </ul>	Live Lectures and PowerPoint Handouts	20 minutes	
Structure and Training	<ul style="list-style-type: none"> <li>Consider how maintenance will be organized in the office</li> <li>Detail the requirements of those in your office</li> <li>Analyze the items that need to be tracked</li> <li>List technological needs</li> </ul>	Live Lectures and PowerPoint Handouts	80 minutes	
Scheduling and Subcontractors	<ul style="list-style-type: none"> <li>Analyze when certain work should be done on property</li> <li>List necessary maintenance team members</li> <li>Identify the types of insurance and licenses a subcontractor needs</li> </ul>	Live Lectures and PowerPoint Handouts	30 minutes	



	<ul style="list-style-type: none"> <li>• Detail the items needed in vendor-management and project agreements</li> <li>• Outline how subcontractors can be paid and when their work should be checked</li> </ul>		
Independent Contractors and In-House Solutions	<ul style="list-style-type: none"> <li>• Identify the reasons to opt for subcontractors or in-house maintenance workers</li> <li>• List things to look for when hiring subcontractors</li> <li>• Detail the steps needed when setting up maintenance staff, regardless of whether they are employees or subcontractors</li> </ul>	Live Lectures and PowerPoint Handouts	60 minutes
Surveys and Inspections	<ul style="list-style-type: none"> <li>• Outline the times during which a survey will be likely</li> <li>• Compare surveys and inspections</li> <li>• Identify times random surveys could be applied</li> <li>• Detail the specific items a formal survey entails</li> <li>• Outline the survey steps needed when taking on a new account</li> </ul>	Live Lectures and PowerPoint Handouts	20 minutes
Accounting	<ul style="list-style-type: none"> <li>• List the considerations you need to make in terms of tracking charges and billing</li> <li>• Detail the ways in which maintenance can provide a profit</li> <li>• Analyze charges and costs</li> </ul>	Live Lectures and PowerPoint Handouts	20 minutes

**Total clock hours: 300 minutes**



Note: altered number from 19 to 30 to match other 6-hour courses

## Basics and Beyond

### Examination

1. True or False: There is no need to have your attorney review a simple lease maintenance addendum to the Lease agreement.  
T      F
2. True or False: Proper management of a tenant's expectations may include a clear description of acceptable communications.    I      F
3. Proper follow-up on a work order may include which of the following?  
a. Tracking of open work orders  
b. Contacting the tenant to verify work  
c. Inspection of the completed work  
d. All of the above
4. True or False: Managing an owner's expectations begins when they receive their first owner's statement.    T      F
5. Which of the following is not an owner maintenance category?  
a. Corrective  
b. Preventative  
c. Possible  
d. Cosmetic  
~~e. Emergency~~  
~~f. Deferred~~
6. True or False: Preventative maintenance can often be scheduled as seasonal work.    I  
F
7. True or False: Prior emergency response planning might include a media plan.    I  
F
8. Understanding rental property maintenance includes knowledge that real estate is a depreciating asset.
9. A. Appreciating

**Formatted:** Indent: Left: 0.5", No bullets or numbering



10. B. Finite

11. C. Depreciating

12. D. Overvalued

Formatted: No underline

Formatted: No underline

8. Ans. C

Formatted: Normal, No bullets or numbering

Make into multiple choice

9-13. \_\_\_\_\_ Courts have held that property managers have a

\_\_\_\_\_ superior \_\_\_\_\_ knowledge of maintenance issues and repairs, and thus place a  
\_\_\_\_\_ higher standard \_\_\_\_\_ on property managers compared to the general public.

a. Inferior, lower standard

b. Cursory, similar expectation

c. Superior, higher standard

d. Only an adequate, lower

Formatted: Numbered + Level: 2 +  
Numbering Style: a, b, c, ... + Start at: 1 +  
Alignment: Left + Aligned at: 0.75" + Indent  
at: 1"

Formatted: Normal, No bullets or numbering

10-14. \_\_\_\_\_ Key control may include which of the following:

a. Coding

b. Secure storage

c. Check out/in

~~d. Auditing~~

e. All of the above

Formatted: Indent: Left: 0.5", No bullets or  
numbering

11-15. True or False: When working with sub-contractors, the manager does not need to be  
concerned about insurance since that is the contractors responsibility. T E

12-16. True or False: Bidding and estimating are different terms for the same process. T  
E

13-17. True or False: Using independent contractors removes all liability from the manager.  
T E

14-18. \_\_\_\_\_ When screening independent contractors, which of the following is not a recommend  
practice:

a. Basing a decision on cCriminal background check

b. Basing a decision on rReferences

c. Basing a decision on oOverall appearance

~~d. Attitude~~

e. Basing a decision on hHair style



15-19. Which of the following is not a typical property survey performed by the manager:

- a. Random
- b. Aerial
- c. Routine
- d. Annual

16-20. True or False: When taking on a new account, ensuring that all doors and windows properly lock and operate should be part of a check list. T F

17-21. When considering the set up for in-house maintenance, which of the following should be considered:

- a. Insurance costs
- b. Tools required
- c. ~~What other managers are doing~~
- d. ~~Licensing required~~
- e. ~~c~~ Length of time in the business
- d. All of these
- f. ~~Transportation needs~~
- g. ~~a, b, d, f~~
- h. ~~b, c, e~~
- e. Ans. D

18-22. True or False: Work order requests must be in writing to be valid. T F

19-23. True or False: When taking on a new rental property the manager should always ask the owner for warranty information. T F

It often seems like tenants feel every maintenance issue is:

- ☐ An emergency (Correct Answer)
- ☐ Their responsibility
- ☐ Not worth mentioning
- ☐ None of these



Which of the following does not fit into the category of a common maintenance procedure?

- ☐ Creating work order
- ☒ Marketing the property (Correct Answer)
- ☐ Initial evaluations
- ☐ Processing invoices

A systematic process translates into:

Question ID:  7187 | Page Reference:  Follow-Ups |  View Question Stats

- ☐ Impersonal communication
- ☒ Consistency (Correct Answer)
- ☐ Lack of quality
- ☐ None of these

Emergency maintenance:

Question ID:  7182 | Page Reference:  Emergency Maintenance |  View Question Stats

- ☐ Can be deferred in order to increase profitability
- ☐ Is synonymous with corrective maintenance
- ☒ Deals with eminent threats (Correct Answer)
- ☐ Is not important in terms of tenant communications

Jimbo and Jody have a summer home in Cape Terror, an area prone to hurricanes. During the couple's first trip there in May, Jody makes sure she checks the roof for possible leaks and ensures that window shutters are properly fastened and sturdy. Which of the forms of maintenance below best represents Jody's actions?



- ☐ Corrective
- ☐ Emergency
- ☐ Deferred
- ☐ Preventative (Correct Answer)

Stephan, a property manager, requires Frank, one of his owners, to keep a minimum reserve in a maintenance account of \$5,000. He requires Raymond, another owner, to keep \$2,000 in a minimum reserve account. Which of these could rationalize this business practice?

- ☐ Frank's properties are more likely to require more expensive or emergency work (Correct Answer)
- ☐ Raymond is a relative of Stephan
- ☐ Frank has always been rude to Stephan
- ☐ None of these, because Stephan should treat all of his clients equally

Karl Montez was a long-time tenant at 327 Sagebrush Street. He always loved the walk-in humidor that was part of the finished basement. After Karl moved out, Kitrick Kilarney moved in and requested the humidor be turned into a nursery. Which concept does this scenario best describe?

- ☐ Functional obsolescence
- ☐ Physical obsolescence
- ☐ Use of product warranties



☐ Property usage variation (Correct Answer)

The professional property manager will need to identify and evaluate, knowledge of scheduling, to coordinate schedules of skilled technicians, the ability to judge approximate costs, and:

☐ A maintenance supervisor

☐ An in-house maintenance company

☐ The ability to make recommendations (Correct Answer)

☐ To keep his or her tenants as the top priority

Which of the following can best be determined by tracking based on completion time?

☐ High maintenance properties

☐ Property manager ability

☐ Average time to get a unit rent-ready (Correct Answer)

☐ None of these

Stan, a property manager just met with Toby, a plumber who would like to work for him as a subcontractor. Stan should:

☐ Always allow owners to meet with potential independent contractors

☐ Check whether Toby has any complaints with the Better Business Bureau (Correct Answer)

☐ Make Toby promise he has proper insurance



☐ Avoid making judgments on how Toby would interact with tenants

Which is the simplest way to handle maintenance?

☐ In-house staff

☐ In-house and independent contractors

☐ Independent contractors (Correct Answer)

☐ None of these



NEW TAB





# Habitability Standards & Maintenance Student Outline



Phone: 800-782-3452  
Fax: 866-466-2776  
E-mail: [info@narpm.org](mailto:info@narpm.org)  
**[www.narpm.org](http://www.narpm.org)**



National Association of Residential Property Managers





## Habitability and Maintenance

for the  
Residential Property Manager

3/20/2013



National Association of Residential Property Managers Copyright © 2011 NARPM®

1

---

---

---

---

---

---

---

### OBJECTIVES:

- Understand basic maintenance functions and habitability
- Familiarity with maintenance terms
- Building components
- Categories of maintenance
- Types of property surveys/inspections

3/20/2013



National Association of Residential Property Managers Copyright © 2011 NARPM®

2

---

---

---

---

---

---

---

### OBJECTIVES:

Habitability Standards for:

- Carbon monoxide
- Mold
- Lead-based paint
- Asbestos
- Radon
- International Building Code

3/20/2013



National Association of Residential Property Managers Copyright © 2011 NARPM®

3

---

---

---

---

---

---

---



## Maintenance Functions of a Property Manager

- General knowledge
- Be an informed coordinator
- Secure the best price and quality
  - Job specifications
  - Brand and quality
  - Rates for specialty trades
  - Bid procedures

3/20/2013

---

---

---

---

---

---

---

---

## Legal Responsibility

- Contractual obligation
- Judged as a professional with special knowledge
- Always check work for quality and materials
- Know up-to-date habitability standards
- Safety Section in Policies & Procedures

3/20/2013

---

---

---

---

---

---

---

---

## Application to Property Manager

- Importance of understanding maintenance
- Above average competency



3/20/2013

---

---

---

---

---

---

---

---



## Understanding Maintenance

- Real estate is a depreciating asset
- Property usage varies (cooking, appliance, room)
- Product defects
- Functional obsolescence (ex. 5BR 1bath)
- Ability to relate to contractors
- Owner/clients expect it
- Protect you from liability
- Potential profit center



3/20/2013

National Association of Residential Property Managers

Copyright © 2011 NARPM®

7

---

---

---

---

---

---

---

---

## Above Average Competency

- Ability to analyze a problem
- Identify appropriate service technician
- Understand the urgency
- Knowing how long the job should take
- Estimating costs
- Need to be knowledgeable in general maintenance terminology



3/20/2013

National Association of Residential Property Managers

Copyright © 2011 NARPM®

8

---

---

---

---

---

---

---

---

## Maintenance Terminology

- |                                 |                 |
|---------------------------------|-----------------|
| • As-built drawing              | • Cost-plus     |
| • Bid                           | • Foundation    |
| • B.T.U.                        | • Footer        |
| • I.B.C.                        | • R-value       |
| • Building permit               | • Insulation    |
| • Certificate of Occupancy C.O. | • Fascia/Soffit |
| • Time & Materials T&M          | • Dry wall      |
|                                 | • CMU           |
|                                 | • Jack stud     |



3/20/2013

National Association of Residential Property Managers

Copyright © 2011 NARPM®

9

---

---

---

---

---

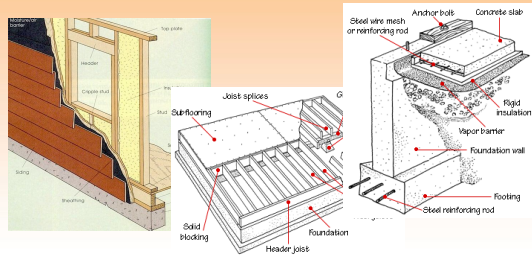
---

---

---



## Building Components



3/20/2013

National Association of Residential Property Managers

Copyright © 2011 NARPM®

10

---

---

---

---

---

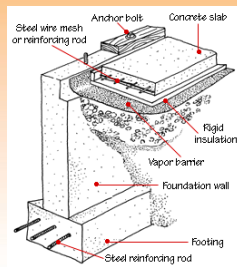
---

---

---

## Foundation:

- Footings
- Raised or stem wall
- Slab



3/20/2013

National Association of Residential Property Managers

Copyright © 2011 NARPM®

11

---

---

---

---

---

---

---

---

## Insulation

### Ceiling:

- Batt or loose-fill (blown-in)

### Walls:

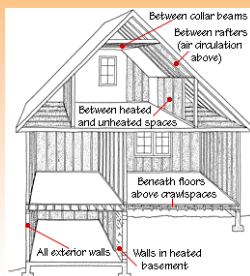
- Batt or reflective
- Vermiculite

### Floors:

- Batt

### Roofs:

- Rigid



3/20/2013

National Association of Residential Property Managers

Copyright © 2011 NARPM®

12

---

---

---

---

---

---

---

---



## Water Supply Piping

- Copper
- Galvanized
- Plastic:
  - PVC
  - Pex
  - Schedule 80 rolled (water wells)
  - Polybutylene

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

13

---

---

---

---

---

---

---

---

## Copper



3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

14

---

---

---

---

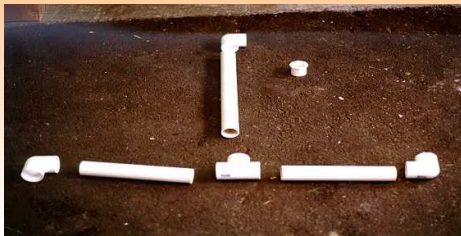
---

---

---

---

## PVC



3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

15

---

---

---

---

---

---

---

---



## Galvanized



3/20/2013



National Association of Residential Property Managers Copyright © 2011 NARPM® 16

---

---

---

---

---

---

---

---

## Schedule 40 & 80 Pipe



3/20/2013



National Association of Residential Property Managers Copyright © 2011 NARPM® 17

---

---

---

---

---

---

---

---

## Pex



3/20/2013



National Association of Residential Property Managers Copyright © 2011 NARPM® 18

---

---

---

---

---

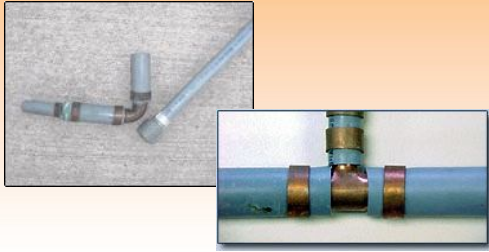
---

---

---



## Polybutylene



3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

19

---

---

---

---

---

---

---

---

## Home Water System

- Metered supply system
- Private system (well)
- Pressure reduction valve (PRV)
- Identify the shut-off
  - Meter
  - Whole house
  - Appliance/fixture

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

20

---

---

---

---

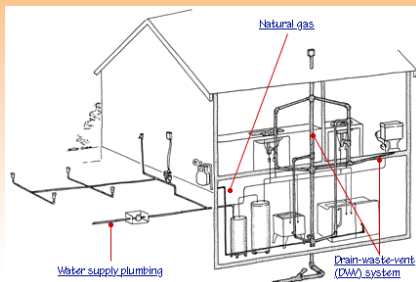
---

---

---

---

## Home Plumbing System



3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

21

---

---

---

---

---

---

---

---



## Sewer Line Piping

- Cast iron
- Plastic
- Orangeburg pipe



3/20/2013

National Association of Residential Property Managers Copyright © 2011 NARPM® 22

---

---

---

---

---

---

---

---

## Sewerage Disposal Systems

- Septic system
  - Septic tank
  - Drain field
  - Grinder pumps
- Composting systems
- Treatment plants



3/20/2013

National Association of Residential Property Managers Copyright © 2011 NARPM® 23

---

---

---

---

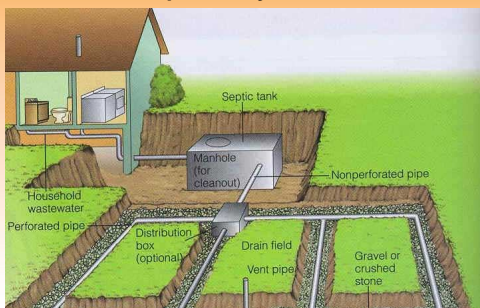
---

---

---

---

## Septic System



3/20/2013

National Association of Residential Property Managers Copyright © 2011 NARPM® 24

---

---

---

---

---

---

---

---



## Gas

- Natural gas
  - Metered
- Propane
  - Storage tank
    - Buried
    - Above ground
  - Piping
    - Black iron
    - Copper

3/20/2013



National Association of Residential Property Managers Copyright © 2011 NARPM® 25

---

---

---

---

---

---

---

---

## Wall Classifications

- Bearing wall:
  - wall supporting more than its own weight
- Party/common wall:
  - single wall common to two separate living units
- Division wall:
  - fire protection separation wall to divide building
- Fire wall:
  - fire resistant wall intended to slow spread of fire from one area to another
  - Four ratings (from 1 to 4 hours)

3/20/2013



National Association of Residential Property Managers Copyright © 2011 NARPM® 26

---

---

---

---

---

---

---

---

## Wall Classifications

- Non-bearing wall:
  - wall which supports no load of more than 1/3 of its own weight.
- Shear wall:
  - one which braces a building against wind/earthquake forces and resists, by its stiffness, forces applied parallel to its length.
- Cripple Wall:
  - The cripple wall usually occurs between the first floor and the foundations and is generally the weakest part of older buildings.

3/20/2013



National Association of Residential Property Managers Copyright © 2011 NARPM® 27

---

---

---

---

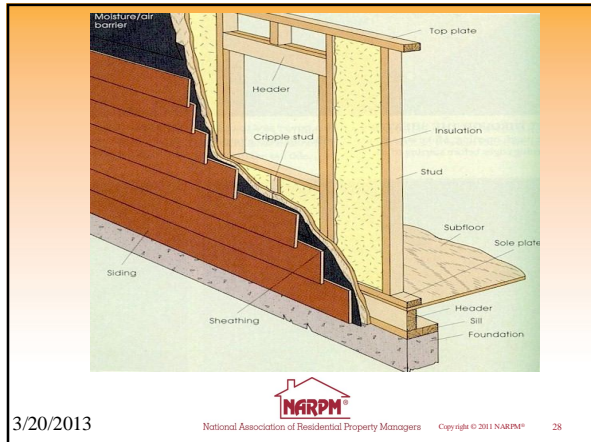
---

---

---

---





---

---

---

---

---

---

---

---

## Basic Roof Styles

- Gable
- Gambrel
- Mansard
- Salt box
- Flat
- Shed
- Hip
- Shed dormer
- Single dormer

3/20/2013

NARPM®  
National Association of Residential Property Managers

Copyright © 2011 NARPM® 29

---

---

---

---

---

---

---

---

## Common Roof Styles

3/20/2013

NARPM®  
National Association of Residential Property Managers

Copyright © 2011 NARPM® 30

---

---

---

---

---

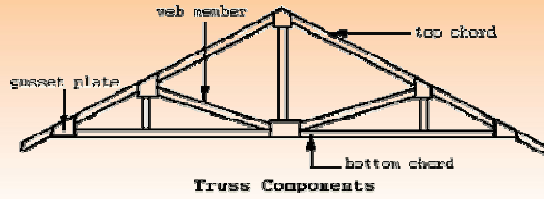
---

---

---



## Roof Truss



3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

31

---

---

---

---

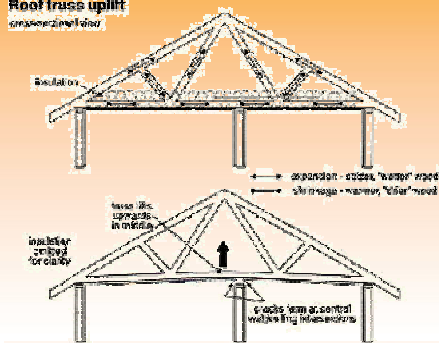
---

---

---

---

## Roof truss uplift



3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

32

---

---

---

---

---

---

---

---

## Common Repair Items

- Toilet and other plumbing fixtures
- Garbage disposal
- Wall switches
- HVAC
- Door locks

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

33

---

---

---

---

---

---

---

---



## Toilet

- Fluidmaster valve
- Flapper valve
- Wax ring
- Trap
- Float ball
- Tank
- Bowl



3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

34

---

---

---

---

---

---

---

---

## Garbage Disposal

- Jams – most frequent problem
- Reset button
- Dishwasher knock out
- Use wrench
- Vacancies



3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

35

---

---

---

---

---

---

---

---

## Wall Switches/Outlets

- Wall switches
  - Single
  - Multi-way
  - Dimmers
- Outlets
  - Grounded
  - Un-grounded
  - GFI



3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

36

---

---

---

---

---

---

---

---



## Heating Ventilation and Cooling (HVAC)

- Gas
  - Forced air
  - Boiler/ hot water circulating
  - Radiant
- Electric
  - Heat pump
  - Radiant
  - Forced air
  - Baseboard/Wall heaters
- Oil
  - Forced air



3/20/2013

National Association of Residential Property Managers

Copyright © 2011 NARPM®

37

---

---

---

---

---

---

---

---

## HVAC Maintenance Tips

- Filters
- Show tenant how to replace
  - Include 1-2 replacement filters with unit
- Service/inspect ducts periodically
- Periodic/seasonal safety checks



3/20/2013

National Association of Residential Property Managers

Copyright © 2011 NARPM®

38

---

---

---

---

---

---

---

---

## Door Locks

- Dead bolt on all exterior doors
- Do not install chain locks – remove if tenant installed
- Install peep holes in exterior doors
- Re-key exterior locks same if possible
- Re-key after each tenancy



3/20/2013

National Association of Residential Property Managers

Copyright © 2011 NARPM®

39

---

---

---

---

---

---

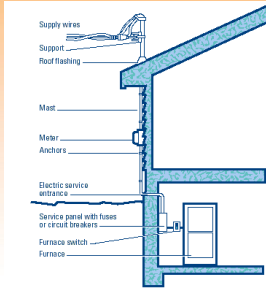
---

---



## Electrical Service

- Exterior service panel
- Interior service panel
  - Breakers
  - Fuses
- Aluminum wire



3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

40

---

---

---

---

---

---

---

---

## Exterior Maintenance

- Caulking
- Exterior paint (schedule depends upon exposure)
- Window screens
- Rain gutters
- Fireplace
- Pool/spa
- Roof leaks
- Fence repair
- Landscape sprinklers

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

41

---

---

---

---

---

---

---

---

## Maintenance Categories

- Preventative
- Corrective
- Routine
- Cosmetic
- Emergency
- Deferred

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

42

---

---

---

---

---

---

---

---





House in the country .... \$1 Million.

Three luxury cars .... \$150,000.

Leaving town during a cold Michigan winter without turning off the water pipes in your garage ..... PRICELESS!

3/20/2013

---

---

---

---

---

---

---

---

## Preventative Maintenance

- Maintenance work to prevent further damage or depreciation
  - Typically not a priority
  - Often scheduled as seasonal work
  - Can be scheduled in advance
  - Good source of work for slow times

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

44

---

---

---

---

---

---

---

---

## Corrective Maintenance

- Repair or replacement of damaged or worn items
  - Requires priority scheduling
  - May involve product warranty
  - May involve a home or builder warranty

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

45

---

---

---

---

---

---

---

---



## Routine Maintenance

- Regular service planned and performed
  - HVAC
  - Termite
  - Gutters
  - Snow removal/lawn care
  - Common area maintenance (CAM)

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

46

---

---

---

---

---

---

---

## Cosmetic Maintenance

- Décor
  - Interior & exterior
  - Scratched/worn flooring
  - Outdated colors and styles

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

47

---

---

---

---

---

---

---

## Emergency Maintenance

- Eminent threat to life or property
  - Requires immediate response
  - May require emergency response professionals
  - Owner/tenant notification
  - Insurance claim administration

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

48

---

---

---

---

---

---

---



## Deferred Maintenance

- Postponing maintenance
  - Financial
  - Seasonal
- Causes higher future costs to cure
- Causes devaluation of property

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

49

---

---

---

---

---

---

---

---

## Evaluation and Solution for Maintenance Needs

- New account
- Turn-over
- Annual survey
- Property up-grade
- Capital improvements

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

50

---

---

---

---

---

---

---

---

## Property Survey

- Random
- Routine
- Annual
- Interior/exterior

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

51

---

---

---

---

---

---

---

---



## Random Surveys

- Drive-by
- Reported/suspected lease violations
- Prompted by neighbor call
- Prompted by maintenance call

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

52

---

---

---

---

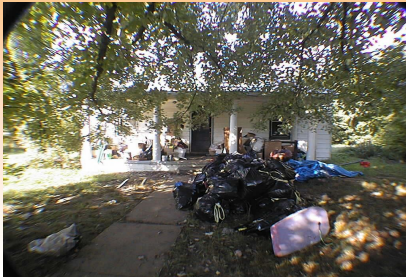
---

---

---

---

## Interior Survey Needed?



3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

53

---

---

---

---

---

---

---

---

## Routine Surveys

- Scheduled
- Turn-over
- Quarterly
- Seasonal

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

54

---

---

---

---

---

---

---

---



## Annual Surveys

- Scheduled
- Fee or free based
- Critical owner communication

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

55

---

---

---

---

---

---

---

---

## New Account Hazards

- Loose/inadequate stairs & railings
- Irregular sidewalks
- Smoke detectors
- CO detectors
- Hazardous electrical wiring
- Un-secured water heater (regional)
- Garage door w/o safety eye
- Hazardous tree and tree limbs
- Self latching pool gate
- Chimneys
- Stored chemicals/paint
- Others

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

56

---

---

---

---

---

---

---

---

## Maintenance Competency Required

- Identify and evaluate
- Knowledge of scheduling
- Coordinate schedules of skilled technicians
- Ability to judge approximate costs
- Make recommendations

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

57

---

---

---

---

---

---

---

---



## Maintenance Competency Required

- Owners will blame the property manager, and may sue the property manager for poor quality repairs
- Courts have held that property managers have a superior knowledge of maintenance issues and repairs, and thus place a higher standard on property managers compared to the general public

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

58

---

---

---

---

---

---

---

## Product Choices

- Maintain standard specifications for replacement where applicable:
  - Lighting – low watt energy, long life
  - Kitchen/bath faucet type
  - Hot water heater
  - Paint color and type
  - Other?

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

59

---

---

---

---

---

---

---

## Cleaning Tips

- Crayon removal
- Clean caulking
- Clean toilet bowl
- Coffee stains in rug
- Oil stains on concrete
- Cleaning porcelain sinks
- Sink stains

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

60

---

---

---

---

---

---

---



## Habitability Standards



3/20/2013

National Association of Residential Property Managers

Copyright © 2011 NARPM®

61

---

---

---

---

---

---

---

---

## Habitability Standards

- Carbon Monoxide-CO
- Mold
- Lead Based Paint
- Asbestos
- Radon
- International Building Code



3/20/2013

National Association of Residential Property Managers

Copyright © 2011 NARPM®

62

---

---

---

---

---

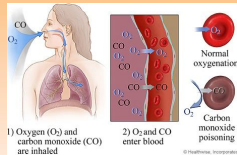
---

---

---

## Carbon Monoxide

- Colorless
- Odorless
- Non-irritating



CO occurs when fuels containing carbon are burned and when there is too little oxygen



3/20/2013

National Association of Residential Property Managers

Copyright © 2011 NARPM®

63

---

---

---

---

---

---

---

---



## Carbon Monoxide

- Approximately 500 deaths annually in the US
- Approximately 15,000 CO related emergency room visits per year in the US

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

64

---

---

---

---

---

---

---

---

### Carbon Monoxide Levels & Health Risks



3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

65

## Carbon Monoxide

---

---

---

---

---

---

---

---

## Sources of Carbon Monoxide

- Gas furnaces
- Oil furnace
- Gas appliances
- Fireplace
- BBQ grills
- Wood burning stove
- Fuel burning space heaters
- Automobile emissions
- Generators

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

66

---

---

---

---

---

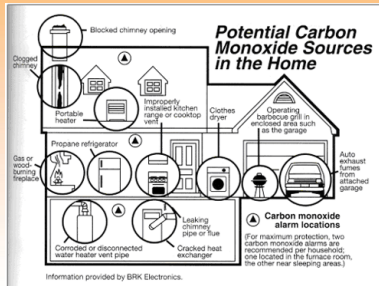
---

---

---



## Sources of Carbon Monoxide



3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

67

---

---

---

---

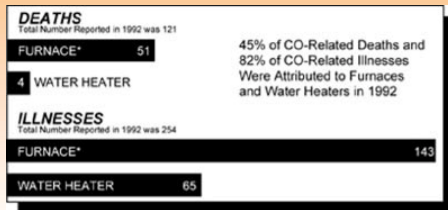
---

---

---

---

## Sources of Carbon Monoxide Injury & Death



3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

68

---

---

---

---

---

---

---

---

## Contributing Factors in CO Build-up

- Weatherproofing
- Insulation
- Caulking
- Window/door sealing

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

69

---

---

---

---

---

---

---

---



## Symptoms of CO Poisoning

- CO acts like oxygen. It enters the body through the lungs and then combines with red blood cells, replacing the oxygen supplied to the heart and to other vital organs. In high concentrations, CO can kill in minutes.
- Symptoms of mild CO exposure
  - a. Tightness across the forehead
  - b. Painful eyeballs
  - c. Slight headache
  - d. Nausea or vomiting
  - e. Flu like fatigue

3/20/2013



National Association of Residential Property Managers Copyright © 2011 NARPM® 70

---

---

---

---

---

---

---

---

## Symptoms of Medium CO Exposure

- Severe throbbing headache
- Drowsiness
- Confusion
- Fast heart rate



3/20/2013



National Association of Residential Property Managers Copyright © 2011 NARPM® 71

---

---

---

---

---

---

---

---

## Symptoms of Extreme CO Exposure

- Unconsciousness
- Convulsions
- Heart and lung failure
- Brain damage
- Death

3/20/2013



National Association of Residential Property Managers Copyright © 2011 NARPM® 72

---

---

---

---

---

---

---

---



## Emergency Care for CO Poisoning

- Call 911
- Restore breathing (CPR)
- Open all doors and windows
- Shut off the source of the CO if possible

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

73

---

---

---

---

---

---

---

---

## Checking for the Source of CO

- Obstruction in vent pipe
- Malfunctioning appliance
  - Cracked heat exchanger in furnace
  - Malfunctioning gas range
- Attached garage
- Generators

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

74

---

---

---

---

---

---

---

---

## Preventing CO Exposure

- Regular maintenance of appliances
- Recommend annual service contracts
- Tenant awareness
- Staff awareness
- Installation of CO Detectors

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

75

---

---

---

---

---

---

---

---



## Placement of CO Detector

- Detector must be located as directed in the installation instructions



- State Laws



3/20/2013

National Association of Residential Property Managers Copyright © 2011 NARPM® 76

---

---

---

---

---

---

---

---

## Mold!



3/20/2013

National Association of Residential Property Managers Copyright © 2011 NARPM® 77

---

---

---

---

---

---

---

---

## What is mold?

- Microscopic fungi
- Lives on plant or animal matter
- Reproduce sexually and asexually, and produce spores during this process
- Spores are continually carried through the indoor and outdoor air  
Mold is likely to grow where there is moisture
- When spores land on a moist spot indoors, they can begin growing and digesting whatever they are growing on in order to survive
- Gradually destroys the substance they grow on



3/20/2013

National Association of Residential Property Managers Copyright © 2011 NARPM® 78

---

---

---

---

---

---

---

---



## Indoor Pollutant Levels

- “Indoor levels of many pollutants may be 2-5 times, occasionally more than 100 times higher than outdoor levels”

United States Environmental Protection Agency

3/20/2013

---

---

---

---

---

---

---

---

## Something to think about

“It is estimated that we spend as much as 90% of our time indoors”

United States Environmental Protection Agency

3/20/2013

---

---

---

---

---

---

---

---

## Symptoms of Mold Exposure

- |                        |                     |
|------------------------|---------------------|
| • Tearing              | • Aching joints     |
| • Coughing             | • Aching muscles    |
| • Hoarseness           | • Dizziness         |
| • Chest tightening     | • Fever             |
| • Breathing difficulty | • Nosebleeds        |
| • Throat infections    | • Memory loss       |
| • Sinus problems       | • Fatigue           |
| • Headaches            | • Nausea            |
| • Rashes               | • Flu-like symptoms |

3/20/2013

---

---

---

---

---

---

---

---



## Health Implications

- All molds have the potential to cause health problems
- There are no documented safe or unsafe levels of mold exposure
- Individuals have their own tolerance
- The route by which the exposure occurs ingestion, inhalation, or physical contact also plays a role

3/20/2013



National Association of Residential Property Managers Copyright © 2011 NARPM® 82

---

---

---

---

---

---

---

## Examples of Mold Contamination Symptoms

- Immediate and temporary (allergic) symptoms include headaches, fatigue, ENT irritation, runny nose, congestion, dermatitis (rashes) and rhinitis
- Long term (immunological) symptoms include chronic respiratory illness, asthma, and organic dust toxic syndrome (ODTS)

3/20/2013



National Association of Residential Property Managers Copyright © 2011 NARPM® 83

---

---

---

---

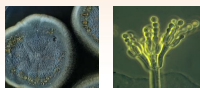
---

---

---

## Common Molds

- Cladosporium
- Aspergillus
- Penicillium
- Ulocladium
- Alternaria
- Fusarium
- Stachybotrys



3/20/2013



National Association of Residential Property Managers Copyright © 2011 NARPM® 84

---

---

---

---

---

---

---



## WHAT CAUSES MOLD?

Mold growth requires:

- Presence of mold spores
- Moisture
- Nutrient source
- Temperatures between 40 and 100 degrees F



3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

85

---

---

---

---

---

---

---

---

## Problem Origination

- Lack of awareness
- Poor building design
- Poor HVAC design
- Occupant activities
- Renovation activities
- Inadequate maintenance
- Housekeeping activities
- Mis-matched building mechanical systems
- Lack of a cohesive policy on the part of management

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

86

---

---

---

---

---

---

---

---

## Fundamentals Of Mold Prevention

There are four fundamental areas to be addressed in providing good indoor air quality (IAQ).

They are:

- Contaminant source control
- Proper ventilation
- Moisture
- Humidity management

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

87

---

---

---

---

---

---

---

---



## Nutrient Sources (organic matter)



- Paper and paper products
- Cardboard
- Ceiling tiles
- Wood and wood products
- Wallpaper

3/20/2013

---

---

---

---

---

---

---

---

## Building Materials



- Insulation materials
- Hardboard siding
- Drywall
- Carpet
- Fabric
- Upholstery

3/20/2013

---

---

---

---

---

---

---

---

## Preventing Mold Growth



- Eliminate or control moisture
- Avoid defects
- Increase air circulation
- Good housekeeping practices
- Remediate water damage within 24 to 48 hours

3/20/2013

---

---

---

---

---

---

---

---



## Eliminate Or Control Moisture

### External Sources of Moisture (pathways):

- Roof
- Siding
- Stucco
- Windows
- Balconies
- Door openings
- Expansion joints
- Architectural details
- Permeation through foundation
- Every type of penetration made to exterior envelope
- Natural disaster – flood -- hurricanes

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

91

---

---

---

---

---

---

---

---

## Eliminate Or Control Moisture

### Internal sources of moisture

- Plumbing fixture overflow
- Improper use or defect in HVAC system (high humidity)
- Pipe leaks
- EIFS (synthetic stucco)
- Roof system
- Windows

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

92

---

---

---

---

---

---

---

---

## Avoid Defects, Weakness, Inadequacy, Fault or Unsoundness In:

Most building/dwelling mold damage caused by a failure in moisture control

- Design
- Specifications
- Workmanship
- Construction
- Grading
- Materials used in construction or repair maintenance

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

93

---

---

---

---

---

---

---

---



## Encountering Moisture And/Or Mold

- Do not ignore
- Do not cause more damage
- Avoid disturbing mold
- Follow containment guidelines
  - Lack of certification
  - Wild wild west
  - No standards
  - Guidelines

—

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

94

---

---

---

---

---

---

---

---

## Litigation

- Indoor Air Quality issues are making it to the trial stages in many locations
- Cases are being made on grounds of:
  - Strict liability
  - Misrepresentation
  - Breach of warranties
  - Negligence

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

95

---

---

---

---

---

---

---

---

## Lead Based Paint



3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

96

---

---

---

---

---

---

---

---



## What is the problem?

- In 1991, the U.S. Secretary of Health and Human Services called lead poisoning as the “number one environmental threat to the health of children in the United States”.



3/20/2013

National Association of Residential Property Managers

Copyright © 2011 NARPM®

97

---

---

---

---

---

---

---

---

## Why it is a Problem?

- ¾ of all homes built prior to 1978 used lead-based paints
- Lead-based paint is a major source of lead poisoning for children and can affect adults
- Can result in retarded mental and physical development, learning disorders, behavior problems, learning disorders, behavior problems, and reduced attention
- Can cause abnormal fetal development in pregnant women
- Severe lead poisoning in children and adults can cause irritability, poor muscle coordination, and damage to kidneys, nerves, and brain



3/20/2013

National Association of Residential Property Managers

Copyright © 2011 NARPM®

98

---

---

---

---

---

---

---

---

## Where was it used?

- Heavily leaded paint used in homes built prior to 1950
- Over 50% of U.S. housing stock (1-4 family) is pre 1978 housing
- Lower levels of lead used until 1977
- U.S. Consumer Product Safety Commission banned the use of lead-based paint in housing in 1978
- Most commonly found on exterior-painted surfaces, interior woodwork, doors, and windows



3/20/2013

National Association of Residential Property Managers

Copyright © 2011 NARPM®

99

---

---

---

---

---

---

---

---



## Manager Responsibility

- The Real Estate Notification Rule also referred to as the "Lead Disclosure Rule" or the "Disclosure Rule" is a right-to-know law that requires notification and disclosure of certain lead-based paint information
- Took effect on Sept 6, 1996 for sellers and lessors of five or more residential dwelling units and Dec 6, 1996 for sellers and lessors of one to four residential dwelling units



3/20/2013

National Association of Residential Property Managers

Copyright © 2011 NARPM®

100

---

---

---

---

---

---

---

---

## Manager Responsibility

- Provide the EPA Pamphlet "Protect Your Family From Lead in Your Home"
- Provide a Lead Warning Statement to prospective purchasers or tenants
- Indicate whether the Seller or Lessor has actual (documented) knowledge of the presence of lead-based paint in the sale or rental property
- Provide certifications and acknowledgements for the lead-based paint requirements in a Contract for Sale or in a lease, as either an attachment or in the body of the sale or lease agreement



3/20/2013

National Association of Residential Property Managers

Copyright © 2011 NARPM®

101

---

---

---

---

---

---

---

---

## Exception to the Lead Disclosure Rule

- If the residential unit being leased or purchased is a zero bedroom dwelling, if it is housing for the elderly (and no children under age 6 reside there), or if the unit has been certified as "lead-based paint free" by a certified lead based-paint inspector or risk assessor, then the Lead Disclosure Rule does not apply



3/20/2013

National Association of Residential Property Managers

Copyright © 2011 NARPM®

102

---

---

---

---

---

---

---

---



## EPA

Lead-based paint  
renovation,  
repair, and  
painting program

Effective April 2010



3/20/2013

  
National Association of Residential Property Managers

Copyright © 2011 NARPM® 103

## Renovation, Repair and Painting-RRP Quick Overview

- No new disclosure responsibilities are required – but – if any testing is done associated with repairs the results must be disclosed
- Most responsibility rests with the contractor
- Effective April 22, 2010 contractors must be trained and certified by EPA
- Use only trained and certified contractors

3/20/2013

  
National Association of Residential Property Managers

Copyright © 2011 NARPM® 104

## Exceptions to RRP

- Home was built after 1978
- Repairs will disturb less than six square feet of interior area or 20 square feet of exterior
- If the house or components test lead free by a Certified Lead Inspector or Certified Renovator

3/20/2013

  
National Association of Residential Property Managers

Copyright © 2011 NARPM® 105



## Where Does it apply?

- Applies to renovations of:
  - Target housing
  - Child occupied facilities
- Excludes:
  - Renovations that affect only components determined to be free of lead-based paint
  - Activities that disturb under 6 ft<sup>2</sup> interior or 20 ft<sup>2</sup> exterior (this excludes window replacement, demolition, and projects involving prohibited practices).
  - Work done by individuals in housing they own and occupy.

3/20/2013

NARPM® National Association of Residential Property Managers Copyright © 2011 NARPM® 106

---

---

---

---

---

---

---

---

## Where Does it apply?

### Opt out:

- Owners may choose to opt out of the rule requirements if they meet the following criteria:
  - they occupy the housing to be renovated,
  - the housing is not a child-occupied facility, and
  - no child under age 6 or pregnant woman lives there.

3/20/2013

NARPM® National Association of Residential Property Managers Copyright © 2011 NARPM® 107

---

---

---

---

---

---

---

---

## Pre-Renovation Education Changes

### New brochure “Renovate Right”

- Protect Your Family brochure is not being retired. It will still be used for real estate disclosure, and general outreach.



3/20/2013

NARPM® National Association of Residential Property Managers Copyright © 2011 NARPM® 108

---

---

---

---

---

---

---

---



## Pre-Renovation Education Changes

- Adds requirements for child occupied facilities (COF)  
Before renovating a firm must:
  - Provide "Renovate Right" to building owner and adult representative
  - Provide information about the renovation to parents & guardians of children under age 6 using the facility. This may be done by mail, hand-delivery or informational signs
- Change to requirements in common areas of target housing
  - Firms may post informational signs in lieu of delivering information directly to each dwelling
- Informational signs must:
  - Be posted where they will be seen
  - Describe nature, locations, and dates of renovation
  - Be accompanied by "Renovate Right" or info on how to get a free copy



3/20/2013

National Association of Residential Property Managers

Copyright © 2011 NARPM®

109

---

---

---

---

---

---

---

---

## Accreditation of Training Providers

- Trainers must be accredited to provide renovator or sampling technician training. To become accredited they must submit an application and fee to EPA
- Must be re-accredited every 4 years
- EPA developed model renovation training
- Training providers must notify EPA of individual complete training



3/20/2013

National Association of Residential Property Managers

Copyright © 2011 NARPM®

110

---

---

---

---

---

---

---

---

## Certification of Renovators and Sampling Technicians

- Must take 8-hour accredited training course
  - Individuals with certain previous training can take a 4-hour accredited refresher course
  - Course certificate serves as certification (no application to EPA required)
- Refresher training is required every 5 years.



3/20/2013

National Association of Residential Property Managers

Copyright © 2011 NARPM®

111

---

---

---

---

---

---

---

---



## Certification of Firms

- To be certified to perform renovation or dust sampling, firms must submit an application and fee to EPA
- Certifications are good for 5 years



3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

112

---

---

---

---

---

---

---

---

## Work Practice Standards

### Firm Responsibilities

- Ensure all individuals performing renovation activities are appropriately trained
- A certified renovator is assigned to each renovation
- All renovations are performed in accordance with the lead-safe work practice standards
- Comply with pre-renovation education requirements prior to starting the work
- Ensure the recordkeeping requirements are met

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

113

---

---

---

---

---

---

---

---

## Work Practice Standards

### Renovator Responsibilities

- Perform or direct work to ensuring the work practices are followed
- Be physically present at the work site:
  - When warning signs are posted, while containment is established, and during final work area cleaning
  - Be available, either on-site or by telephone, at all other times
- Provide on the job training to uncertified workers.
- When requested, use a test kit to determine if LBP is not present
- Perform cleaning verification
- Prepare required records

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

114

---

---

---

---

---

---

---

---



## Work Practice Standards

### General

- Post signs defining the work area.
- Certain practices are prohibited:
  - open-flame burning or torching
  - operating a heat gun above 1100°F
  - machines that remove lead-based paint through high speed operation such as sanding, grinding, power-planing, needle gun, abrasive blasting, or sandblasting, unless used with HEPA exhaust control



3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

115

---

---

---

---

---

---

---

---

## Work Practice Standards

### General (Cont.)

- Ensure that all personnel, tools, and other items including waste are free of dust and debris when leaving the work area
- Waste must be sealed in bags or plastic sheeting. Dispose of waste in accordance with Federal, State, and Local requirements



National Association of Residential Property Managers

Copyright © 2011 NARPM®

116

---

---

---

---

---

---

---

---

## Work Practice Standards

### Interiors

- Remove or cover all objects from the work area
- Close and cover all ducts in the work area
- Close all windows, and cover all doors in the work area
- Cover the floor surface of the work area with plastic sheeting



3/20/2013

National Association of Residential Property Managers

Copyright © 2011 NARPM®

117

---

---

---

---

---

---

---

---



## Work Practice Standards

### Exteriors

- Close all doors and windows within 20 feet of the renovation.
- Cover the ground with plastic sheeting extending out from the edge of the structure a sufficient distance to collect falling paint debris.

3/20/2013



National Association of Residential Property Managers Copyright © 2011 NARPM® 118

---

---

---

---

---

---

---

## Work Practice Standards

### Cleaning

- Pick up paint chips and debris
- Remove all protective sheeting
- Clean all objects and surfaces in and around the work area
  - Clean walls with a HEPA-equipped vacuum or with a damp cloth
  - HEPA vacuum all remaining surfaces and objects in the work area
  - Wipe all remaining surfaces in the work area with a damp cloth
  - Mop uncarpeted floors



3/20/2013



National Association of Residential Property Managers Copyright © 2011 NARPM® 119

---

---

---

---

---

---

---

## Cleaning Verification

- Wipe floors, countertops, and windowsills with wet cleaning cloth
- If the cloth does not match the verification card, re-clean that surface and then re-wipe with a wet cleaning cloth
- If this cloth does not match the cleaning verification card, allow the surface to dry completely and wipe with a dry cleaning cloth

**Note:** Laboratory dust sampling is an option where the contract or another Federal, State, or local regulation requires dust sampling by a certified professional and requires the renovation firm to clean the work area until it passes clearance

3/20/2013



National Association of Residential Property Managers Copyright © 2011 NARPM® 120

---

---

---

---

---

---

---



## Recordkeeping and Enforcement

- Documents demonstrating compliance with the rule must be retained for 3 years following the completion of a renovation
  - Pamphlet acknowledgment forms, owner opt-out forms, and documentation of work practices
- EPA may suspend, revoke, or modify a firm's certification if firm is found to be in non-compliance
- Non-compliant contractors may be subject to civil and criminal penalties up to \$37,500 for each violation, imprisonment, or both



3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

121

---

---

---

---

---

---

---

---

## Information Resources

### Compliance Guide

- Handbook for contractors, property managers, and maintenance personnel working in homes, child care facilities, and schools built before 1978
- Contains detailed information and flow charts outlining the RRP requirements



3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

122

---

---

---

---

---

---

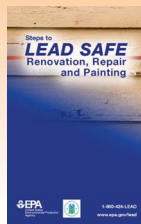
---

---

## Information Resources

### Steps Brochure

- A guide to lead-safe renovation, repair and painting
- Covers basic lead-safe practices
- Can be used as a training guide for on-the-job training



3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

123

---

---

---

---

---

---

---

---



## How to Get Certified

What do I Need to Do As a Property Manager?

**Do you or your employees conduct renovation or repair activities in a pre-1978 residential building or child-occupied facility?**

If **YES**, then you need to:

- Submit firm application and fee to EPA (in non-authorized states)
- Make sure your employees are trained in lead-safe work practices

If **NO**, then you need to:

- Make sure that you hire a Lead-Safe Certified Renovator for building maintenance, renovation, painting or other repair activities that could disturb lead-based paint



3/20/2013

National Association of Residential Property Managers

Copyright © 2011 NARPM®

124

---

---

---

---

---

---

---

---

## Asbestos

- On March 31, 1971, EPA identified asbestos as a hazardous pollutant



3/20/2013

National Association of Residential Property Managers

Copyright © 2011 NARPM®

125

---

---

---

---

---

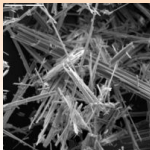
---

---

---

## What is asbestos?

- Fibrous mineral
- Highly resistant to heat



National Association of Residential Property Managers

Copyright © 2011 NARPM®

126

---

---

---

---

---

---

---

---



## Common Past Use of Asbestos

- sheetrock taping
- mud and texture coats
- vinyl floor tiles, sheeting, adhesives and ceiling tiles
- plasters and stuccos
- roofing tars, felts, siding, and shingles
- "transite" panels, siding, countertops, and pipes
- acoustical ceilings



3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

127

---

---

---

---

---

---

---

---

## Asbestos Related Diseases

### Asbestos warts

- caused when the sharp fibers lodge in the skin

### Pleural plaques

- discrete fibrous or partially calcified thickened area which can be seen on X-rays of individuals exposed to asbestos. They do not become malignant or cause other lung impairment

### Diffuse Pleural thickening

- similar to above and can sometimes be associated with asbestosis. Usually no symptoms shown but if extensive can cause lung cancer

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

128

---

---

---

---

---

---

---

---

## Asbestos Litigation

- Asbestos litigation is the longest, most expensive mass tort in U.S. history, involving more than 6,000 defendants and 600,000 claimants
- Analysts have estimated that the total costs of asbestos litigation in the USA alone will eventually reach \$200 billion

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM®

129

---

---

---

---

---

---

---

---



## Manager Responsibility

- Depending on how and where asbestos was applied, it might not pose any risk to most users of the building. If the fibers cannot become dislodged, they cannot be inhaled, and thus the asbestos poses no risk.



3/20/2013

N

Managers

Copyright © 2011 NARPM®

130

---

---

---

---

---

---

---

---

## Manager Responsibility

- Asbestos poses hazards to maintenance personnel who have to drill holes or cut in walls for installation of cables or pipes (Friable - airborne)
- Be aware of possible sources of hazard
- Repair/maintenance requirements may need to be adjusted based on presence of asbestos containing products
- A new method was developed to remove asbestos from fireproof materials, without reducing the materials **fire-resistance**



3/20/2013

National Association of Residential Property Managers

Copyright © 2011 NARPM®

131

---

---

---

---

---

---

---

---

## Radon

- A radioactive noble gas that is formed by the decay of radium, radon is one of the heaviest gases and is considered to be a health hazard



3/20/2013

National Association of Residential Property Managers

Copyright © 2011 NARPM®

132

---

---

---

---

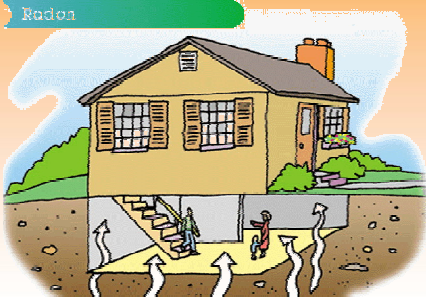
---

---

---


---





Radon

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM® 133

---

---

---

---

---

---


---

---

## Radon

- Radon is an invisible, odorless, tasteless radioactive gas
- According to the US EPA, radon is the second leading cause of lung cancer in the United States
- Radon comes from the natural breakdown of uranium and enters homes, schools and other buildings from the soil
- Elevated indoor levels are found in every state in the US, and in every county in Illinois
- Radon is by far the greatest single source of radiation exposure to the general public

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM® 134

---

---

---

---

---

---


---

---

## Housing Risks

- Radon is a significant contaminant that impacts indoor air quality worldwide
- Radon gas from natural sources can accumulate in buildings, and drinking water, and cause lung cancer
- Estimated 20,000 deaths per year in the United States.

3/20/2013



National Association of Residential Property Managers

Copyright © 2011 NARPM® 135

---

---

---

---

---

---

---

---



### How radon enters a house

The diagram illustrates various pathways for radon gas to enter a residential building. Red arrows indicate the flow of radon from the ground into the house. Entry points include fractured bedrock, radon in the soil, radon in well water, radon in ground water, cracks in the foundation, a sump pump area, a drain, and windows. A house is shown in cross-section with a shower and a window.

3/20/2013

NARPM®  
National Association of Residential Property Managers Copyright © 2011 NARPM® 136

---

---

---

---

---

---

---

---

### Dealing with Radon

- Simple radon test
- Abatement by installed exhaust system

The left image shows a radon test kit with a yellow canister and a label that reads 'RADON TEST'. The right image is a diagram of a radon exhaust system installed in a house, showing the path of radon gas from the basement through the roof and out to the atmosphere. The diagram is labeled with letters A through E.

3/20/2013

NARPM®  
National Association of Residential Property Managers Copyright © 2011 NARPM® 137

---

---

---

---

---

---

---

---

### International Building Code

The image shows the cover of the International Building Code (IBC) book, which features a blue background with a world map and the text 'IBC INTERNATIONAL BUILDING CODE'.

3/20/2013

NARPM®  
National Association of Residential Property Managers Copyright © 2011 NARPM® 138

---

---

---

---

---

---

---

---



## What is it?

- This code was developed by the International Conference of Building Officials to promote workable standards between state and federal agencies
- To implement minimum standards for effective housing conditions
- Established to provide minimum standards to safeguard life and limb, health, property, and the public welfare by regulating and controlling the use, occupancy, and maintenance of residential buildings



3/20/2013

National Association of Residential Property Managers Copyright © 2011 NARPM® 139

---

---

---

---

---

---

---

---

## Substandard Building Defined

- Inadequate sanitation
- Structural hazards
- Hazardous electrical wiring
- Hazardous plumbing
- Hazardous mechanical equipment
- Infestation by vermin, rodents, and insects
- Faulty weather protection
- Fire hazards
- Hazardous or unsanitary premises
- Inadequate space dimensions
- Dampness in habitable rooms
- General dilapidation and improper maintenance



3/20/2013

National Association of Residential Property Managers Copyright © 2011 NARPM® 140

---

---

---

---

---

---

---

---

## Summary

- Understand basic maintenance functions and habitability
- Familiarity with maintenance terms
- Building components
- Categories of maintenance
- Types of property surveys/inspections



3/20/2013

National Association of Residential Property Managers Copyright © 2011 NARPM® 141

---

---

---

---

---

---

---

---



## Other NARPM® Designation Classes

- Habitability Standards and Maintenance
- Marketing
- Tenancy
- Operating a Maintenance Company
- Owner/Client Relations
- Personnel Procedures Essentials
- Personnel Procedures Advanced
- Risk Management Essentials
- Risk Management Advanced



National Association of Residential Property Managers

Copyright © 2011 NARPM®

142

---

---

---

---

---

---

---

---

**THANK YOU FOR  
ATTENDING**

**NOW IT'S TIME FOR...**

**THE EXAM**

**PLEASE COMPLETE THE EVALUATION  
FORMS.**



National Association of Residential Property Managers

Copyright © 2011 NARPM®

143

---

---

---

---

---

---

---

---



Outline for Maintenance and Habitability			
Learning Unit Title	Learning Objectives	Teaching Techniques	Estimated Time
Maintenance Functions and the Property Manager	<ul style="list-style-type: none"> <li>Outline the expectations placed upon a property manager</li> <li>Define functional obsolescence</li> <li>Discuss how maintenance impacts service</li> <li>Identify the reasons property managers should be aware of maintenance functions</li> <li>List the legal responsibility property managers have in terms of maintenance</li> </ul>	Live Lectures and PowerPoint Handouts	30 minutes
Understanding Maintenance	<ul style="list-style-type: none"> <li>Understand the typical bid process</li> <li>Determine the variables involved in the R-value</li> <li>Use terms such as cost-plus and as-built drawing in a maintenance scenario</li> <li>Define fascia, soffit, Jack stud, and CMU</li> <li>List different building components within various systems of a building</li> </ul>	Live Lectures and PowerPoint Handouts	20 minutes
Common Repair Items	<ul style="list-style-type: none"> <li>Discuss the components of typical toilet, garbage disposal, HVAC, and electrical systems of a structure</li> <li>Outline the safety risks with aluminum wiring</li> <li>Troubleshoot common problems with garbage disposals</li> <li>Relay helpful tips regarding locks</li> </ul>	Live Lectures and PowerPoint Handouts	15 minutes
Types of Maintenance	<ul style="list-style-type: none"> <li>Compare and contrast the various forms maintenance can take</li> <li>Detail the items included within exterior maintenance</li> <li>Identify the benefits of preventative maintenance</li> <li>Outline the issues associated with deferred maintenance</li> </ul>	Live Lectures and PowerPoint Handouts	15 minutes
Evaluation and Solutions	<ul style="list-style-type: none"> <li>Outline the times during which a survey will be likely</li> <li>Compare surveys and inspections</li> <li>Identify times random surveys could be</li> </ul>	Live Lectures and PowerPoint Handouts	30 minutes



	<ul style="list-style-type: none"> <li>• applied</li> <li>• Detail the specific items a formal survey entails</li> <li>• Outline the survey steps needed when taking on a new account</li> <li>• Provide the competency expectations of property managers assessing property</li> <li>• List items to consider when cleaning or repairing issues arise</li> </ul>			
Carbon Monoxide	<ul style="list-style-type: none"> <li>• Define the attributes of carbon monoxide</li> <li>• Detail the dangers and symptoms of various levels of carbon monoxide exposure</li> <li>• List the various sources of carbon monoxide</li> <li>• Identify ways in which property managers and tenants can prevent problems associated with carbon monoxide</li> </ul>	Live Lectures and PowerPoint Handouts	15 minutes	
Mold	<ul style="list-style-type: none"> <li>• Define mold</li> <li>• Identify what mold requires to survive and thrive</li> <li>• List the potential health effects of mold exposure</li> <li>• Outline what causes mold problems in a residence</li> <li>• Detail how mold problems can be prevented and remediated</li> </ul>	Live Lectures and PowerPoint Handouts	20 minutes	
Lead-Based Paint	<ul style="list-style-type: none"> <li>• Identify the health risks associated with lead-based paint</li> <li>• List the history of lead-based paint use in the United States</li> <li>• Outline the requirements for lead-based paint disclosure that must be made to tenants</li> <li>• Provide examples of penalties for not adhering to regulations regarding lead-based paint</li> <li>• Detail recent legislation concerning lead-based paint and renovations and repairs</li> </ul>	Live Lectures and PowerPoint Handouts	90 minutes	



	<ul style="list-style-type: none"> <li>• Compare and contrast those who are and aren't exempt from lead-based paint regulations</li> <li>• Identify safe and unsafe practices in terms of cleaning up after renovating</li> </ul>		
Asbestos	<ul style="list-style-type: none"> <li>• Define what asbestos is</li> <li>• Identify the health risks related to asbestos</li> <li>• List where asbestos is usually found</li> <li>• Analyze the dangers asbestos poses based on its location or use</li> <li>• Relay the extent of asbestos litigation in the United States</li> <li>• Summarize the EPA's operations and maintenance suggestions as they relate to asbestos</li> </ul>	Live Lectures and PowerPoint Handouts	20 minutes
Radon	<ul style="list-style-type: none"> <li>• Define what radon is and its source</li> <li>• List the health risks associated with radon</li> <li>• Relay how radon is measured and the zones in which it is most likely to exist</li> <li>• Determine when radon testing and mitigation are suggested</li> </ul>	Live Lectures and PowerPoint Handouts	30 minutes
International Building Code	<ul style="list-style-type: none"> <li>• Identify what the International Building Code is and its general guidelines</li> </ul>	Live Lectures and PowerPoint Handouts	15 minutes

**Total clock hours: 300 minutes**



## Habitability and Maintenance Final Exam

T F 1. True or False: As property manager you are expected to have an above average level of competency in the field of habitability and maintenance standards.

Formatted: Indent: First line: 0"

2. Real estate is a \_\_\_\_\_ asset. ~~Depreciating~~  
Real estate is a \_\_\_\_\_ asset.

- ☐ Appreciating
- ☐ Abundant
- ☐ Depreciating (Correct Answer)
- ☐ None of these

3. Which of the following is not a reason for achieving above average competency and knowledge of residential maintenance and habitability?

- a. Gaining the aAbility to analyze a problem
- b. Gaining the aAbility to identify an appropriate service technician
- c. Gaining the aAbility to understand the urgency of maintenance need
- d. Gaining the aAbility to impress complete strangers with your vast and diverse knowledge

B.T.U. stands for:

- ☐ Basic Thermal Unit
- ☐ British Thermal Unit (Correct Answer)
- ☐ Bavarian Temperature Unit
- ☐ Basic Time Unit



~~4. Write out the following abbreviations:~~

~~B.T.U. British Thermal Unit.~~

C.M.U. stands for:

☐ Construction Measuring Unit

☐ Contruccion Management Understanding

☐ Concrete Measurement Unit

☐ Concrete Masonry Unit (Correct Answer)

~~C.M.U. Concrete Masonry Unit.~~

~~U.B.C. Uniform Building Code.~~

**T F** 5. True or False: A shear wall is thin building wall that can be seen through.

Three different materials typically used for water supply piping are:

☐ Copper, galvanized, PVC

☐ Copper, galvanized, Pex

☐ Copper, galvanized, Polybutilane

☐ All of these (Correct Answer)

~~6. List three different materials typically used for water supply piping:~~

~~Copper, galvanized, plastic (PVC, Pex, Polybutilane)~~

**T F** 7. True or False: Copper pipes are joined by a technique called “sweating.”



- T F 8. True or False: Polybutylene pipe was developed in the 1970<sup>2</sup>s and was thought to be the “pipe of the future.”
- T F 9. True or False: Truss uplift is caused by the difference between controlled air surrounding the bottom chord and changes in ambient air temperatures and humidity surrounding the top chord.

### Four roof style types are:

- ☐ Gable, Gambrel, Mansard, and Salt box, (Correct Answer)
- ☐ Mansard, Salt box, Flat, and Seaford
- ☐ Shed, Hip Shed dormer, Single dormer, and Rhombus
- ☐ Gable, Gambrel, Mansard, and Destile

~~10. List four roof style types:~~

Gable, Gambrel, Mansard

Salt box, Flat, Shed, Hip

Shed dormer, Single dormer

~~11.10. Which of the following is not a commode part?~~

- a. Fluid Master
- b. Trap
- c. Bowl
- ~~d. Wax ring~~
- ~~e. d. GFI~~

- T F 12. True or False: Necessary repair of a door and/or window lock should be considered as emergency maintenance.



The three main methods for a property management operation to provide maintenance services are:

- ☐ In-House, Independent Contractors, Outsource
- ☐ Independent Contractors, Combination, Bidding
- ☐ In-House, Internally, Combination
- ☐ In-House, Independent Contractors, Combination (Correct Answer)

~~13. List the three main methods for a property management operation to provide maintenance services:~~

In House

Independent Contractors

Combination

T F 14. True or False: Providing in-house maintenance services for profit is a violation of Article 3 of the NARPM Code of Ethics.

T F 15. True or False: Maintenance requests must always be in writing to be valid.

16. Which of the following is not true of carbon monoxide?:

- a. Can be seen as a light yellow haze
- b. Odorless
- c. Non-irritating
- e-d. None of these

17. ~~List four~~ Which of these is not a possible sources of carbon monoxide in a residential dwelling:

- a. Oil or gas furnace
- b. Gas water heater
- c. mold spores (ans.)
- d. Wood stove

**Formatted:** List Paragraph, No bullets or numbering

**Formatted:** Numbered + Level: 2 + Numbering Style: a, b, c, ... + Start at: 1 + Alignment: Left + Aligned at: 1" + Tab after: 1.25" + Indent at: 1.25"

**Formatted:** Indent: Left: 1.13"



~~(Any fossil fuel burning appliance)~~.

18. Which of the following is not a symptom of carbon monoxide poisoning?

- a. Tightness across the forehead.
- b. Slight headache.
- c. Bleeding nose
- d. Flu like fatigue

T F 19. True or False: Mold destroys the substance ~~it~~they grows on.

20. Which of the following is not a symptom of mold irritation in humans:

- a. Aching joints
- b. Dizziness
- c. Nosebleeds
- d. Drowsiness

T F 21. True or False: Mold grows best in temperatures between 100 and 104 degrees.

T F 22. True or False: Three quarters of all homes built prior to 1978 used lead-based paints.

T F 23. True or False: Lead-based paint can cause abnormal fetal development in pregnant women.

24. Which of the following is not a lead disclosure responsibility for professional property managers?

- a. Provide the EPA pamphlet "Protect your family from lead in your home"
- b. Provide a lead warning statement to prospective tenants.
- c. Test for lead and provide results to tenants prior to occupancy.
- d. None of these are required

Formatted: List Paragraph, No bullets or numbering



25. (T)True or False: EPA identified asbestos as a hazardous pollutant on March 31, 1971.

Asbestos is a \_\_\_\_\_ material that is highly \_\_\_\_\_ to heat.

- ☐ Porous, Intolerable
- ☐ Fibrous, Resistant (Correct Answer)
- ☐ Rigid, Resistant
- ☐ Noble, Intolerable

26. Asbestos is a Fibrous material that is highly Resistant to heat.

Airborne asbestos is called:

- ☐ Noble
- ☐ Radon
- ☐ Spore
- ☐ Friable (Correct Answer)

~~27. Airborne asbestos is called Friable.~~

T F 28. True or False: Depending on how and where asbestos was applied, it might not pose any risk to most users of the building.

Radon is a \_\_\_\_\_ gas that is formed by the decay radium.

- ☐ Light



☐ Radioactive (Correct Answer)

☐ Explosive

☐ Blue

~~29. Radon is a radioactive gas that is formed by the decay radium.~~

T F 30. True or False: Radon is odorless and tasteless.

T F 31. True or False: The Uniform Housing Code was developed by the International Conference of Building Officials to promote workable standards between state and federal agencies.



NEW TAB





# NARPM® 101

## The Basics of Property Management

# Student Outline



Phone: 800-782-3452  
Fax: 866-466-2776  
E-mail: [info@narpm.org](mailto:info@narpm.org)  
**[www.narpm.org](http://www.narpm.org)**





## NARPM® 101: The Basics of Property Management



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

### Disclaimer

- NARPM® cannot represent the law or ordinances where you live or work.
- Any mention of fees or commissions is only to clarify the discussion with examples.
- Please refer to the NARPM® Disclaimer statement included in your binder.



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

### Class Schedule

- Breaks
- Lunch
- Share ideas and experiences
- Everyone participate
- Please, do not dominate discussion
- Please turn off all cell phones



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Introductions

- Your name
- Length of time as NARPM® member/In Business
- Company name, location, your position
- Number of properties/units
- Type of properties
- Price range
- Why are you taking this class?



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Why Own a Management Business?

- To be full service
- To be competitive
- To keep clients
- To make a sale
- To manage houses they own



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Why Own a Management Business?

- To generate income
- To develop residual income
- To build a business that can be sold
- To supplement another business
- Because you own rentals
- Did we miss something?



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Setting up a New Management Company



How do you get your  
new company to  
take root and grow?



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Four Start Up Models

- Within a sales brokerage firm
- Within a related business
- From scratch
- Buy an existing business



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Within a Sales Brokerage Firm Pros

- Not marketing to public
- Built-in infrastructure
- Escrow accounts
- Licensing in place
- Relationships in place



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



### Within a Sales Brokerage Firm

#### Cons

- Sales broker resistance
- Won't run it like a business
- More hassle than profit
- Sales brokers fear of new laws
- Little focus on education



June 2012

National Association of Real Estate Professionals

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

### Within a Related Business

#### Pros

- Immediate infrastructure
- Instant prospects
- Instant manpower



June 2012

National Association of Real Estate Professionals

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

### Within a Related Business

#### Cons

- Licensing issues
- Trust account
- Learning curves
- New laws
- Not primary business



June 2012

National Association of Real Estate Professionals

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## From Scratch Pros

- Total control
- Have something to sell
- Define your model
- You can start small



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## From Scratch Cons

- It will take time
- You don't have much help
- You have to be Jack or Jill of all trades



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Buy an Existing Business Pros

- The infrastructure is in place
- Start with a known business
- Processing vs. Creating



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Buy an Existing Business Cons

- May have surprises
- Clients may leave
- Steep learning curves
- A financial debt to support or large cash outlay initially



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## What Does a Property Manager Do?

- DRE's perspective
- Owner's perspective
- Tenant's perspective
- Staff's perspective
- Vendor's perspective



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Developing Your Team

- NARPM® Members
- Broker
- Attorney
- Insurance Agent
- Accountant



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---



## Developing Your Team

- IT person
- Banker
- Mentor
- Vendors
- Eviction service
- Tenant screening



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Join a Professional Trade Association and Earn Designations

- National Association of Residential Property Managers (NARPM®)
  - Residential Management Professional (RMP®)
  - Master Property Manager (MPM®)
  - Certified Residential Management Company (CRMC®)
  - Certified Support Staff (CSS™)



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Join a Property Management Trade Association and Get Designated

- INSTITUTE OF REAL ESTATE MANAGEMENT® (IREM®)
- CERTIFIED PROPERTY MANAGER® (CPM®)
- ACCREDITED RESIDENTIAL MANAGER® (ARM®)



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Options for Addressing Liability Issues

- Use an organizational structure that reduces liability
  - Corporations
  - Limited Liability Companies
  - Limited Liability Partnerships
  - Consult your attorney and accountant



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Options for Addressing Liability Issues

- Customer service your way out
- Buy your way out
- Get everybody else to insure up and add your company to the policy
- Be self-insured
- Get good insurance



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Insurance for You and Your Company

- General Liability
- Workman's Compensation
- Errors and Omissions (E & O: insurance)
- Wrongful Eviction Coverage



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Insurance for You and Your Company

- Wrongful termination insurance
- Employee dishonesty bond
- Lock box coverage
- Discrimination coverage
- Pollutants, lead paint insurance



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Insurance for Your Owner/Client

- Landlord coverage
  - All risk provision
  - Loss of rents
  - You as additional insured
  - Replacement value
- General Liability
- Umbrella Liability
- Renters Insurance



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Licenses Needed to be in Property Management

- Real Estate license
- Sales person's license
- Broker's license
- Property Manager's license
- No license required in some states
- Other



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



### **The Legal Foundation of your property management business**

- Laws that govern property management
- Documents effecting property management
- Policies generated for property management



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

### **Laws that Govern Property Management**

- Fair Housing Act as amended
- Fair Credit Reporting Act
- Residential Lead-Based Paint Hazard Reduction Act (Title X)/RRP Rule
- American with Disabilities Act
- Megan's Law (Sex Offender Act of 1994)
- Service Members Civil Relief Act (SCRA)
- Uniform Residential Landlord and Tenant Act



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

### **Fair Housing Act as Amended**

- Color
- Race
- Sex
- Familial Status
- National Origin
- Religion
- Disability



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Fair Credit Reporting Act

- Authorization to pull credit
- Keep it protected
- Adverse Action Letter
- Keep for three years



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Residential Lead-Based Paint Hazard Reduction Act (Title X)/RRP Rule (revised 2010)

Pre 1978 Housing

- Get owner's disclosure
- Have tenant sign it
- Give out federal pamphlet
- Don't ignore the obvious



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Americans With Disabilities Act (ADA)

In terms of property management, the ADA may impact items such as:

- A Property Management Office
- Commercial Properties
- Parking Garages



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



### **Megan's Law (Sexual Offender Act of 1994)**

- Have a written policy and follow it
- Will you investigate?
- Can you discriminate?



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

### **Service Members Civil Relief Act (SCRA)**

- Can't penalize them
- Cannot charge them for breaking lease
  - Must provide copy of orders
  - Can require 30-day notice in lease
- Can charge for property damages
- Anyone hired by the Department of Defense



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

### **Uniform Residential Landlord and Tenant Act**

- Regulates the Landlord-Tenant relationship at the Federal level
- Serves as a guide when states/local jurisdictions want to write their own statutes



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---


---

---



**State Laws that Regulate**

- Real Estate Licensing Commission
- State Fair Housing Laws
- Stigmatized Property Laws
- Landlord-Tenant Legislation



June 2012

National Association of Professional Property Managers

Copyright © 2009 NARPM®

---

---

---

---


---

---

---

**State Laws that Regulate**

- Agency laws
- State trust account laws
- Government subsidized housing
- Foreclosure laws



June 2012

National Association of Professional Property Managers

Copyright © 2009 NARPM®

---

---

---

---


---

---

---

**State Contract Law**

- Competent parties
- Proper age
- For a legal purpose
- With an ending date
- With consideration



June 2012

National Association of Professional Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---



## Local Laws

- Local zoning laws
- Number of occupants per bedroom
- Number of unrelated occupants
- Rent control regulations
- Local rental property laws



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Fire and Building Codes

- Double-cylinder deadbolts
- Smoke detectors
- Fire extinguishers
- Keyless deadbolts
- Carbon monoxide



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Community Association Rules and Regulations

- Regulating rental property
  - Limiting number of rentals
  - Requiring review of tenant and the lease
  - Owner responsible for actions of tenant
  - Rental intercept
- Tenant required to live by same rules as the homeowners of the association



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Time for Lunch



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

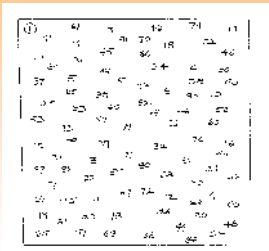
---

---

---

---

## Organizing Your Policies, Forms, Letters and Checklists



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Organizing Your Policies, Forms, Letters and Checklists



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Property Management Lifecycle

- Marketing for new owners
- Signing up the new owner
- Marketing the property
- Signing up the resident
- Ongoing management
- Move-outs
- Terminations



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Marketing for Owners

- Policies
  - Marketing documents
  - Fees
  - Maintenance management
- Flyer format
- Take NARPM marketing course



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Signing up New Owners

- Policies
- Owner sign-up docs
- Owner sign-up Q & A
- Owner sign-up tracking



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Market the Property

- Policies
- Marketing methods
- Marketing to Realtors
- Owner marketing reports



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Signing up the Resident

- Policies
- Application processing
- Approval / Denial document
- Lease documents
- Move in packet



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Ongoing Management

- Managing the money
- Managing the owner
- Managing the tenant
- Managing the property



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Managing the Money

- Rent collections
- Payment methods
- Owner statements
- Trust Account
- Balancing



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Managing the Owner

- Foreclosures
- Expired documents
- Authorizations
- Official notices



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Managing the Tenant

- Renewals
- Pet issues
- Roommates
- Lease violations
- Entering properties



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Managing the Property

- Policies
- Maintenance
- Lawn care
- HOA issues
- Property visits
- Home warranties
- Mold



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Move Outs

- Before move-out
- At move-out
- After move-out



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Terminations

- Pre-termination
- Post termination
- Trust account issues
- Dispute resolutions



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Closing

- When tenant owes money
  - Have a policy of what you do
  - Collections company
  - In-house process
- Owner wants to sell
- Tenant wants to buy



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Getting the Management Process Off to the Right Start

Setting Up the Owner Properly  
and  
Setting Up the Tenant Properly  
Makes Management Easy



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Marketing For Owners



Define your model

- What will you manage?
- Who will you manage for?
- Who will you manage?
- Where will you manage?



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Scope of Service

- For the lease-up
- For ongoing managing
- For maintenance support
- For renewals



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Developing a Target Market

- Company agents
- Association members
- New home prospects
- Foreclosed owners and tenants



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Developing a Target Market

- Direct to the Public
- I can't sell it
- Private landlords
- Investment groups
- Other Realtors



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Marketing/Outlining Your Services

- Post on websites
- Define your fees
- Summary of leasing



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Signing Up the Owner / Property



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Assessing the Owner

- Prove ownership
- Deed records
- Mortgage coupon
- Insurance policy



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Assessing the Property

- Is there an HOA?
- Are utilities on?
- Is it habitable?
- Are there hazards?



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Documentation

- Management Agreement
- Mortgage Disclosure
- Flood/Mold Disclosure
- Lead Paint Disclosure – Pre 1978
- Personal Property
- Insurance Rider
- Additional insured



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Signing the Documents

- Multiple owners
- Builder / developer
- Corporate owner
- LLC owned
- Estate-owned
- Land Trust



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Getting it Rented



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Marketing the Property

- Set qualifying guidelines
- Advertise the property
- Showing the property
- Reporting to owners



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Resident Sign-Up

### 10 Steps to Signing Up a Tenant



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## 1. Applications

- Written or electronic/online
- Multiple applications
- Application fees
- Required deposits



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## 2. Gathering Data

- Credit reports
- Residency history
- Employment history
- Criminal background
- Sex offender
- Eviction reports



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## 3. Evaluating Data

- Subjective / Objective
- Qualifying guidelines
- Scoring system
- Summary format
- Privacy issues
- Red Flags rule



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



#### 4. Negotiating with Tenant

- Higher deposits
- Installment deposits
- Co-signers
- Lock Them down
- Get the money
- Adverse Action Letter



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

#### 5. Owner Approval

- When to ask
- How to document their approval



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

#### 6. Preparing Documents

- The Lease
- Pet Addendum
- HOA Documents
- Insurance Disclosure
- Roommate Exhibit
- Inspection Policy



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## 7. Preparing Move-In Packages

- Inspection form
- Move-in report card
- Maintenance training
- Community information



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## 8. Lease Signing

- Signing the documents
- Where and when?
- By whom?



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## 9. Move-in Inspection

- When?
- By whom?
- Disputes
- Money issues



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## 10. Processing / Accounting

- Trust funds
- Commissions
- Copying tenants
- Copying owners



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Summary

- Owning and setting up a property management company
- The property management lifecycle
- Starting off right
- Signing up the tenant



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Other NARPM® Designation Class

- Habitability Standards and Maintenance
- Marketing
- Tenancy
- Operating an In-house Maintenance Company
- Maintenance: Basics & Beyond
- Owner/Client Essentials
- Owner/Client Advanced
- Personnel Procedures Essentials
- Personnel Procedures Advanced
- Risk Management Essentials
- Risk Management Advanced



June 2012

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



**THANK YOU FOR ATTENDING**

NOW IT'S TIME FOR...

THE EXAM

PLEASE COMPLETE THE EVALUATION FORMS.



June 2012

National Association of Professional Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## **Exhibits**

<b><u>Description (in the order they appear</u></b>	<b><u>Slide #</u></b>
---	-----------------------

1. The Legal Foundation	30
-------------------------	----

### **Lunch**

2. Property Management Lifecycle	48 & 53
----------------------------------	---------

3. New Owner Sign Up Example	50
------------------------------	----

4. Summary of Management Services	68a
-----------------------------------	-----

5. Shopping for a Professional Manager	68b
--	-----

6. Owner's Authorization to Lease	75a
-----------------------------------	-----

7. HOA Disclosure	75b
-------------------	-----

8. LLC Affidavit	76
------------------	----

9. Qualifying Guidelines	82a
--------------------------	-----

10. Verifying Income and Residency	82b
------------------------------------	-----

11. Official Notice of Approval	83a
---------------------------------	-----

12. Notification of Denial of Application	83b
---	-----

13. Owner's Authorization to Lease	84
------------------------------------	----

14. Pet Policy	85
----------------	----

15. Move In Checklist and Report Card	86
---------------------------------------	----

### **Exercise Pages**

Not to be included in student packet/handout. For instructor to distribute only.

First one (without the lines)	46
-------------------------------	----

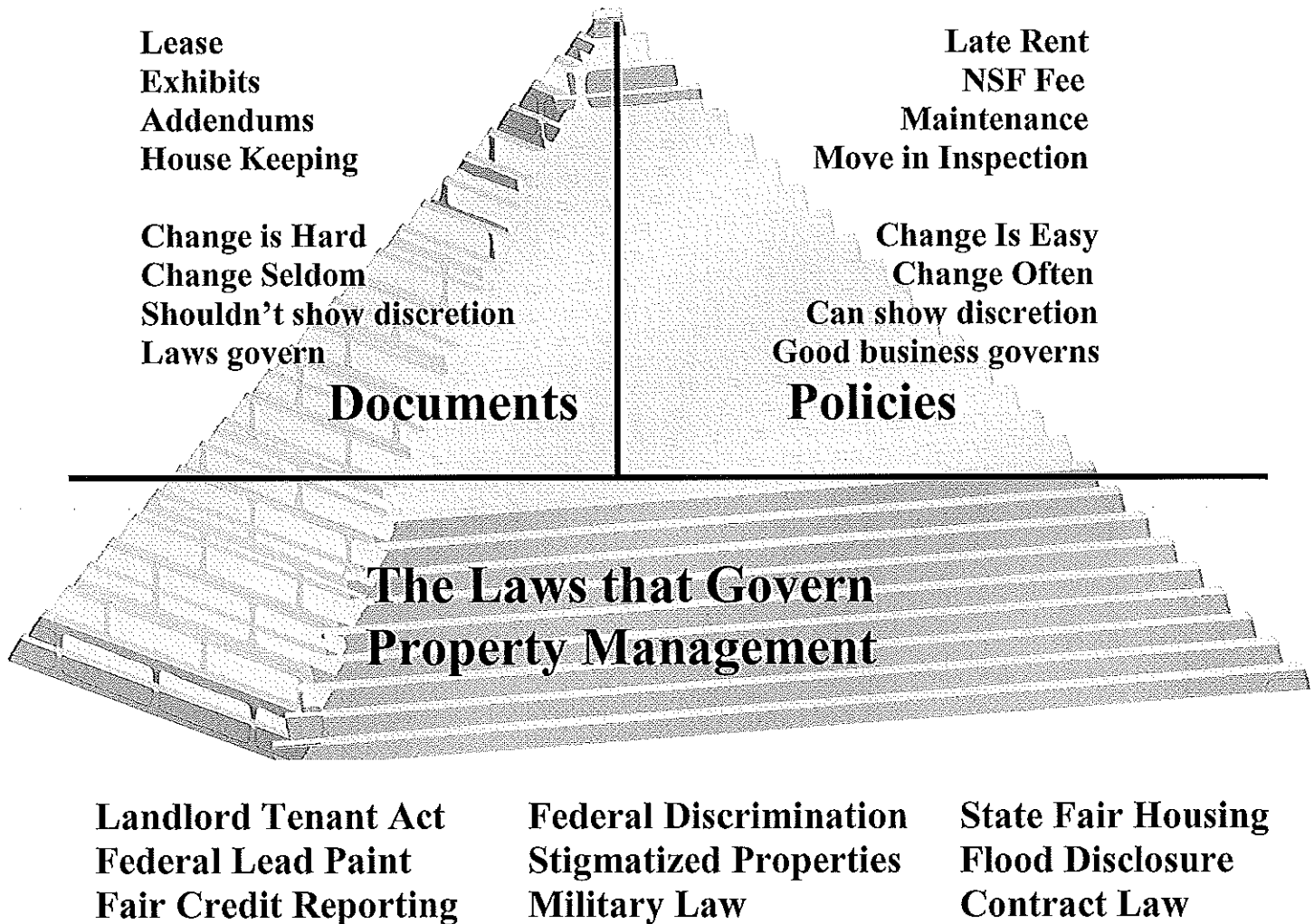
Second one (with the lines)	47
-----------------------------	----



Crown Investor Institute, LLC

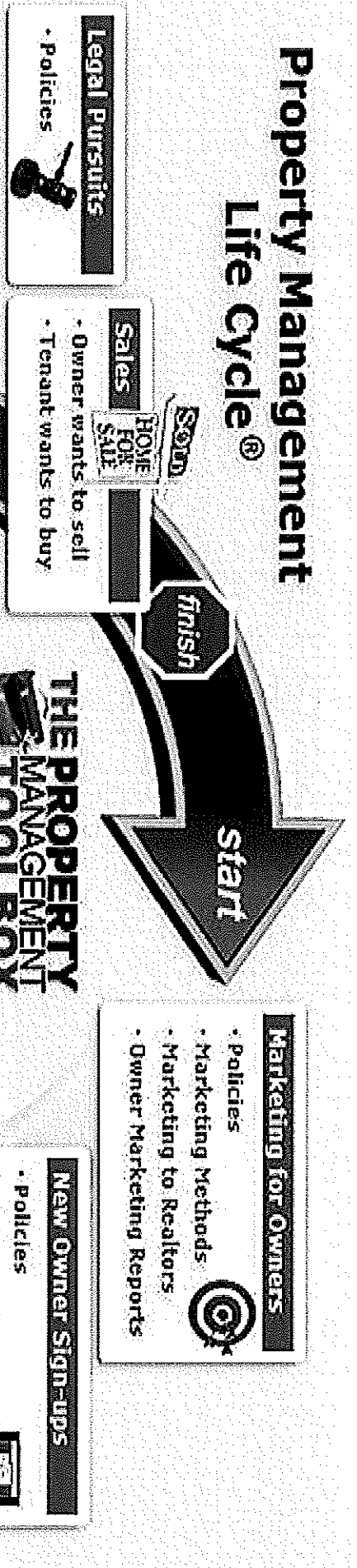
# The Legal Foundation

## of your property management business





# Property Management Life Cycle<sup>®</sup>



## Ongoing Management

### MANAGING the PROPERTY

- Policies
- Maintenance
- Lawn Care
- HOA Issues
- Home Warranties
- Property Visits

### MANAGING the TENANT

- Renewals
- Pet Issues
- Roommates
- Lease Violations
- Entering Properties

### MANAGING the OWNER

- Policies
- Foreclosures
- Expired Documents
- Authorizations
- Official Notices

### MANAGING the MONEY

- Rent Collection
- Payment Methods
- Owner Statements
- Trust Account
- Balancing



## **Leasing & Marketing Documents Table of Contents**

### **New Owner Sign Ups**

#### **Policies**

- All About pets
- All about lawn care
- Critical issues when choosing a Property Manager
- Here's what it takes to get started
- Limiting smoking in the lease
- Establishing & maintaining your escrow account
- Managing houses with pools
- Sample monthly owner statement
- Sample year end owner statement
- Things you can't turn over to your manager

#### **Owner Sign-ups Documents**

- Exclusive leasing, management and brokerage agreement 2009
- Authorization to add Crown as additional insured
- HOA Disclosure
- Personal Property Disclosure
- Hot tub exhibit to management agreement
- New home warranty owner sign up document
- Mold / mildew / moisture disclosure

#### **House Keeping Documents**

- Cooperation agreement
- New home warranty program
- New utilities and warrantee information
- Power of Attorney
- Property features
- Scheduled Maintenance Choices
- Tenant placement
- W-9 document

#### **Special Exhibits & Addendums**

- Certificate of Trust
- Investor addendum for special fees
- Corporation affidavit and certification of authority
- Limited Liability Company affidavit and certification of authority
- Limited partnership affidavit and certification of authority
- Limiting smoking in the lease
- **Owner Sign Ups Q & A**
- Most commonly asked questions about Owner Sign Up's

#### **New Owner Sign Ups Tracking**

- New owner sign up report



# Leasing & Management Services



Crown currently manages 700 rental houses in the north, east and west metro Atlanta area. We have a full staff of property management professionals who market properties, lease them, move tenants in, collect rent, handle maintenance, provide monthly reports to owners, move tenants out and provide full turnkey services.

## Leasing Services

### Pre-Marketing Services

[Request a Proposal](#)

- **We review rental market conditions** in the metro Atlanta area. We provide an up to date thorough rental market analysis to help set your expectations as to what your home could rent for.
- **Getting your home ready to rent**  
We advise our clients on what it takes to prepare your home in today's market.

### Marketing the Property

- **Internet Advertising**  
The Best and Most complete Internet advertising in town. We use the most popular and effective sites in the industry for rental hosting and spend over \$5,000 per month on these services to get you the most bang for your buck.
- **FMLS**  
We use Georgia's #1 multiple listing service (FMLS). This allows us to open the door to outside real estate agents to increase traffic to your home.
- **Classified Ads**
- **Professional Real Estate 'For Rent' Sign**
- **Showing Your Home**  
Our licensed leasing agents show property seven days a week and are available at any time to help tenants find just the right home. They also provide reports to owners with viewing statistics, feedback from prospects & property conditions throughout the marketing process until your home rents.

### Screening the Applicant

After approving over 7,000 tenants, and making plenty of mistakes, we've paid for our learning curves so you don't have to. We evaluate the information and figure out how to secure the owner with large security deposits and co-signers. Here's what we do.

- **Pull Credit Report**
- **Verify Employment & Proof of Income**
- **Confirming previous Rental history**



## **Move-In Procedures**

- **Re-Keying** your property prior to move in by a licensed professional locksmith
- **Reviewing and signing the lease** prepared by the law firm of Dickenson Gilroy, LLC.
- **Move-In Inspection** sets the basis for withholding the security deposit after move out.
- **Collecting Security Deposit** after move in inspection as required by Georgia law
- **Turn over new keys** to new tenant

## **Management Services**

---

### **How We Manage the Tenant**

**Request a  
Proposal**

Managing the tenant is a people challenge, an enforcement challenge, and a compliance challenge. It takes vigilant staff and constant adherence to the law, the lease and the rules of customer service. Few do it well. Crown does it exceptionally well.

- Our primary job - Enforcing the Terms of the Lease
- Collecting Rent
- Handling bounced/NSF checks
- Assessing and collecting late fees
- Managing eviction process
- Managing safety issues
- Handle HOA violations
- Handling move-out inspections and battles over security deposits

### **How We Manage the Property**

Managing your home or investment is laborious work. Houses breakdown whether they are new or aging. Tenants expect repairs to be made yesterday and the law mandates we respond quickly. Our experienced staff knows how to handle high pressure situations the right way when you need it most.

- Managing Normal Maintenance Breakdowns
- Oversee Contractor Rehabs, Renovations, and Major Replacements.
- Handling Emergencies - 24-hour Hotline
- Pre-Screening Vendors
- Managing Vendor & Contractor Response Time
- Property Visits every 6 months
- Managing Utilities Between Tenants
- Schedule & oversee optional Preventative Maintenance Choices

### **How We Manage Your Money**

Our most important focus is managing your money. State law governs how real estate brokers handle other people's money. In Georgia, the same trust account laws that govern closing attorneys also govern us. We must adhere to a strict set of money handling rules and there are no options.

- Depositing Rent into our Trust Account
- Establish and Maintain Owner's Escrow Account
- Disbursing Money to Owners on the 15th of every month
- Meet with Accountant



- Year End Reporting/1099
- Request for proposal

## What makes Crown different?

**The Myth:** all property managers are pretty much the same. They lease properties, collect rent, respond to maintenance, handle neighbor complaints, and send monthly statements.

**Request a  
Proposal**

**The Truth:** Crown is different than most property managers. These differences pay off big for you.

- **Crown is a direct member of the credit bureau (Equifax).**  
Not many property managers can say this and it's a big deal!
- **Partnership with Dickenson Gilroy law firm.**
- **Marketing your home in FMLS.**  
Crown's available properties are marketed through Atlanta's largest multiple listing service, FMLS. Most local property managers do not list your properties in FMLS to avoid costly listing fees and paying outside agents co-op and referral fees.
- **30 years Experience of Leasing & Managing in this town.**  
Experience is a great teacher. 30 years, 7,000 tenants, hundreds of visits to court, and many battles with tenant's attorneys, have given us a lot of experience that guides our response to every situation.
- **Academic Credentials**  
Crown's staff has every academic credential offered by our trade associations in property management including our broker being a Master Property Manager, and our company receiving the coveted Certified Residential Management Company.
- **Insurance Coverage**  
Crown has every insurance imaginable to protect you and Crown. Crown has: General Liability; Worker's Comp; E&O Insurance; Discrimination Liability Insurance; Employee Dispute Insurance; Lockbox Liability Insurance; Fidelity or Dishonesty Bond; Pollutants, asbestos, radon or lead paint insurance; and Wrongful Eviction Coverage.

When you add it to 30 years of experience, plus a great customer service attitude, you end up with a safe company to do business with.

**Request a  
Proposal**

« [Back to FindMeARenter.com home](#)



# Shopping for a Professional Manager?

Be sure you are asking the right questions

Questions	Crown	Other	Other
Are they licensed brokers? (It is required in Georgia)	Yes		
How long have they managed rentals in Atlanta?	30 Years		
How many homes do they manage?	700		
How many full time staff in their management department?	24		
Do they have an attorney draft each lease?	Yes		
Are they a member of the credit bureau or do they use a third party subscriber?	Member		
Do they report the tenant's payment history monthly to the credit bureau ?	Yes		
Do they offer Visa, MasterCard, E-Check, and ACH to tenants and owners?	Yes		
Do they advertise in the Atlanta Journal and Constitution each week?	Yes		
Does any staff member hold a "Residential Management Professional" (RMP) designation?	Yes		
Does any staff member hold a "Master Property Manager" (MPM) designation?	Yes		
Are they a Certified Residential Management Company (CRMC)?	Yes		
Do they offer a toll free 1-800 number?	Yes		
Will your home have pictures on a website? How many sites?	Yes / 27		
Will they list your property in Atlanta's Multiple Listing Service?	Yes		
Will the manager allow other realtors to show their properties?	Yes		
Are they a member of National Association of Residential Property Managers (NARPM.org)?	Yes		
Do they manage rentals full time or as a sideline to another business?	Full time		
Do they do regular property visits?	Every 6 months		
Do they offer preventative maintenance options?	Yes		
Do they offer lease purchase programs?	Yes		
How many lease purchases have they done?	400+		
Will they give you a list of references?	Yes		
Do they represent you exclusively or do dual agency?	Exclusive		
Do they coordinate maintenance on your behalf or relinquish this duty to you?	Coordinate		
Do they prepare detailed monthly financial reports?	Yes		
Do they offer direct deposit banking?	Yes		
Do they have General Liability Insurance?	Yes		
Do they have Workman's Compensation Insurance?	Yes		
Do they have Errors and Omissions Liability Insurance?	Yes		
Do they have Discrimination Liability Insurance?	Yes		
Do they have Employee Dispute Insurance?	Yes		
Do they have Lockbox Liability Insurance?	Yes		
Do they have a Fidelity or Dishonesty Bond?	Yes		
Do they have Pollutants, asbestos, radon or lead paint insurance?	Yes		
Do they have Wrongful Eviction Insurance?	Yes		
Do they offer a 24-hour emergency maintenance hotline?	Yes		
Do they have a live answering service or an auto attendant?	Live		
Do they offer an open door client "walk in off the street" policy?	Yes		
Do they offer lease without management also?	Yes		



Crown Realty & Management Corporation  
**Owner's Mortgage Disclosure**

Professional property managers are getting increasingly nervous over the possibility of an owner letting their rental property go into foreclosure after we have rented it. Over the last 30 years we have experienced about twenty foreclosures and they all happened in the past year. This disclosure is our attempt to emphasize the importance of keeping Crown informed if your loan goes into default, and remind you of the carnage you cause if it goes into foreclosure while a tenant is there under a lease with Crown.

**Address** \_\_\_\_\_

**As the owner of a property given to Crown to lease I understand and agree as follows:**

1. I declare that my loan(s) on the subject properties are not in default at this time.
2. I promise I will notify Crown, in writing, within 15 days, if my loan(s) go into default.
3. I agree to keep Crown informed if my loan(s) enters a foreclosure process.
4. I understand that Crown is contracting the right of occupancy and the right of quiet enjoyment to a tenant under a lease and a foreclosure would substantially threaten those rights; may force the tenant to move under very difficult conditions, and may generate a legal action for damages against Crown and/or the Owner. Owner agrees to defend and hold Crown harmless if such a suit results from a foreclosure of the owner's property.  
**Note:** The new Obama law regarding 'tenant's rights in a foreclosure' allows the tenant to remain in the property under the new owner (lender) through the end of their lease so it is highly unlikely that the tenant will have to move shortly after a foreclosure. This new law makes it unlikely that a tenant will sue over 'loosing quiet enjoyment of the property' because they get to stay, but the possibility of some legal action still exists.
5. I understand that Crown is leasing my property based on my representation that the loan(s) are current and that I will notify them in writing of any changes.

**X**

\_\_\_\_\_  
**Owner's Signature**

\_\_\_\_\_  
**Date**



# Limited Liability Company Affidavit and Certification of Authority

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

**BEFORE ME**, the undersigned \_\_\_\_\_  
personally appeared, who being first duly sworn, deposes and says that:

1. This affidavit is being made pursuant to the real property located \_\_\_\_\_, Georgia, \_\_\_\_\_ zip, \_\_\_\_\_ county; (or the personal property described as \_\_\_\_\_) a full description is attached hereto as exhibit "A" and made a part hereto by reference (hereinafter "Property"); and
2. The Property is owned by a Limited Liability Company registered in the state of \_\_\_\_\_, is currently in an "Active" status with the Secretary of State of \_\_\_\_\_ and is duly authorized to do business in the state of Georgia; and
3. The name of the Limited Liability Company is \_\_\_\_\_ (hereinafter "Company"); and
4. The undersigned has been appointed to act as the (select one) \_\_\_ Managing Member; \_\_\_ Manager; or \_\_\_\_\_ of the Company by those having authority to appoint such positions for the Company; and
5. The undersigned has been appointed to said position as defined in the entity's Operating Agreement (or by subsequent Company directive) originally dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.
6. The entity Operating Agreement has not been amended, revoked, or modified in any manner whatsoever, which would cause the representations in this certification to be incorrect; and
7. The undersigned has been authorized to, and is acting with full power and authority to buy, sell, grant, convey, lien, mortgage, pledge, collateralize, hypothecate, execute contracts regarding, repair and borrow money against, all of the Property identified herein; and
8. The federal tax identification number for reporting any taxable events of the Company is \_\_\_\_\_; and
9. Proceeds for any business transacted by and for the Company shall be distributed as follows: all checks, electronic funds transfers, to be made out to \_\_\_\_\_.
10. All mail (or checks) sent to the Company should be addressed as follows:

The signatory hereof declare that the foregoing statements are true and correct, under penalty of perjury.

IN WITNESS WHEREOF, aforesaid Affiant have hereunto set his/her/their hand(s) and seal(s) this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**X** \_\_\_\_\_  
Witness

**X** \_\_\_\_\_ (Seal)  
Affiant

Print Name \_\_\_\_\_

Sworn to me and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**X** \_\_\_\_\_  
Notary  
My Commission Expires: \_\_\_\_\_



**Qualifying Guidelines**

Agent \_\_\_\_\_

Address \_\_\_\_\_ Owner \_\_\_\_\_

Applicant \_\_\_\_\_ Phone \_\_\_\_\_

Phone \_\_\_\_\_ Phone \_\_\_\_\_ Phone \_\_\_\_\_

Email \_\_\_\_\_ Email \_\_\_\_\_

Fax \_\_\_\_\_

**Credit Scores and Requirements****I. 700+**Can negotiate deposit  
APM 1 month**II. 675+ APM 1 month**

Can negotiate deposit

**III. 650+ APM 1 month****IV. 625+ APM 1 month****V. 600+ PM 1 month****VI. 575+ PM 1.5 mo's****Under 575 needs SPM****VII. 550 PM + SPM  
2 months + owner****550 under needs Broker****VIII. 525+ PM SPM RL  
2.5 months dep + owner****IX. 500+ PM, SPM, RL  
+ owner  
3 months' deposit****X. Under 500  
PM, SPM, RL, + owner  
4 months deposit**

MoveIn Dt \_\_\_\_\_

Term \_\_\_\_\_ mo's

Rent Offer \_\_\_\_\_

Market \_\_\_\_\_

Pets \_\_\_\_\_

Type \_\_\_\_\_

Sec Dep \$ \_\_\_\_\_

App fee pd? Yes No

Rental Deposit Paid

\$ \_\_\_\_\_

Agent Reports Home

Rent Ready?  
\_\_\_\_\_

Credit \_\_\_\_\_ / \_\_\_\_\_

\_\_\_\_\_ Empl. verified

\_\_\_\_\_ Copy Pay stub

\_\_\_\_\_ Self-Employed

\_\_\_\_\_ Offering terms

\_\_\_\_\_ resid. verified

**Negative Marks**

\_\_\_\_\_ Owes landlord  
 \_\_\_\_\_ 1 incom=-1 cat  
 \_\_\_\_\_ 2 incom= +1 cat  
 \_\_\_\_\_ Recent Bankrp  
 \_\_\_\_\_ Owes former/  
 \_\_\_\_\_ current landlord  
 \_\_\_\_\_ Recent Foreclos  
 \_\_\_\_\_ Owner doing  
 \_\_\_\_\_ turnkey?

**Approved / Denied**  
 By \_\_\_\_\_

**Final Agreement**  
 Term \_\_\_\_\_

Rent \$ \_\_\_\_\_

Deposit \$ \_\_\_\_\_

Rent Starts \_\_\_\_\_

Occupy Date \_\_\_\_\_

\_\_\_\_\_ Notify Agent

**Contingencies:**  
\_\_\_\_\_  
\_\_\_\_\_**Communication:**  
\_\_\_\_\_  
\_\_\_\_\_



## Verifying Income & Residency

Our job is to secure the lessee's promises to pay the rent and fulfill the promise in the lease. We need to verify their ability to pay the rent. This is harder than it looks.

**Verbal is ok if you document who you spoke with, date, answer questions. Be careful of relatives, boyfriends verifying employment. Listen for a company answer not "hello"**

### Currently employer verification

Are they employed here? \_\_\_\_\_  
 For about how long? \_\_\_\_\_  
 Is their job secure? \_\_\_\_\_  
 They said they made \$ \_\_\_\_\_  
 Is that about right? \_\_\_\_\_  
 Anything else you can tell me about their job? \_\_\_\_\_

Who am I speaking with? \_\_\_\_\_  
 Thank you

### Currently employer verification

Are they employed here? \_\_\_\_\_  
 For about how long? \_\_\_\_\_  
 Is their job secure? \_\_\_\_\_  
 They said they made \$ \_\_\_\_\_  
 Is that about right? \_\_\_\_\_  
 Anything else you can tell me about their job? \_\_\_\_\_

Who am I speaking with? \_\_\_\_\_  
 Thank you

**Pay-stubs are less desirable** but a good temporary way to verify as long as we ultimately get employer to verify.

### Self-Employed

Need pay stubs and last tax return (1<sup>st</sup> 4 pages)  
 Needs Broker oversight

### Retirement or disability income

Needs history of receipts of checks  
 Copies of checks, deposits in account,

### No income but lots of money

Must be able to verify  
 Bank accounts can be manufactured  
 If this is income proof  
 Broker must oversee

### Child support / Alimony

Tough to verify  
 Need proof, deposits proof  
 Copies of checks  
 Broker oversight

### Verified Income

#1 \_\_\_\_\_ \$ \_\_\_\_\_  
 #2 \_\_\_\_\_ \$ \_\_\_\_\_  
 #3 \_\_\_\_\_ \$ \_\_\_\_\_  
 Total Income \$ \_\_\_\_\_  
 Rent \$ \_\_\_\_\_  
 Ratio \_\_\_\_\_ %

### Residency Verification

Contact Landlord (same as co-applicant? Y N)

Verify Company Name \_\_\_\_\_

Spoke with? \_\_\_\_\_ Title: \_\_\_\_\_

"How long have they rented?" \_\_\_\_\_

"How much is rent?" \_\_\_\_\_

"Have they given notice?" \_\_\_\_\_

"How many NSF's?" \_\_\_\_\_

"Would you rent to them again?" \_\_\_\_\_

If private owner, can we verify ownership with

Realist? \_\_\_\_\_

**X**

Caller's Signature \_\_\_\_\_

Date \_\_\_\_\_



**Owner's 'Home Owners Association' Disclosure****Address** \_\_\_\_\_

Home Owner Associations have given property managers, and private landlords, serious grief over the last five years and we see it getting worse. HOA's have enormous power over the communities they manage and they are not to be ignored. When they 'have it in for rentals' they can cause serious problems. **This is Crown's attempts to emphasize to our owners that HOA's can become big challenges and that we need the owner to stay involved to get them resolved.**

**The owner putting their property on the rental market with Crown understands and agrees that:**

- 1. They will make themselves aware of the HOA rules** of the association managing their community (specifically as it affects rentals) before Crown rents the property and agrees to copy Crown any substantive (and subsequent) rule changes that can have a direct affect on the residency of a tenant in that community.
  - 2. Owner understands that in the Crown rental agreement 'lawn care' is passed along to the tenant, in addition to 'an agreement to comply with HOA's rules and regulations.'** We can't always get the tenants to follow the rules but at least 'they have agreed to follow them in the Crown lease.'
  - 3. Owner understands that HOA's don't want to deal with third parties** (property managers) so the owner 'must stay in the communication loop' regarding HOA complaints.
  - 4. Owner understands that when there is an HOA problem to solve Crown can't always get the tenant to jump in and address it as quickly as the HOA wants.** If neglected the HOA could access fines against the owner. Owners need to stay involved and recognize that ultimately they (the owner) are responsible to the HOA for compliance challenges, no matter what the tenant agreed to in the lease.
  - 5. Owner understands that failure to pay their association dues may cause serious challenges for the tenant, owner and Crown.** If you fail to pay your dues and assessments the HOA could deactivate the tenant's gate key to the community preventing access to their property, deny access to amenities like pools and club houses, or access additional fines against you and/or the tenant. These unresolved events could cause a serious disruption to the 'quiet enjoyment' promised in the lease. These 'reduction of services' could cause a 'constructive eviction' (a termination of the lease) as well as legal battles with the tenant. Owner agrees to keep their association dues current.
  - 6. Owner understands that the only power Crown has over the tenant's behavior is to 'default the lease and threaten to evict them.'** We can't force them to seed the yard, put out pine straw, trim the shrubs or get rid of the weeds. If they fail to do these things, after letters and phone calls, all we can do is threaten to evict them. Owner understands that Crown will not default the lease, or threaten to evict the tenant, without the owner's written permission. Defaulting the lease is a serious matter and may cause them to move out. Vacancies can cost you a small fortune and you'll still have the HOA problem to deal with.
  - 6. Owner understands that occasionally HOA's battles get out of control** requiring Crown to attend extra meetings with HOA managers, tenants, and extra trips to the property, for which Crown will bill the owner.
- Association issues that may affect a renter in the community:**
- |  | Yes                      | No                       |
|--|--------------------------|--------------------------|
| <b>(a) Are you aware of a Home Owner Association overseeing this community?</b>            | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>(b) Have you reviewed the community association rules regarding leasing?</b>            | <input type="checkbox"/> | <input type="checkbox"/> |
| If yes, are there any special rules regarding leasing?                                     | <input type="checkbox"/> | <input type="checkbox"/> |
| If yes, are there any documents for renters to sign?                                       | <input type="checkbox"/> | <input type="checkbox"/> |
| If yes, have you provided the manager with copies of the rules, forms etc?                 | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>(c) Is there any special signage we must use to market a rental in this community?</b>  | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>(c) As of the signing of this disclosure, are you current on your association dues?</b> | <input type="checkbox"/> | <input type="checkbox"/> |

Disclosures:

By typing my full name below I hereby warrant I have read, understand, and agree with all of the above.

**Owner X** \_\_\_\_\_ **Co-Owner X** \_\_\_\_\_ **Date** \_\_\_\_\_

Print

Submit



**Crown Realty & Management Corporation**  
**Official Notice of Approval**

Date: \_\_\_\_\_

Email/Fax: \_\_\_\_\_

Address: \_\_\_\_\_

Applicant(s): \_\_\_\_\_

**YOUR APPLICATION IS APPROVED.**

☐ We have processed your rental deposit. The property has been taken off the market and reserved for you. This deposit is non-refundable and applied to first month's rent at move in.

☐ As soon as we receive your reservation deposit, and this form is signed and returned, we will reserve the property for you. This deposit is non-refundable and applied to first month's rent.

Go to [www.crowngeorgia.com](http://www.crowngeorgia.com)  
for payment options

*Note: This property continues to be shown to prospective tenants until this form and money are received by Crown.*

Start date for rent: \_\_\_\_\_

Target move-in date: \_\_\_\_\_

Initial Term: \_\_\_\_\_ months

Rent amount: \$ \_\_\_\_\_

☐ Co-signer Required

☒ Driver's license required before move in

**Contact our agent to schedule your Move-In  
Inspection and sign your lease.**

Agent: \_\_\_\_\_

Cell Phone: \_\_\_\_\_

Email: \_\_\_\_\_

**RESIDENT IS RESPONSIBLE FOR  
ALL UTILITIES.**

Power Company: \_\_\_\_\_

Water Company: \_\_\_\_\_

Garbage Pick-up: \_\_\_\_\_

Phone Company: any provider

Natural Gas Company: \_\_\_\_\_

**Amount Due to Reserve Property**Application Fee(s) \$ 70.00

First Month's Rent + \_\_\_\_\_

Total Amount Due = \_\_\_\_\_

Minus Monies Paid - \_\_\_\_\_

**Net Due to Reserve Property** \$  
**Amount Due at Move-In**

Refundable Security Deposit \$ \_\_\_\_\_

Admin Fee + \_\_\_\_\_

Net due to reserve property + \_\_\_\_\_

**Total Due at Move-In** \$  

**Cashier's Check or Money Order Only**  
(No personal checks accepted)

**Due Next Month**

Rent for \_\_\_\_\_ is \$ \_\_\_\_\_

and is due on \_\_\_\_\_

Thereafter Monthly Rent is \$ \_\_\_\_\_

Acknowledge receipt this \_\_\_\_\_ day of  
\_\_\_\_\_, 20 \_\_\_\_.

**X**

Applicant's Signature

**Sign & fax back to 770-992-6725  
within 24 hours to confirm your  
reservation or this home will remain on  
the market.**



## Fair Credit Reporting Notification

Date:

Name:

Subject Property address:

RE: Application for leasing -- Fair Credit Reporting Notification

We are informing you that we are exercising adverse action on your application for a rental property with Crown Realty & Management Corporation. We are hereby informing you of certain information pursuant to the Fair Credit Reporting Act, 15 U.S.C. Section 1681, et seq., as amended by the Consumer Credit Reporting Reform Act of 1996 (Public Law 104-208, the Omnibus Consolidated Appropriations Act for the Fiscal Year 1997, Title II, Subtitle D, Chapter).

1. We have denied your application (or we are requiring additional information, deposits, co-signors, or other requirements based on the following:
  - ☐ **Information contained in a consumer credit report** obtained from the consumer credit reporting agency named in paragraph 2 of this letter.
  - ☐ **A consumer credit report containing insufficient information** obtained from the consumer credit reporting agency named in paragraph 2 of this letter.
  - ☐ **Information received from a person or company** other than a consumer reporting agency. You have a right to make a written request to us within 60 days of receiving this letter for a disclosure of the nature of this information.
  - ☐ **Inadequate information: The application requires certain information that you failed to provide.**
  - ☐ **Other**
2. When a credit report is used in making the decision, Section 615(a) of the Fair Credit Reporting Act requires us to tell you where we obtained that report. The consumer reporting agency that provided your report was:
  - ☒ Equifax Credit Information Service, PO Box 740241, Atlanta, GA 30374-2041. Phone: 1-800-685-1111.
  - ☐ Experian (TRW) Consumer Assistance, PO Box 949, Allen, TX 75002. Phone: 1-800-858-8336.
  - ☐ The Registry, 4279 Roswell Road, Building 102, Suite 260, Atlanta GA 30342. Phone: 1-800-811-3491.
3. Pursuant to Section 615 of the Fair Credit Reporting Act, we are notifying you that the above noted agency only provided information about your credit history. It took no part in making the decision to reject your rental application, nor can it explain why the decision was made.

You have certain rights under federal law, as explained in more detail in paragraphs 5-6 below. Pursuant to the Fair Credit Reporting Act, you have a right to obtain a copy of your credit report, dispute its accuracy, and provide a consumer statement describing your position if you dispute the credit report. If you believe your report is inaccurate or incomplete, you may call the consumer reporting agency at its toll-free number listed above, or write to it at the listed address.

4. Pursuant to Section 612 of the Fair Credit Reporting Act, you have the right to obtain a free copy of your consumer reporting agency whose name is checked above. You must request the copy within 60 days of the date you receive this letter.
5. Pursuant to Section 611 of the Fair Credit Reporting Act, if you dispute any of the information in your report, you have the right to put into your report a consumer statement of up to 100 words explaining your position on the item under dispute. Trained personnel are available to help prepare consumer statements.
6. You may have additional rights under the credit reporting or consumer protection laws of your state. For further information, you can contact your state or local consumer protection agency or your state attorney general's office.

Sincerely,

Crown Realty & Management Corporation



Crown Realty & Management Corporation  
**Owner's Authorization to Lease**

Re: Property located at

Dear \_\_\_\_\_,

Approving this applicant falls outside our scope authority. We need your permission to proceed.  
 Description of the issues:

- ☐ Applicant's credit does not fall within our normal guidelines.  
 Credit score 1<sup>st</sup> applicant is between \_\_\_\_\_ and \_\_\_\_\_  
 Credit score 2<sup>nd</sup> applicant is between \_\_\_\_\_ and \_\_\_\_\_  
 Credit score 3<sup>rd</sup> applicant is between \_\_\_\_\_ and \_\_\_\_\_  
 Credit score of co-signer is between \_\_\_\_\_ and \_\_\_\_\_
- ☐ Applicants employment does not meet our normal qualifying standards.
- ☐ Applicants residency history, does not meet our normal qualifying standards
- ☐ Applicant is requesting a \_\_\_\_\_-month lease term with \$\_\_\_\_\_ rent increase.
- ☐ Applicant has \_\_\_\_\_ pets
- ☐ Applicant needs an Early Termination Clause
- ☐ Contingencies to lease:

Other:

Rent amount \$\_\_\_\_\_,

Security Deposit \$\_\_\_\_\_,

Target Move-In date \_\_\_\_\_, **Do not turn off utilities until you hear from our  
 leasing agent that "the tenant has moved in."**

Owner hereby **approves** ☐ or **denies** ☐ this application and authorizes Crown to proceed accordingly.

**X** \_\_\_\_\_ Date \_\_\_\_\_  
 Owner Signature

Please fill out and type in your signature with the date and send back to us via email  
 -or-  
 Sign and Return by Fax to 770-992-6725 **Attention**



## Crown Realty &amp; Management Corporation

**Pet Policy – Rules and Agreement Exhibit “A”**

THIS EXHIBIT IS ATTACHED HERETO AND MADE A PART OF A LEASE BETWEEN:

(HEREIN CALLED "RESIDENT") AND CROWN REALTY &amp; MANAGEMENT CORPORATION (HEREIN CALLED "MANAGEMENT") ON PROPERTY

LOCATED AT: \_\_\_\_\_ DATED: \_\_\_\_\_

☐ **No Pets**

No animals, birds or pets of any kind shall be permitted on Premises without consent of Management. If Management discovers a pet on the Premises, whether or not owned by Resident, Management shall assume pet has been there from the date of possession and Resident agrees to pay additional rent of \$75.00 per month beginning the date the Resident took possession. In addition to this rent, undisclosed pets may result in default in the Agreement at the sole discretion of Management.

☐ **Yes Pets**

Describe pet(s) in detail (name, breed, size, etc.): \_\_\_\_\_

**Amend stipulation #13 to allow the following conditions:**

EACH OF THE UNDERSIGNED REPRESENTS AND WARRANTS THAT HE IS NOT AWARE OF ANY INSTANCE WHERE HIS PET HAS BITTEN A PERSON AS OF THE EXECUTION OF THIS AGREEMENT. MANAGEMENT RESERVES THE RIGHT NOT TO RENT TO ANY RESIDENT WHO HAS AN ANIMAL THAT COULD BE CONSIDERED DANGEROUS OR WHICH COULD SUBJECT RESIDENT, OWNER OR MANAGEMENT TO LIABILITY. IF MANAGEMENT REQUESTS, RESIDENT AGREES TO PROVIDE AND SHOW PROOF OF RENTER'S INSURANCE NAMING MANAGEMENT AS ADDITIONAL INSURED.

1. Resident accepts full responsibility for keeping the pet under control at all times, and must comply with any and all governmental ordinances or any property damage or personal injury shall be the sole responsibility of the Resident. Resident herewith releases and agrees to indemnify and hold harmless Owner and Management for any property damage, personal injury or any other liability incurred as a result of any pet owned or maintained by Resident, including but not limited to actual damages, punitive damages, attorney's fees and costs of defending this action.
2. Resident expressly acknowledges that this Pet Exhibit is an integral part of the lease referenced above, and any breach of this Pet Exhibit shall be a default under the terms of the Lease with all remedies accordingly by the Lease and Georgia law.
3. Within 24 hours after Resident vacates said Premises, Resident agrees to professionally steam clean carpets and professionally treat Premises for fleas and other pests. Resident will be responsible for removing all pet stains and odors even if it requires replacing carpets. Resident will be responsible for furnishing receipts of said services to Management prior to refund of Security Deposit, or Management may deduct appropriate charges from deposit.
4. If Resident acquires any additional pet(s) during his stay in said Premises, Resident agrees to notify Management and add to the security deposit as required. Should Resident acquire an additional pet without written consent and payment of an additional deposit, Resident will be in default of the terms of the lease and all remedies relating to default will apply.

**Crown Realty & Management**X

Resident

Date

By \_\_\_\_\_

X

Co- Resident

Date

1702 Macy Drive \* Roswell, Georgia 30076

X

Office 770-998-9300 \* Fax 770-992-6725

Co- Resident

Date PM/MP/TSU/MIP



# Crown Realty & Management Corporation

## Move-In Checklist & Report Card

Address: \_\_\_\_\_

- |                                       |                |
|---------------------------------------|----------------|
| 1. Copy of Picture ID received?       | Yes * No       |
| 2. Re-key complete?                   | Yes * No       |
| 3. Number of keys given to tenant     | _____          |
| 4. Number of keys sent back to office | _____          |
| 5. Number of garage remotes to tenant | _____          |
| 6. Mailbox key given to tenant?       | Yes * No * N/A |
| 7. Door locks work?                   | Yes * No       |
| 8. Window locks work?                 | Yes * No       |
| 9. Any rotted steps, decks?           | Yes * No       |
| 10. Sliding glass door locks work?    | Yes * No * N/A |
| 11. Contingencies complete?           | Yes * No * N/A |
| 12. Power on at move-in?              | Yes * No       |
| 13. Water on at move-in?              | Yes * No       |
| 14. Natural Gas on at move-in?        | Yes * No * N/A |
| 15. Yard sign removed?                | Yes * No * N/A |
| 16. Removed L-box #                   | Yes * No * N/A |

**Money Due (Certified Funds)**

Application Fee \$\_\_\_\_\_

Reservation Fee (1<sup>st</sup> Month Rent)\$

Refundable Security Deposit \$\_\_\_\_\_

Non-Refundable (Admin Fee) \$\_\_\_\_\_

After hours/Rush Move-In fee \$\_\_\_\_\_

Minus funds already paid \$

TOTAL DUE AT MOVE-IN \$

Co-Signor Agreement Needed? Yes \* No

Deferred Payment Note Needed? Yes \* No

Amount Received: \$                      Check #

Cashier's Check \* Money Order(s) \* Both? (Circle)

Time of move in AM \* PM

Resident on time?	Yes	* No
-------------------	-----	------

**I promised the tenant the following:**

(Please note priority level):

[illegible]

Priority Level:

(1) Urgent – one day, (2) One week, (3) Two weeks

**Owner should be notified about:**

---

---

---

---

---

“By receiving keys and accepting possession resident acknowledges that this home is in habitable condition and ready to move in”

**X** \_\_\_\_\_  
Resident \_\_\_\_\_ Date \_\_\_\_\_

**X** \_\_\_\_\_  
Co-Resident \_\_\_\_\_ Date \_\_\_\_\_

**X** \_\_\_\_\_  
Agent ... Management Representative      Date

**X** \_\_\_\_\_  
Office Review and Over-site Verification      Date



Outline for NARPM 101			
Learning Unit Title	Learning Objectives	Teaching Techniques	Estimated Time
Why Own a Management Company	<ul style="list-style-type: none"> <li>Outline the various reasons a person may begin a property management business</li> <li>Explain the rationale behind the reasons for starting a property management business.</li> </ul>	Live Lectures and PowerPoint Handouts	45 minutes
Start Up	<ul style="list-style-type: none"> <li>Identify the ways in which many property management companies begin</li> <li>Analyze the pros and cons of each of the various start-up models</li> <li>Realize the additional needs faced by each model</li> </ul>	Live Lectures and PowerPoint Handouts	15 minutes
You and Your Team	<ul style="list-style-type: none"> <li>Outline the people and entities that will have a perspective on the role of a property manager</li> <li>Comprehend the aspects of the perspectives on the role of a property manager</li> <li>Determine valid expectations on the role of a property manager</li> <li>List the types of people who will become part or a property manager's team</li> </ul>	Live Lectures and PowerPoint Handouts	10 minutes
Education and Development	<ul style="list-style-type: none"> <li>Determine whether any formal educational opportunities are available to you</li> <li>Outline the professional designations that you may want to seek</li> <li>List the entities that can sponsor designations</li> </ul>	Live Lectures and PowerPoint Handouts	10 minutes
Liability	<ul style="list-style-type: none"> <li>Analyze which operating structure is best for meeting your needs regarding liability</li> <li>List the precautions you can take to better protect yourself from liability</li> <li>Distinguish between the types of insurance your company needs, your owners should have, and your tenants should have</li> <li>Outline what can be covered under the various types of insurance policies</li> </ul>	Live Lectures and PowerPoint Handouts	20 minutes
Licenses and Legalities	<ul style="list-style-type: none"> <li>Identify the federal laws and types of state and local laws that property managers may</li> </ul>	Live Lectures and PowerPoint Handouts	30 minutes



	<ul style="list-style-type: none"> <li>encounter</li> <li>Determine the importance of adhering to the licensing laws in your state</li> <li>List the generalities of federal laws that property managers may encounter</li> <li>Comprehend the roles local authorities can play in the property management business</li> </ul>		
Policies, Letters, and Checklists	<ul style="list-style-type: none"> <li>Determine the most efficient ways for you to find owners and tenants</li> <li>List the organizational structures needed for a property management office</li> <li>Identify ways in which your office could run more efficiently and effectively</li> <li>Outline the ways to organize your form to market to owners and for tenants</li> </ul>	Live Lectures and PowerPoint Handouts	30 minutes
Marketing for Owners	<ul style="list-style-type: none"> <li>Answer the questions of who you will manage for and where you'll manage</li> <li>Outline a scope of service</li> <li>Identify the types of owner markets you would like to target</li> <li>Analyze the pluses and minuses of the various types of owners for whom you could manage</li> </ul>	Live Lectures and PowerPoint Handouts	30 minutes
Signing Up the Owner	<ul style="list-style-type: none"> <li>Assess properties to determine whether you want them included in your portfolio</li> <li>Outline the qualities you would look for in an owner</li> <li>Identify the various documents that are crucial in signing an owner</li> <li>Determine who should sign which documents associated with a new owner</li> </ul>	Live Lectures and PowerPoint Handouts	30 minutes
Marketing for Tenants	<ul style="list-style-type: none"> <li>Identify the qualifying guidelines you will need to put in place</li> <li>List the possible marketing tactics you can use</li> <li>Determine your strategies for showing the property</li> <li>Explain the value of reports to owners</li> </ul>	Live Lectures and PowerPoint Handouts	20 minutes



Signing Up the Tenant	<ul style="list-style-type: none"> <li>• Identify the 10 steps in the tenant sign-up process</li> <li>• Outline the variations that can be a part of the application process</li> <li>• Define the types of data on tenants and potential tenants that you may want to gather and evaluate</li> <li>• Evaluate the parts of the negotiations process that could take place between tenants and property managers</li> <li>• Comprehend the role an owner could play in tenant sign-ups</li> <li>• Develop rules surrounding the move-in process</li> <li>• Identify those who should be a part of the interview process</li> </ul>	Live Lectures and PowerPoint Handouts	30 minutes
Management	<ul style="list-style-type: none"> <li>• List the topics involved with managing money, managing the owner, managing the tenant, and managing the property.</li> <li>• Include the correct items in your trust accounting structure</li> <li>• Identify the types of management policies that are crucial</li> <li>• Explain the move-out process with tenants and owners</li> </ul>	Live Lectures and PowerPoint Handouts	30 minutes

**Total clock hours: 300 minutes**



General note: Too many “all of the above” answers

National Association of Residential Property Managers

# 101 – The Basics of Property Management

## Course Exam

1. You should own a management company to:

- A. Because you own rentals
- B. Be famous
- C. Generate income

~~\_\_\_\_\_ D. None of the above~~ D. Because you own rentals want to generate income (ans)

~~\_\_\_\_\_ E. Both A. and C.~~

~~\_\_\_\_\_ F. All of the above~~

2. True or False: If you have an existing brokerage firm it is easier to start a property management business.

A. True

B. False

3. . True or False: When you start a management company from scratch you can have total control and define your model

A. True

B. False

4. The following should be members of your team:

~~\_\_\_\_\_ A. NARPM Members~~

~~a. B. Broker~~

~~b. C. Attorney~~

~~c. D. Eviction Service~~

~~E. Accountant~~

~~\_\_\_\_\_ F. Both A. and B.~~

d. G. All of the above

5. You should have the following insurance in place

A. General ~~l~~iability

B. Workman's ~~c~~ompensation

C. Errors and ~~o~~missions

~~D. Wrongful Eviction Coverage~~

~~E. Both A. and B.~~

F. D. All of the above

6. . True or False: It is not necessary for your tenants to carry any insurance because you and the owner have enough coverage for the property.

A. True

B. False

7. . True or False: In a lot of states, you must hold a real estate license to be a property manager.

A. True

B. False



8. . True or False: It is okay to deny someone because they have children.  
A. True  
B. False
9. . True or False: It is okay to deny someone with a service dog if you do not allow pets.  
A. True  
B. False
10. . True or False: Under the Service Members Civil Relief Act an active member in the military can break ~~Their~~his or her lease without penalty if they provide military orders.  
A. True  
B. False
11. . True or False: Local zoning laws can over-ride the number of occupants allowed in a two bedroom house.  
A. True  
B. False
12. In some states, ~~h~~Homeowner ~~a~~Associations can  
A. Limit the number of rentals in a community  
B. Gather personal information on your tenant  
C. Evict your tenant  
~~D. Draft their own leases~~  
D~~E~~. All of the above  
~~F. None of the above~~
13. Ongoing management of the property includes:  
A. Managing the ~~h~~Homeowners ~~a~~Association  
B. Managing the ~~o~~Owner  
C. Managing the ~~t~~Tenant  
D. Managing the ~~Community Pool~~owner and tenant (ans)  
E. Both B. and C.  
~~F. A, B, and C~~
14. . True or False: If a house forecloses, the lease becomes null and void.  
A. True  
B. False
15. Tenants can be held responsible for the following:  
A. Lawn care  
B. Utilities  
C. Maintenance  
~~D. Habitability of the Property~~  
d~~E~~. All of the above
16. . True or False: A ~~s~~Scope of ~~s~~Service is a description of the tasks and processes you perform for the fees you



charge, and defines what you charge extra for.

A. True

B. False

17. . True or False: In a foreclosed property, tenants may be allowed to stay.

A. True

B. False

18. . True or False: Some of property managers get their business out of the “I Can’t Sell It” crowd.

A. True

B. False

19. The following people are good to target to market your business:

A. Real Estate Agents

B. HOA offices

C. Investment groups

D. All of the above

~~E. A and B only~~

~~F. None of the above~~

20. . True or False: When marketing you should outline your services and define your fees.

A. True

B. False

21. . True or False: Some brokerage firms may offer management services.

A. True

B. False

22. If an owner comes to you with a house that has an HOA:

A. The rules do not apply to tenants

B. Get documentation their dues are current and what amenities are available.

C. Find out what the association demands for the tenant to sign before you start marketing.

~~D. All of the above~~

~~E. D. B. and C. Only~~

~~F. None of the above~~

23. The following documents are important to have your owners sign before you manage the property:

A. Management ~~a~~Agreement

B. Lead paint disclosure

C. Mold disclosure

D. All of the above

~~E. B. and C. Only~~

~~F. None of the above~~

24. When qualifying a tenant, the following are important:

A. What credit criteria you require?

B. Do they have children?



- C. Is the dog house trained?
- D. All of the above
- ~~E. A. and B. Only~~
- ~~F. None of the above~~

25. The following are **not** important when screening a tenant:

- A. Credit ~~r~~Reports
- B. Residency ~~h~~History
- C. Employment ~~h~~History
- ~~D. All of the above~~
- ~~E. D. A. and B. Only~~
- F. E. None of the above

26. . True or False: You must set up some sort of “guidelines” for qualifying applicants.

- A. True
- B. False

27. You should have written policies on:

- A. Maintenance
- B. Handling ~~m~~Money
- C. Evictions
- D. All of the Above
- ~~E. None of the above~~

28. . True or False: If you deny applicant you need only notify them by phone

- A. True
- B. False

29. . True or False: The most important document the tenant signs is the lease.

- A. True
- B. False

30. A move-in inspection should be performed because

- A. Some states mandate that you complete a move-in inspection before the tenant takes possession of the property.
- B. The tenant needs to document and verify the condition of the property when they move in.
- C. Upon move out you need a good record of the property’s original condition if you are going to charge for tenant caused damages and/or cleaning.
- D. All of the above
- ~~E. A. and B. Only~~
- ~~F. None of the above~~



NEW TAB





# Marketing Your Management Business Student Outline



Phone: 800-782-3452  
Fax: 866-466-2776  
E-mail: [info@narpm.org](mailto:info@narpm.org)  
**[www.narpm.org](http://www.narpm.org)**



National Association of Residential Property Managers



# Marketing for Residential Property Managers

5/1/2012  
Copyright © 2009 NARPM®



1

---

---

---

---

---

---

---

## Class Schedule

- Breaks
- Lunch
- Share ideas and experiences
- Everyone participate
- Please, do not dominate discussion
- C. E. – Special instructions

5/1/2012  
Copyright © 2009 NARPM®



2

---

---

---

---

---

---

---

## Introductions

- Your name
- Length of time as NARPM® member
- Company name, location, your position
- Number of properties/units
- Type of properties
- Price range
- Why are you taking this class?

5/1/2012  
Copyright © 2009 NARPM®



3

---

---

---

---

---

---

---



## Course Objective

Outline and write a marketing plan for a residential property manager

---

---

---

---

---

---

---

---

## Outline the Marketing Plan

- Create & maintain a professional image
- Outline your plan for growth
- Identify client prospecting methods
- Describe presentation techniques
- Identify property marketing practices
- List additional income sources

---

---

---

---

---

---

---

---

## Create and Maintain a Professional Image

---

---

---

---

---

---

---

---



## Create and Maintain Professional Image

- Expertise includes
  - Experience
  - Education
  - Promote designation(s)
  - Ability to handle 24/7

5/1/2012  
Copyright © 2009 NARPM®



7

---

---

---

---

---

---

---

## Create and Maintain Professional Image

- Professionalism
  - Office
    - Phone system
    - Forms
  - Staff
    - Appearance
    - What you say and how you say it

5/1/2012  
Copyright © 2009 NARPM®



8

---

---

---

---

---

---

---

## Create and Maintain Professional Image

- Professionalism
  - Website
    - Address
    - Content
  - Email
    - [javajunkie@juno.com](mailto:javajunkie@juno.com) vs [iManage@ProManagement.com](mailto:iManage@ProManagement.com)

5/1/2012  
Copyright © 2009 NARPM®



9

---

---

---

---

---

---

---



## Create and Maintain Professional Image

- Advertising
- Signage & promotional materials
- News releases
  - Company anniversary, new employees, office, or market area
  - Awards and designations received
  - Offer a free seminar

5/1/2012

Copyright © 2009 NARPM®

  
National Association of Residential Property Managers

10

---

---

---

---

---

---

---

---

## Create and Maintain Professional Image

- Trust
  - Confidence & reliance
  - Experience
  - Education
  - References

5/1/2012

Copyright © 2009 NARPM®

  
National Association of Residential Property Managers

11

---

---

---

---

---

---

---

---

## Create and Maintain Professional Image

- Price
  - Lowest
  - Highest
  - Market
  - Menu of services

5/1/2012

Copyright © 2009 NARPM®

  
National Association of Residential Property Managers

12

---

---

---

---

---

---

---

---



## Create and Maintain Professional Image

- Marketing through good will
  - Make **client satisfaction** your #1 goal
  - Make **tenant satisfaction** your #2 goal
  - Maintaining good will when problems arise
  - Use thank you notes and letters often
  - Use newsletters
  - Use special cards
  - Use social networking / blogs

---

---

---

---

---

---

---

---

## Create and Maintain Professional Image

- Marketing through good will
  - Put personal notes on owner statements
  - Use owner and tenant surveys
  - Constantly express appreciation for their business
  - Use “positively outrageous service”
  - As you grow, keep the personal touch

---

---

---

---

---

---

---

---

## Create and Maintain Professional Image

- Even when problems arise...
  - Respond at once and hear them out
  - Promise a solution or follow up then, keep your promise
  - Ask them for a solution
  - When the problem can't be solved, or they are the problem, still treat them with respect and courtesy
  - Be sure complaints don't get buried

---

---

---

---

---

---

---

---



## Outline a Plan for Growth

---

---

---

---

---

---

---

---

## Outline a Plan for Growth

- Define your market/niche
- Analyze your current position
- Establish specific goals
- Adjust to the market

---

---

---

---

---

---

---

---

## Outline a Plan for Growth

- Add QUALITY properties
  - Median price range
  - Residences vs. investment property
  - Quality areas
  - In good condition and updated

---

---

---

---

---

---

---

---



## Outline a Plan for Growth

- Types of properties
  - Single family home or condominium
  - Vacation properties
  - Furnished
  - Short term and temporary
  - Small multi-family
  - Apartment communities & associations

---

---

---

---

---

---

---

## Outline a Plan for Growth

- Potential advantages to specialization
  - choose your price range
  - choose your area
  - Become recognized as an expert

---

---

---

---

---

---

---

## Outline a Plan for Growth

### Add QUALITY Contracts

- Owner realistic
- Owner needs you
- Owner has enough money
- Owner acceptance of fees & terms
- Owner not micro-managing you
- How do you know this one is quality?

---

---

---

---

---

---

---



## Outline a Plan for Growth

A SMART Plan for Growth is:

S = Specific

M = Measurable

A = Attainable

R = Realistic

T = Timely

---

---

---

---

---

---

---

---

## Outline a Plan for Growth

To succeed, make sure your staff understands and is committed to the goals for growth of the company

---

---

---

---

---

---

---

---

## Outline a Plan for Growth

- Proper pruning encourages
  - New growth
  - Strong & healthy company
  - Analyze portfolio annually
  - Use established criteria for new
  - Drop bottom 10%

---

---

---

---

---

---

---

---



## Identify Client Prospecting Methods

5/1/2012  
Copyright © 2009 NARPM®



25

---

---

---

---

---

---

---

## Identify Client Prospecting Methods

- Target your source of new business
  - Individual owner – self managed
    - Choose not to or could not sell
    - Out of state owners, inheritance, estates
  - New and existing investors
  - Eviction court

5/1/2012  
Copyright © 2009 NARPM®



26

---

---

---

---

---

---

---

## Identify Client Prospecting Methods

- Target your source of new business
- Banks, trust department, REO
  - Transfers military, hospitals, or corporations
  - Vendors & real estate attorneys
  - RE sales brokerages (referral, buy portfolio)
  - Tenants (references, buy, inheritance)
  - Other management companies

5/1/2012  
Copyright © 2009 NARPM®



27

---

---

---

---

---

---

---



## Identify Client Prospecting Methods

### Why Don't We Prospect?

Too busy	THEN	Delegate
Procrastinate	THEN	Schedule time
Hard work	THEN	Sorry, it is!
Expensive	THEN	Get creative
Rejection	THEN	Remember, 'If at first...'
Too much business	THEN	Referral fees
It's not fun	THEN	Make it fun!

---

---

---

---

---

---

---

---

## Identify Client Prospecting Methods

- Passive prospecting has higher costs but uses less of your time and effort – wait for responses
  - Direct mailings
  - Advertising
  - Articles in industry publications

---

---

---

---

---

---

---

---

## Identify Client Prospecting Methods

Active prospecting uses your time and effort but has less direct cost

- Calling
- Seminars and classes
- Direct contacts cost
- Real estate sales agents

---

---

---

---

---

---

---

---



## Identify Client Prospecting Methods

### Unique Selling Proposition

- Guarantee
- Specialization
- Targeted

---

---

---

---

---

---

---

---

## Group Activity

### Create Unique Selling Proposition

---

---

---

---

---

---

---

---

## Identify Client Prospecting Methods

### Yellow pages

- Advantages
  - Name recognition
  - **'The Place for the 'Greatest' Generation**
- Disadvantages
  - Expensive
  - Decreasing exposure/readership

---

---

---

---

---

---

---

---



## Identify Client Prospecting Methods

- Brochures
  - Advantages
    - Tangible & inexpensive
    - Small company can create large image
  - Disadvantages
    - Need knowledge of desktop publishing
    - Distribution costs

---

---

---

---

---

---

---

---

## Identify Client Prospecting Methods

- NARPM®
- Why Use One? [www.WhyUseOne.com](http://www.WhyUseOne.com)  
(NARPM® will customize for a nominal cost)
- Why Use a Professional Property Manager

---

---

---

---

---

---

---

---

## Identify Client Prospecting Methods

- DVD/CD presentation
  - Advantages
    - Cutting edge technology
    - Inexpensive to duplicate
  - Disadvantages
    - Production costs
    - Distribution costs
    - Making changes

---

---

---

---

---

---

---

---



## Identify Client Prospecting Methods

### Internet/Website/Social Media

- Benefits of dynamic internet presence
  - Tremendous exposure
  - Reduced advertising costs
  - Instant access to company information and available properties
  - Automated processes
  - Communications
  - QR Codes

5/1/2012  
Copyright © 2009 NARPM®



37

---

---

---

---

---

---

---

---

## Identify Client Prospecting Methods

### Internet/Website/Social Media

- Features to include:
  - General
    - Company information
    - Designations
    - Contact tools
  - Services to owners
    - Password protected area - website
    - Property reports and statements - website

5/1/2012  
Copyright © 2009 NARPM®



38

---

---

---

---

---

---

---

---

## Identify Client Prospecting Methods

### Website/Social Media

- Services to tenants
  - Maintenance request
  - Lease signing presentation
  - Frequent tenant misconceptions
- Available properties
  - Property mapping
  - Google street view
  - Area information
  - Virtual tours

5/1/2012  
Copyright © 2009 NARPM®



39

---

---

---

---

---

---

---

---



## Identify Client Prospecting Methods

### Website/Social Media

- Site must be professional and easy to use
- Must be kept updated
- Development
- Links and search engines
- Maintenance
- Marketing your site  
i.e.: all printed materials and advertising

5/1/2012

Copyright © 2009 NARPM®



40

---

---

---

---

---

---

---

---

## Identify Client Prospecting Methods

### Website

- Build your website
  - Hire a professional
    - Technical and graphical expertise
    - Creativity is a must
    - Can involve significant cost

5/1/2012

Copyright © 2009 NARPM®



41

---

---

---

---

---

---

---

---

## Identify Client Prospecting Methods

### Website

- Build your own website
  - Do you have the knowledge, experience, creative talent, technical and graphic ability?
  - Time is money – which can you most afford?

5/1/2012

Copyright © 2009 NARPM®



42

---

---

---

---

---

---

---

---



## Identify Client Prospecting Methods

### Internet/Website

- Search Engine Optimization
  - Register with search engines
  - Keep current with changes
  - Use the words people use to search
  - Vital for successful internet presence

---

---

---

---

---

---

---

---

## Identify Client Prospecting Methods

### Internet/Website

- Link your website
  - NARPM.org
  - Yourlocalchapter.org
  - NARPM® colleagues across country
  - NARPM® affiliate members
  - Your attorney
  - Your CPA

---

---

---

---

---

---

---

---

## Identify Client Prospecting Methods

### Internet/Website

- Maintain your website
  - Update company and staff changes
  - Update available rentals
  - Some websites allow for easy updates while others require technical expertise
  - An outdated website is worse than no site at all!

---

---

---

---

---

---

---

---



## Identify Client Prospecting Methods

### Internet/Website

- Market your website
  - Use web address on all promotional material – business cards, letterheads and all other advertising
  - Talk about your website constantly
  - Promote it on your voice mail system

---

---

---

---

---

---

---

---

## Identify Client Prospecting Methods

- Yard signs
  - add NARPM logo
  - Flyer boxes/tubes
- Realtors
  - Return client for future property sale
  - Speak at events/training – be their 'EXPERT'
  - Pay referral fee

---

---

---

---

---

---

---

---

## Identify Client Prospecting Methods

- Client referrals
- OR Code
- Text
- 24 hour info line

---

---

---

---

---

---

---

---



## Identify Client Prospecting Methods

- Other management companies
  - Outside their target area
  - Outside their niche market
- Mass mailings
  - List of property owners living outside area
  - Classified ads, not listed as agent
  - Consider sending newsletters to Property Owners out of state
- Reply cards
- Attorneys and other centers of influence

5/1/2012  
Copyright © 2009 NARPM®

  
National Association of Residential Property Managers

49

---

---

---

---

---

---

---

---

## Identify Client Prospecting Methods

- Seminars
- Local realtor boards
- FRBO'S and self managers
- Out of state owners
- Vacant houses
- Houses your new tenants are vacating
- Properties listed for sale
- Lenders, REO's, bank trust dept's

5/1/2012  
Copyright © 2009 NARPM®

  
National Association of Residential Property Managers

50

---

---

---

---

---

---

---

---

## Identify Client Prospecting Methods

- Corporations
- Relocation service companies
- Company newsletters
- Telemarketing – do not call list
- Flyers-direct distribution
- Radio, TV, advertising
- Billboards
- Radio and TV talk shows

5/1/2012  
Copyright © 2009 NARPM®

  
National Association of Residential Property Managers

51

---

---

---

---

---

---

---

---



## Identify Client Prospecting Methods

- Signs on maintenance trucks - liability?
- Movie theatre ads
- Real estate publications ads
- Condo association newsletters
- "Just leased" postcards
- What else?

---

---

---

---

---

---

---

---

## Describe Presentation Techniques

---

---

---

---

---

---

---

---

## Describe Presentation Techniques

Be prepared to respond with:

- Professional brochures, letters & DVD
- Adequate staff
- Have good references
  - The survey says...
  - Obtain permission for use
- Know your competition

---

---

---

---

---

---

---

---



## Describe Presentation Techniques

Be prepared to respond with:

- Have your policies firmed up
  - What is negotiable?
  - What is not?
- Have answers to common objections
- Know all the benefits of your services

---

---

---

---

---

---

---

---

## Group Activity

“Why should I hire you?”

---

---

---

---

---

---

---

---

## Describe Presentation Techniques

- First impressions formed in seconds
  - By tone, attitude and what you say or ask
  - Ask without interrogating
- Qualifying prospective client's needs/wants
  - Where is your property?
  - Is it occupied?
  - When will it be available?
  - Describe the property & amenities
  - Is it or has it been professionally managed?
  - Do you have a mortgage? Condo fees?

---

---

---

---

---

---

---

---



## Describe Presentation Techniques

- Tell them about your company and your services - every time
- Don't skip the basics
- Follow written presentation or cue cards

---

---

---

---

---

---

---

---

## Describe Presentation Techniques

### Phone system marketing

- Voice mail system
  - Don't lose calls "in the system"
  - Refer to your website
  - Recorded presentation for owner and tenants
- Marketing on hold
  - For prospective owners and tenants
  - Self promotion of designations & expertise

---

---

---

---

---

---

---

---

## Describe Presentation Techniques

- Typical phone inquiry patterns
  - Caller asks question
  - You respond
  - Caller remains in control
- How to take control
  - Caller asks question
  - You respond with a question
  - You gain control

He who asks questions remains in control

---

---

---

---

---

---

---

---



## Group Activity

### Role play a phone inquiry

---

---

---

---

---

---

---

---

## Describe Presentation Techniques

Presentations about your company

- History
- Credentials
- Unique characteristics
- Philosophy of business and service
- Policies
- Samples of some forms
- References & media publicity
- Examples, pictures of other properties managed

---

---

---

---

---

---

---

---

## Describe Presentation Techniques

Presentations about the property manager

- Staff and offices
- Include pictures
- Professional Associations
- Designations, licenses, awards
- Emphasize the benefits of professionalism

---

---

---

---

---

---

---

---



## Describe Presentation Techniques

Presentations about your services

- Property evaluation
- Finding & screening tenants
- Legal paperwork
- Handling security deposits
- Method & process for collecting rent
- Handling maintenance
- Accounting
- Optional related services

5/1/2012

Copyright © 2009 NARPM®

  
National Association of Residential Property Managers

64

---

---

---

---

---

---

---

---

## Describe Presentation Techniques

- Face-to-face presentations
  - Your office (home court advantage)
    - Certificates on wall
    - Build confidence, trust, and credibility
    - Tangible entity

5/1/2012

Copyright © 2009 NARPM®

  
National Association of Residential Property Managers

65

---

---

---

---

---

---

---

---

## Describe Presentation Techniques

- Face-to-face presentations
  - Their property
    - Showcase expertise in evaluating property condition
    - Determine the motivations of owner
    - Determine special needs and/or situations

5/1/2012

Copyright © 2009 NARPM®

  
National Association of Residential Property Managers

66

---

---

---

---

---

---

---

---



## Describe Presentation Techniques

### Owner presentations

#### – Property Manager interest

- Evaluate rent, condition and problems
- Determine special needs and situations
- Does it fit your criteria?
- Evaluate owner's standards
- Gather property physical specifics

---

---

---

---

---

---

---

---

## Describe Presentation Techniques

### Owner presentations

#### – Cuisinart technique

- If your written presentation is strong enough then you can get hired without ever leaving your office.
- Mail presentation
- Follow up by phone
- Fax or email contract
- Post to website

---

---

---

---

---

---

---

---

## Describe Presentation Techniques

Q. Do you want this property based on?

- Geographic area
- Fit with niche/portfolio
- Physical condition
- Owner willing to accept your methods

A. Yes or No

---

---

---

---

---

---

---

---



## Describe Presentation Techniques

### Useful presentation tools

- Visual presentation DVD/CD, book or package
- Your file information sheet
- Using your notebook / computer / tablet
  - Presentation and graphics programs
  - Rental value comparison data
  - Examples of your accounting program
  - Your maintenance tracking program
  - Builds professional image

5/1/2012

Copyright © 2009 NARPM®

  
National Association of Residential Property Managers

70

---

---

---

---

---

---

---

---

## Describe Presentation Techniques

### Your contract as a tool

- Establishes credibility
- Visible throughout presentation
- Review each paragraph
- Be firm about your terms

5/1/2012

Copyright © 2009 NARPM®

  
National Association of Residential Property Managers

71

---

---

---

---

---

---

---

---

## Describe Presentation Techniques

### Handling objections

- Answer most questions before asked
- Know every possible objection
- Have a practiced response to each
- Handle objections before they arise
- Have established standards
- Plan and practice your closing techniques

5/1/2012

Copyright © 2009 NARPM®

  
National Association of Residential Property Managers

72

---

---

---

---

---

---

---

---



## Describe Presentation Techniques

Before signing the contract:

- Confirm property ownership of record
- Confirm mortgage is current
- Ask for copy of mortgage statement
- Gather necessary information on property and owner

---

---

---

---

---

---

---

---

## Describe Presentation Techniques

Following up

- Prospect databases
  - Track sources
  - Track dispositions
- Tickler file software
- Form email and letters
  - Initial response
  - Follow up
- Phone calls

---

---

---

---

---

---

---

---

## Identify Property Marketing Practices

---

---

---

---

---

---

---

---



## Identify Property Marketing Practices

Target markets for tenants

- Transferees
- Newlyweds
- Existing tenants
- Snowbirds and other temporaries
- Be open to new target markets
  - New plants, industry, military bases

5/1/2012

Copyright © 2009 NARPM®

  
National Association of Residential Property Managers

76

---

---

---

---

---

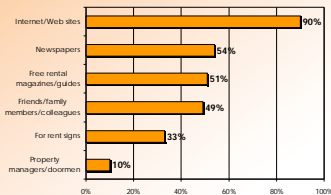
---

---

---

## Identify Property Marketing Practices

Where are people looking for rental housing?



Apartment.com Research Study, Frank N. Magid Associates

5/1/2012

Copyright © 2009 NARPM®

  
National Association of Residential Property Managers

77

---

---

---

---

---

---

---

---

## Identify Property Marketing Practices

- Internet
  - RentalHomePros.com
  - NARPM® affiliate members
  - MLS for rentals if available
- Social Networking
  - Active Rain, Facebook, Twitter, LinkedIn
  - Relevant blogs
  - You tube

5/1/2012

Copyright © 2009 NARPM®

  
National Association of Residential Property Managers

78

---

---

---

---

---

---

---

---



## Identify Property Marketing Practices

- Newspaper advertising
- Voice mail system
- Flyers for mail and distribution
- Availability lists with photos
- Promote "free rental service"

---

---

---

---

---

---

---

---

## Identify Property Marketing Practices

- For lease signs
- Realtor referrals
- Company newsletters
- Yellow pages ads
- Referrals and repeat business
- Community bulletin boards
- Mailing to apartment residents if you are renting houses

---

---

---

---

---

---

---

---

## Identify Property Marketing Practices

- Relocation companies
- Corporations
- Out-of-state advertising
- Val Pak and other bulk mailers
- Flyers – handouts and car windows
- Apartment manager referrals

---

---

---

---

---

---

---

---



## Identify Property Marketing Practices

- Attract good tenants
- Emphasize the value in dealing with a management company

5/1/2012  
Copyright © 2009 NARPM®



82

---

---

---

---

---

---

---

---

## Identify Property Marketing Practices

- Handling inquiries
  - Every call, email, inquiry is important
  - Be prepared
  - Qualify caller
  - Sell benefits
  - Keep records
- Always smile – they can hear it in your voice!

5/1/2012  
Copyright © 2009 NARPM®



83

---

---

---

---

---

---

---

---

## Identify Property Marketing Practices

- Showing your properties
  - When is property ready to show?
  - Check curb appeal
  - Set & confirm appointments
    - Meet at office when possible
    - Accept applications at the office
    - Verify identity of prospect
  - Group showings – save time & create competition

5/1/2012  
Copyright © 2009 NARPM®



84

---

---

---

---

---

---

---

---



## Identify Property Marketing Practices

### Handling objections

- Be prepared with answers
  - Your security deposit is way too high
  - Can I pay it out over 3 months?
  - Will you paint, replace carpet, add a room...

---

---

---

---

---

---

---

---

## Identify Property Marketing Practices

### Adjusting to the market

- Landlord's market
  - Tenant's market
  - Adjusting prices
  - Adjusting terms
  - Adjusting qualification requirements
- The endless battle of truth, justice and the American way!

---

---

---

---

---

---

---

---

## List Additional Income Sources

---

---

---

---

---

---

---

---



## List Additional Income Sources

- Sales
  - Complete brokerage
  - To tenants only
  - Referral fees
- Listings
  - Complete brokerage
  - Managed properties only
  - Referral fees

---

---

---

---

---

---

---

---

## List Additional Income Sources

- Maintenance
  - In house maintenance
  - Preferred vendor program
- Association Management
  - Owner resident vs. tenant resident
  - Similar services provided
  - Different skill set required

---

---

---

---

---

---

---

---

## List Additional Income Sources

- Leasing without management
- Consulting
- Seminars
- Property tax assessment appeals
- Expert witness

---

---

---

---

---

---

---

---



## List Additional Income Sources

- Eviction Protection Plan
- Rapid Refund Processing
- Interest on security deposit
- Application fees
- Leasing & renewal fees (% vs fixed)
- Loans to vendors
- Late fees, NSF fees

---

---

---

---

---

---

---

---

## List Additional Income Sources

- Click through links from your website
  - Insurance
  - Movers
  - Boxes
  - Travel
  - Utility sign up
  - Local fitness center

---

---

---

---

---

---

---

---

## Marketing for Residential Property Management

- Create & maintain a professional image
- Outline your plan for growth
- Identify client prospecting methods
- Describe presentation techniques
- Identify property marketing practices
- List additional income sources

---

---

---

---

---

---

---

---



## Other NARPM® Classes

- Habitability Standards and Maintenance
- Marketing
- Tenancy
- Operating a Maintenance Company
- Owner/Client Relations

5/1/2012  
Copyright © 2009 NARPM®



94

---

---

---

---

---

---

---

---

## Other NARPM® Classes

- Personnel Procedures Essentials
- Personnel Procedures Advanced
- Risk Management Essentials
- Risk Management Advanced

5/1/2012  
Copyright © 2009 NARPM®



95

---

---

---

---

---

---

---

---

Thank you for attending

now it's time for...

**the exam**

Please complete the evaluation forms.

5/1/2012  
Copyright © 2009 NARPM®



96

---

---

---

---

---

---

---

---



## **Marketing**

### **General**

- Slides are too wordy
- Awkward wording
- Need more flow toward the course objective within the course. The course objective is to write a marketing plan, but nothing really leads to that direction

### **Create and Maintain a Professional Image**

- Again, there is a lack of answers in the notes – many open-ended questions
- Examples (Web sites, signage, marketing pieces) would be helpful to illustrate what is or isn't the proper image
- Addition of a student activity that provides perspectives of professional versus unprofessional
- Connect client satisfaction and tenant satisfaction more – they are described as goals, but articulated only as part of a list

### **Outline a Plan for Growth**

- Define your market is articulated as a directive, but there is no real “how-to” basis illustrated
- No rationale provided behind types of property
- SMART plan for growth is given an acronym but then does not re-appear in the course (either the concept is important enough for a memory tool or it isn't)

### **Identify Prospecting Methods**

- Update prospective methods (for example, DVDs are described as cutting edge and there is no mention of e-mail marketing)
- No information on REOs or lender clients provided in notes (they are just listed)

### **Describing Presentation Techniques**

- Again, there are a number of open-ended questions. It would probably be best to have instructor(s) provide guidance rather than relying solely on class discussion.
- Role-playing activities need to be laid out in better detail.
- Cuisinart technique?



## **Identify Property Marketing Practices**

- More information under the area of when a property is ready to show. Currently, it is just class discussion. There should be some direction
- Adjusting to differing markets. Current this is just a question, but there is no example of how to adjust to changes within a market

## **Additional Income Sources**

- Additional income sources are listed, but there really should be a case study or example on the impact these could have. As it stands now, there is no real concept of how much or how little this income is.



Outline for RMP Marketing			
Learning Unit Title	Learning Objectives	Teaching Techniques	Estimated Time
Professional Image	<ul style="list-style-type: none"> <li>Identify the ways in which your expertise can be promoted to the public</li> <li>Understand how your office, Web site, and promotional materials affect your image</li> <li>List ways in which trust can be built with your community and clients</li> <li>Comprehend the impact of how your response is seen by the public</li> </ul>	Live Lectures and PowerPoint Handouts	60 minutes
Plan for Growth	<ul style="list-style-type: none"> <li>Define your market/niche</li> <li>Identify what sets you apart from your competitors</li> <li>Analyze your current position</li> <li>Establish a plan for adding properties in quantity and how that differs from adding quality properties</li> <li>Determine the advantages associated with specializing in a particular type of property</li> <li>Adjust to the market</li> </ul>	Live Lectures and PowerPoint Handouts	45 minutes
Client Prospecting	<ul style="list-style-type: none"> <li>Understand the reason behind the need for targeting your market.</li> <li>Differentiate between active and passive targeting techniques.</li> <li>Identify the value of standing out from your competitors.</li> <li>Outline various ways of client prospecting</li> <li>Explain the advantages of various client prospecting methods</li> <li>Understand the features that you should include on your Web site</li> <li>Differentiate between Web site features for tenants and owners</li> <li>Understand some of the variables involved in Search Engine Optimization</li> <li>Consider new referral sources</li> </ul>	Live Lectures and PowerPoint Handouts	90 minutes
Presentation Techniques	<ul style="list-style-type: none"> <li>Prepare to present to all types of clients</li> </ul>	Live Lectures and	60 minutes



	<ul style="list-style-type: none"> <li>• Understand the role your staff plays in presentations</li> <li>• Comprehend the impact your competition will have on how you present your company</li> <li>• Realize the importance first impressions are to a potential client</li> <li>• List the various types of presentation techniques</li> </ul>	PowerPoint Handouts	
Property Marketing Practices	<ul style="list-style-type: none"> <li>• Properly identify the types of tenant markets you would like to attract</li> <li>• List the most effective ways to advertise to your markets</li> <li>• Distinguish the pros and cons of each marketing method used to attract tenants</li> <li>• Understand methods to attract quality tenants</li> <li>• List the factors that dictate how quickly a rental comes off the market</li> <li>• Relay to staff how important tenant inquiries are</li> <li>• Comprehend safe showing techniques</li> </ul>	Live Lectures and PowerPoint Handouts	90 minutes
Additional Income Sources	<ul style="list-style-type: none"> <li>• Identify ways to take advantage of related business opportunities</li> <li>• Understand potential networking and referral opportunities</li> </ul>	Live Lectures and PowerPoint Handouts	15 minutes

**Total clock hours: 360 minutes**



**General:**

- **Too many true and false questions**
- **Too many all of the above answers**

National Association of Residential Property Managers

Formatted: Bulleted + Level: 1 + Aligned at: 0.25" + Indent at: 0.5"

## Marketing Course Exam

- 1) **True or False:** Expertise includes your experience and education.  
**A. True Slide #7**  
**B. False**
- 2) **True or False:** Your office and staff play an important part in creating and maintaining a professional image.  
**A. True Slide #8**  
**B. False**
- 3) **True or False:** A news release about earning your RMP® designation is **not** a good way to promote professionalism in your business.  
**A. True**  
**B. False Slide #10**
- 4) Experience, education, references and reliance are all assets in building \_\_\_\_\_.  
**A. Clients**  
**B. Trust Slide #11**  
**C. Goodwill**  
**D. an Image**
- 5) Create and maintain a professional image using \_\_\_\_\_.  
**A. your website**  
**B. your office location**  
**C. your voice mail system**  
**D. your forms**  
**E. all of the above Slide #15**
- 6) To outline a plan for growth you must  
**A. Define your market/niche**  
**B. Analyze your current position**  
**C. Establish specific goals**  
**D. Adjust to the market**  
**E. All of the above Slide #17**
- 7) A quality property is described by all **but one** of the following:  
**A. In the median price range**  
**B. In a quality area**  
**C. In good condition**  
**D. Owned by the a reluctant landlord Slide #18**



8) True or False: Potential advantages ~~to of specializing specialization~~ in property management ~~is that it are allows you to~~ become inge the recognized expert, ~~to choos~~inge your area, and choosing your price range.

**A. True Slide #20**

**B. False**

9) Quality contracts include those with owners who:

**A. are desperate to cover their expenses**

**B. want to negotiate your fees**

**C. demand to approve their own tenants**

**D. want to do their own property repairs**

**E. none of the above Slide #21**

10) True or False: A ~~Smart~~SMART plan for growth is Specific, Measurable, Attainable, Realistic ~~and~~& Timely

**A. True Slide #22**

**B. False**

11) True or False: To succeed, your staff should understand and be committed to the goals for growth of the ~~company.~~

**A. True Slide #23**

**B. False**

12) Which of the following are potential sources of new business~~?~~:

**A. owner-managers**

**B. tenants**

**C. vendors**

**D. real estate attorneys**

**E. all of the above Slide #27**

13) True or False: One way to acquire a large number of additional properties in a short time is to buy them from a management company.

**A. True Slide #27**

**B. False**

14) People don't prospect enough because:

**A. it is too expensive**

**B. they fear rejection**

**C. it is hard work**

**D. they don't have time**

**E. all of the above Slide #28**



- 15) True or False: Direct mail is a form of active prospecting.
- A. True  
B. False Slide #29
- 16) True or False: Passive prospecting uses your time and effort but has less direct cost.
- A. True  
B. False Slide #30
- 17) True or False: Internet advertising is a favorite medium for the 'Greatest' Generation.
- A. True  
B. False Slide #33
- 18) True or False: The NARPM® Why Use One materials can be customized with your company name and logo at a nominal cost. (This question seems sketchy, though)
- A. True Slide #35  
B. False
- 19) A dynamic Internet presence through your website and other internet advertising will provide:
- ~~A. Tremendous exposure~~  
~~AB. Reduced advertising costs~~  
~~BC. Instant access to company information and available properties~~  
~~CD. Automated processes~~  
DE. all of the above Slide #37
- 20) True or False: Search engine optimization ~~(SEO)~~ is vital for a successful internet presence.
- A. True Slide #43  
B. False
- 21) True or False: An outdated Web site is worse than no site at all.
- A. True Slide #45  
B. False
- 22) True or False: First impressions are formed in seconds by tone, attitude, what you say, and how you say it.
- A. True Slide #56  
B. False
- 23) True or False: In a typical phone inquiry, — he who asks the questions remains in control.
- A. True Slide #59  
B. False
- 24) Which of the following would NOT be appropriate for a presentation package?
- A. sample forms  
B. company financial statements Slide #61



- C. examples of company newsletters
- D. a benefits sheet
- ~~E. none of the above~~

25) Presentations about your services should include:

- A. finding and screening tenants
- B. collecting rents
- C. handling maintenance
- ~~D. proper accounting and legal paperwork~~
- DE. all of the above** Slide #63

26) True or False: Presentations must be made at the **property** to give you the home-court advantage.

- A. True
- B. False** Slide #64

27) True or False: During the presentation you should determine if the property fits your criteria based on

- A. Geographic area
- ~~B. Fit with niche or portfolio~~
- ~~BC. Physical condition of property~~
- ~~CD. Owner willingness to accept methods and company policies~~
- DE. all of the above** Slide #68

28) True or False: Handling objections before they arise with a practiced response and established standards is not acceptable from a true professional.

- A. True
- B. False** Slide #71

29) Every call, every email, every inquiry is important so you should:

- A. be prepared **and** —know your inventory and company policies
- B. qualify the caller
- C. sell the benefits of dealing with your company
- ~~D. always smile—they can hear it in your voice~~
- ED. all of the above** Slide #81

30) Additional income sources for a management company include

- A. Sales—~~all tenants are potential buyers~~
- B. Listings —~~client owners are ideal listing prospects~~
- C. Maintenance—~~in house or preferred vendor program~~
- ~~D. Expert witness—after all YOU are the management expert!~~
- DE. all of the above** Slide #87 - #91



NEW TAB





# Office Operations Student Outline



Phone: 800-782-3452  
Fax: 866-466-2776  
E-mail: [info@narpm.org](mailto:info@narpm.org)  
**[www.narpm.org](http://www.narpm.org)**



National Association of Residential Property Managers



# NATIONAL ASSOCIATION OF RESIDENTIAL PROPERTY MANAGERS (NARPM®)

## OFFICE OPERATIONS



Copyright © 2009

National Association of Residential Property Managers

June 2013

1

---

---

---

---

---

---

---

---

## Disclaimer

- NARPM® cannot represent the law or ordinances where you live or work
- Any mention of fees or commissions is only to clarify the discussion with examples
- Please refer to the NARPM® Disclaimer statement included in your binder



Copyright © 2009

National Association of Residential Property Managers

June 2013

2

---

---

---

---

---

---

---

---

## Other NARPM® Designation Classes

- Ethics, RMP® Class, CSS<sup>sm</sup> Class
- Habitability Standards and Maintenance
- Marketing
- Tenancy
- Operating a Maintenance Company
- Owner/Client Relations
- Personnel Procedures Essentials
- Personnel Procedures Advanced
- Risk Management Essentials
- Risk Management Advanced



Copyright © 2009

National Association of Residential Property Managers

June 2013

3

---

---

---

---

---

---

---

---



### Class Context

- This class only covers the “how to”
- Handouts are provided as examples only
- Other NARPM® Designation classes define many sections of the Policies and Procedures Manual
- When you finish all the classes you will be prepared to apply for the CRMC® Designation



---

---

---

---

---

---

---

---

### OBJECTIVE: Outline and Write a Residential Property Management Policy and Procedures Manual

- Define policies vs. procedures
- List the advantages of a Policies and Procedures Manual
  - Minimizes Liability
  - Legal
  - Creating checklists for consistency
  - Use as a training tool
- Outline the sections and systems of a professional office P&P Manual (see course handouts)
- Write policies and procedures
- Write checklists for consistency
- Outline a process to update the manual



---

---

---

---

---

---

---

---

### Student Introductions

- Name/position within company
- Company
- Do you manage by portfolio, function, or a combination
- Why are you taking this class?



---

---

---

---

---

---

---

---



## Policy Vs. Procedure

- **Policy:**
  - Objective to be achieved
  - Could be set by law
  - Could include forms & Checklists
- **Policy Examples:**
  - Rent is due & payable on the 1<sup>st</sup> day of each month
  - Tenant shall respect the "Quiet Enjoyment" of their neighbors



---

---

---

---

---

---

---

---

## Policy Vs. Procedure

- **Procedure:**
  - Task to achieve objective
  - Action steps to achieve objective
  - Can include forms & procedures
- **Procedure Examples:**
  - Upon arriving in the morning, program VoiceMail (Task)
    - Action Steps
      - On phone panel, press blue intercom button, then '22' to get into VoiceMail system
      - It will ask for your personal ID, press '8' followed by your extension number
      - Press '1' to record message



---

---

---

---

---

---

---

---

## Advantages of a Policies & Procedures Manual

- Experience vs. learning
- Focus on getting the work done
  - No need to discuss what to do
  - Thought through once – then updated
- Reduce risk
- Same way every time
  - Legal
  - Client satisfaction
- Meeting expectations
- Help create checklists



---

---

---

---

---

---

---

---



## Outlining a Policy and Procedures Manual

- How to get started
- Sections of the manual
- Writing policies and procedures
- Outlining Accounting Policies and Procedures



---

---

---

---

---

---

---

---

## Getting Started

- In-house vs. outsourcing
  - Purchase manual that can be changed for your operation
  - Start from scratch
  - Update existing
  - Copy one from another NARPM® member (with their permission)
  - CRMC® Checklist
- From broad to narrow
  - Company policies
    - Marketing
    - Scope of services/type of properties
    - Confidentiality/identity safekeeping
- Procedures - Tasks



---

---

---

---

---

---

---

---

## Determine Organization

- Company structure
  - By function(departmentalized)
  - By portfolio
  - Combination
- Property management policies and procedures
  - By function
  - By system
- Number and type of sections depends on company



---

---

---

---

---

---

---

---



## Sections

- General information
- Company policies
- Property management procedures
  - Function example
    - Administrator
    - Property management (setting up account)
    - Bookkeeper
  - System example
    - Setting up account
    - Lease termination/move-out
    - Documentation



---

---

---

---

---

---

---

---

## General Information

- History/Mission/Vision statements
- Logos/Office decorum
- Handling of information
- Core Values
  - NARPM® Company Ethics/Standards of Professionalism
  - Fair Housing
- Office vendors



---

---

---

---

---

---

---

---

## Company Policies

- Scope of services/type of properties
  - Geographic area
  - Number of units
- Fees
  - Sliding scale based on rent income
  - What is not covered by fees
- Handling complaints
  - Tracking
  - Escalation to Broker/Owner



---

---

---

---

---

---

---

---



## Examples of Property Management Procedures By Function

- Administrator
  - Answering phone
  - Opening mail
- Property Manager
  - Inspections
  - Setting up account (discussed later)
- Bookkeeper/Accounting (discussed later)
  - Making deposits
  - Posting



---

---

---

---

---

---

---

---

## Examples of Property Management Procedures By System

- Getting the property (Marketing)
  - Marketing
  - Presentations
- Setting up account
- Marketing the property (Marketing)
- Managing the owners (Owner/Client Relations )
- Termination of tenant or owner (Owner/Client Relations)
- Working with tenants (Tenancy)
- Record keeping



---

---

---

---

---

---

---

---

## Policies and Procedures

### Examples



---

---

---

---

---

---

---

---



## Writing Policies and Procedures

- Selected sections are used as examples
  - Setting up an account
  - Documentation
  - Accounting
- Class Project
  - Write samples of:
    - Policy
    - Procedure



---

---

---

---

---

---

---

---

## Example: Setting up an Account

- Policy:
  - All account information is entered into the system within 2 business days
  - Specific & Measureable



---

---

---

---

---

---

---

---

## Procedure for setting up an account

- Manager attaches checklist to folder containing management agreement, necessary forms, and funds received
- Manager provides completed forms to assistant
  - Reviews package for completeness
  - Scans in signed management agreement, disclosures, lease, and completed checklist (see scanning procedure for details)
  - Fill out receivables form and give to bookkeeper with funds
  - Property management software updated with data



---

---

---

---

---

---

---

---



## Procedure for setting up an account

- Fill out property information sheet and disburse
- If property is vacant, see marketing procedure



---

---

---

---

---

---

---

---

## New Account Checklist

- New Account Checklist
  - Header (Name/Property/Phone/Type)
  - Prospect phase
    - Develop presentation and deliver
    - Evaluate property
    - Fees determined
  - Moving from Prospect to Client
    - Management agreement signed
    - Initial fees received
    - W-9 signed
    - Other forms signed
      - Utility continuation agreement
      - Disclosures
    - Property documentation received
      - HOA Documentation
      - Current lease if applicable
      - Insurance



---

---

---

---

---

---

---

---

## New Account Checklist – Con't

- Moving from prospect to client
  - Download pictures to property file
  - Put keys on numbered key fob
  - Create files based on filing procedure
  - Send referral THANK YOU, if appropriate
  - Follow up with owner
  - Set reminder to follow up on Declaration of Insurance
  - Send informational email to staff with details of new property



---

---

---

---

---

---

---

---



### Procedure Action Steps

- Scan in signed management agreement
  - Click on HP scan icon
  - Change configuration to point to the Owner Folder
  - Create a sub-folder for the owner's name
  - Name file 'signed management agreement'
  - Set type to 'PDF' at 150 resolution
  - Click 'scan'
  - When finished, exit application



---

---

---

---

---

---

---

---

### Record Keeping Procedure

- Save your records and your records will save you
- NARPM® - Paperless Office Class has details
  - Filing: The orderly process in which information is stored and easily retrieved for current and future reference
  - Document-Document-Document



---

---

---

---

---

---

---

---

### Policy Example – Management Agreements

- Policies for Management Agreements:
  - Originals shall be scanned into the Owner's Folder on the server
  - Management agreements and supporting documentation is considered confidential
    - See office policy concerning protecting personal information
  - All management agreements shall be maintained for a period of 5 years following end of contract
    - See office procedure for destroying documents



---

---

---

---

---

---

---

---



## Procedure Example – Protecting Personal Information

- Cabinets containing personal information shall be opened at beginning of day and locked at end of day
  - Administration shall audit the files once a week to ensure that folders have been returned or are still needed by the staff
  - Notify the Office Manager immediately of any missing files
- When removing a folder, place the 'sign out sheet' in the cabinet with your name and date
- When returning folder, remove the 'sign out sheet' and enter date under 'returned'



---

---

---

---

---

---

---

---

## Class Project

- Write a procedure for confidential documents
  - Rejected applications
  - How to destroy and when



---

---

---

---

---

---

---

---

## Trust Accounting

Trust Accounts  
Vs  
Bank Statements



---

---

---

---

---

---

---

---



## Section: Trust Accounting

- What is a Trust Account?
  - Trust Account or an Agent-Fiduciary account or Agent-Principal account
  - Trust accounts are defined differently state by state
- Account of monies that belong to the owner or tenant
- Check your state statutes
  - Type of account required
  - Interest-bearing



---

---

---

---

---

---

---

---

## Segregation of funds

- Trust Account for owner funds
  - Rents
  - Refunds
  - Deposit withholdings
- Trust Account for tenant funds
  - Security deposits, refundable pet deposits, cleaning deposits, appliance deposits
  - Miscellaneous funds
- Trust account shortages.
  - Written policy of when the monies are paid out – at the 26th of the month



---

---

---

---

---

---

---

---

## Balancing the Trust Account

- Frequency – at least monthly
- Person Responsible – Broker or Company
- Reconciling:
  - Beginning balance
  - Plus all deposits, all interest paid, other funds
  - Less checks cleared, NSF checks, and bank charges
- Verify all deposits cleared by the bank are the same as the trust account
- Verify all checks cleared by the bank are the same as the trust account
- Verify all NSF checks have been reversed
- Make journal entries for bank fees
- Run report for totals of each owner account
- Total for all owner accounts must be reconciled to bank statement ending balance



---

---

---

---

---

---

---

---



## Trust Accounting Records

- Deposits
- ACH authorizations
- NSF checks
- Monthly bank statements
- Bank correspondence
- Bank notices of corrections



Copyright © 2009

National Association of Residential Property Managers

June 2013

34

---

---

---

---

---

---

---

---

## Trust Records

- Monthly payment books
- Authorization to disburse
- Fees retained and charged
- Brokers book



Copyright © 2009

National Association of Residential Property Managers

June 2013

35

---

---

---

---

---

---

---

---

## Commingling

- The combining of funds from different principals in a common checking account
- Two Forms:
  - Legal commingling
  - Illegal commingling
- Reasonable time to segregate funds



Copyright © 2009

National Association of Residential Property Managers

June 2013

36

---

---

---

---

---

---

---

---



### Conversion/Shortages

- The unauthorized and illegal use of one entity's funds for the use of another
- Conversion is never legal; however, major causes for conversions are:
  - NSF Check combined with early payment to owner or vendor
  - Payment of invoices before receipt of funds payment of reoccurring expenses before receipt of owner funds
  - Insufficient owner balances
- Unauthorized loan
  - Management agreement clause
  - MPM® (Risk Management class)



---

---

---

---

---

---

---

---

### Overages

- Identify the source of overages
  - Deposit in transit
  - Bank adjustment
- Adjust accounts balances
  - Journal entry
  - Fully explain reason
- Overages are usually the result not matching cash flows activities or bank error



---

---

---

---

---

---

---

---

### Unclaimed Funds

- Another source of overages
  - Check requires several signatures in order to be cashed
  - Owner died – or moved with no ad State Real Estate Regulatory Agencies
- Stop payment and reissue check
- Check with your state statutes



---

---

---

---

---

---

---

---



## Account Receivables

- All funds collected by the company as agent for the owner, agent or principal
- State statutes
- Two types of account receivables
  - Owner Funds
    - Rents
    - Late fees
    - Non-refundable deposits
    - Interest
  - Tenant Funds
    - Earnest monies
    - Security deposits
    - Collateral funds
- Deposits
  - Funds that are held in trust until a specific event occurs after which the funds are returned to the tenant or are accounted for non-compliance
  - Defined as either refundable or non-refundable depending on the state



---

---

---

---

---

---

---

---

## Funds Received

- Cash - cannot refuse U.S. legal tender?
- Check
- Cashier's check, money order or "Official" bank checks direct deposit – window to withdraw funds
- Credit card
- Electronic funds transfer



---

---

---

---

---

---

---

---

## Rent Payment

- Full rent owed should include:
  - Rent
  - Sales tax
  - Late fees and penalties
  - Attorney fees
  - Court costs and filing fees
  - Process service fees
  - Tenant maintenance pass through
  - etc.
- Partial rent payment:
  - Anything less than the full rent owed
  - Company company's policy of partial payments
  - Statutory consequences of receiving partial payments



---

---

---

---

---

---

---

---



### Policy Example:

- Funds from third party
  - Becomes a lessee
  - Corrective action of third party payments
  - Discover the reason for non-payment by the tenant
  - Tenant borrows funds to pay rent. Notice of acceptance and non-wavier agreement letter
  - Notice of non-acceptance letter and return the funds
  - Qualify the third party who does not have the same rights and privileges of the lessee



---

---

---

---

---

---

---

---

### Policy for Posting Funds

- Post all rent each day
- Post rent every 2nd, 3rd, etc., day
- Post all rents at the end of "Grace Period"
- Posting rents and developing an audit trail information



---

---

---

---

---

---

---

---

### Statutory Requirements

- All funds must be deposited within 24 hours
- All funds must be deposited the next business day
- Combination of 24 hours and/or next business day which ever is later
- Company P&P: Funds must be deposited each night in bank's night deposit



---

---

---

---

---

---

---

---



## Late Fee Policy

- ENFORCE IT....
- Be consistent
- Exceptions
- Late fee charge
  - Fixed amount
  - Percentage of rent
  - Combination of two
  - Reasonable fee (relevancy test)
  - Collectable Fee
- Late Fee Frequency
  - One time charge
  - Daily charge
  - Initial charge and daily charge



---

---

---

---

---

---

---

---

## Initiation of Late Fee Policy

- Notice at least 30 days before start up
- Good Guy / Bad Guy follow up letter
- Second month



---

---

---

---

---

---

---

---

## NSF Checks

- Photo copy the notice and check
- Send letter of intent to terminate
- Letter of NSF check
- Photo copy of bank NSF notice and check
- Assess late fee, penalties, etc.
- Notice of legal and financial consequences
- Notice of intent to terminate
- Collect or evict
- 2nd NSF check – good funds only



---

---

---

---

---

---

---

---



### Group Exercise

- You are paying an owner's monthly mortgage payment. Suddenly, the owner is called up into military service and sent overseas. There is not enough owner funds to pay the mortgage, what should the Company do?
- Your bank returns a tenant's check as NSF. What do you do?
  - Before the owner statement has been sent
  - After the owner statement has been sent
- The owner sends an insurance check that is made payable to the Company and the owner. The owner has not endorsed the check. The owner in phone conversation tells the Company to sign his name and deposit the check into the trust account. What do you do?



---

---

---

---

---

---

---

---

### Group Exercise

- An owner authorizes the Company to start the maintenance and repairs. Unfortunately, the owner does not have sufficient funds to cover the anticipated expenses. What do you do?
- A prospective applicant pays the first month's rent and a security deposit with his application. The funds are deposited. Before, the application is run, the tenant withdraws his application. What do you do?
- A tenant pays his/her rent on the 14th day of the month. Statements are sent on the 20th of the month. When do you send the owner funds?



---

---

---

---

---

---

---

---

### Accounts Payable

- All financial obligations to be paid by company from the owner's funds.
- Types of account payables
  - Recurring payments
  - Paid on a regular basis
  - Monthly, quarterly, semi-annually, annually fixed payment amount
- Monthly payments
  - Gardener
  - Utilities
- Paid on a regular basis
  - Maintenance
  - Owner disbursement
- Irregular and/or infrequent payables
  - Annual survey
  - Pest control
  - Disposition of security deposit



---

---

---

---

---

---

---

---



## Making Payments for Owners

- Lien items
  - Mortgage payments
  - Property taxes
  - Insurance premiums
  - Others?

These can put your business in jeopardy!



---

---

---

---

---

---

---

---

## Broker or Company Signs all Checks

- Excellent control by company or broker
- Provides a review of work completed and work in progress
- Monitors labor and materials prices
- Informal method to keep posted as to “what’s happening”



---

---

---

---

---

---

---

---

## Writing The Checklist

- A checklist is a list of all tasks necessary to complete a process
  - The action steps explain how to complete the task



---

---

---

---

---

---

---

---



## Writing the Checklist

- Can be divided by function or by system
- Includes a checkbox/initials/date
- Processed until complete
- Determine if retention is required
  - Application processing – keep for Fair Housing
  - Owner closeouts – keep for state real estate regulatory agency, if applicable



---

---

---

---

---

---

---

---

Date received: \_\_\_\_\_ Signing Appointment \_\_\_\_\_  
Time received: \_\_\_\_\_

**APPLICATION CHECK LIST**

PROPERTY: \_\_\_\_\_ Rental Amount: \_\_\_\_\_  
LEASE ☐ MONTH-TO-MONTH ☐ DESIRED MOVE-IN DATE \_\_\_\_\_  
(Lease Term )

APPLICANT(S): \_\_\_\_\_

1. Income verification (Income exceeds rental value by 3X? Yes No)  
Additional Income: \_\_\_\_\_ Source: \_\_\_\_\_  
Income breakdown (Need) \_\_\_\_\_ (Actual) \_\_\_\_\_

2. Is application complete? Yes No

3. Credit Check ( Date ran: \_\_\_\_\_ )

4. Employment History - Verified Yes No  
Employer/Position: \_\_\_\_\_  
Person spoke to: \_\_\_\_\_



---

---

---

---

---

---

---

---

## Class Discussion:

- What type of checklists do you use?
  - Why do you use them?
- Do you have the procedures to explain how to do the task on the checklist?



---

---

---

---

---

---

---

---



## Review/Update

- Reviewing and Updating
  - Reviewed annually at a minimum
  - Updated as changes occur
    - Date when changed
    - Communicate change to the office
    - Refer to specific laws/regulations
  - Online or hard copy?



---

---

---

---

---

---

---

---

## Update Triggers

- Scheduled review
- Office changes
  - Software
  - Staff
  - Profit centers
- Legal
  - Legislative changes
  - Court cases



---

---

---

---

---

---

---

---

## Red Flag Rule

- November 2008
- Duties of rental property owners and managers as users of consumer reports – general overview
  - Must implement a reasonable policy to verify consumer's identity



---

---

---

---

---

---

---

---



### Red Flag Rule – Con't

- When a notice of adState Real Estate Regulatory Agency's discrepancy is received, the user can verify the information in the consumer report with the consumer; or
- When a notice of adState Real Estate Regulatory Agency's discrepancy is received by the user, the user can compare the information in the consumer report with the following:
  - Information obtained and used to verify the consumer's identity in accordance with a Customer Information Program (CIP); or
  - Information maintained in the user's own records, such as applications, change of adState Real Estate Regulatory Agency's notifications, other customer account records, or retained CIP documentation; or
  - Information obtained from third-party sources.



---

---

---

---

---

---

---

---

### Identity Theft

- Safe-keeping documents
- Scan and shred
- Notification if compromised



---

---

---

---

---

---

---

---

### Other Procedures

- Paperless office – Online class
- Vendor information — Habitability
- Personnel — P&P
- Maintenance company – In-House Maintenance
- Resolving tenant conflict –Tenancy
- Liability –Risk Management
- Tenant repairs/rent payment –Tenancy



---

---

---

---

---

---

---

---



Thank You

WE APPRECIATE YOUR PARTICIPATION IN THIS  
NARPM® COURSE.

PLEASE COMPLETE THE EVALUATION SURVEY  
SENT TO YOUR EMAIL ADDRESS

For more information visit

[www.NARPM.org](http://www.NARPM.org) or call **1-800-782-3452**



Copyright © 2009

National Association of Residential Property Managers

June 2013

64

---

---

---

---

---

---

---

---



# NEW ACCOUNT CHECK LIST

Owner Name(s): «First Name» «Last Name» Property Address: «Property Address» County: «County»

Phone (H) «Home Phone» (W) «Work Phone» (cell) «Cell Phone» (Email): «Owner Email»

Property Type: «Property Type» Team: «Team» Circle all that apply: Rent to own, 4 Sale, 4 Rent

Mortgage Bal: \_\_\_\_\_ Principle: \_\_\_\_\_ Interest: \_\_\_\_\_ Taxes: \_\_\_\_\_ Insurance: \_\_\_\_\_ Int Rate: \_\_\_\_\_

Complete Staff  
Initials

## CHECKLIST

Date

Mgr/Dave

Assistant

Dave

1. Evaluation of units			
2. Evaluation report sent to owner			
3. \$50 Set-up fee received from Owner			
4. Update excel log			
5. Download all property photos from camera to hard drive			
6. Mgmt packet sent:			
7. Mgmt packet received: _____ Mgmt Start Date: _____			
8. Email Owner reply that packet was received			
9. Print out MLS on property			
10. Keys received/tagged/filed and updated in key list and Unit window			
11. Manager Set Up Review with owner (within 48 hours)			
12. Charge \$75 min mgmt fee for this month YES/NO			
13. Initial Funds from owner:			
14. Security Deposit(s) received. Owner keeping YES/NO			
15. Fill out internet posting form and give to Leasing w/ MLS report			
16. Update Tenant/Guest Srv Coordinator if Lawn/Snow needed			
17. Put suspense reminder to input min mgmt fee when owner vacates			
18. Set up Owner			
19. Set up property			
20. Set up Units			
21. Set up tenants			
22. Make copy of Mgmt agreement to be sent w/ monthly statements			
23. Follow up on Association Rules and Regulations			
24. If there a City license: YES/NO If NO, give license form to leasing			
25. Check need to service heating system & fireplace. Make WO			
26. Notify Acctg: DD Tax Pd Tax Escrow Ins Escrow			
27. Log Insurance follow up on "waiting for insurance" in Excel			
28. Fax Insurance Notification to Insurance Agent			
29. Set up lawn care or snow removal if needed			
30. Commission to referring Agent			
31. Add property to tracking logs			
32. Make Initial Set Up Fee charge in Edge			
33. Manager change Mgmt Fee in property window			
34. Owner File Complete			

## Owner File

## Tenant File

Owner Questionnaire	New Acct Checklist	Showing Log	Rental Log
New Owner Setup Review	Management Agreement	Property Maint. Report	Lease
Owner Disclosure	Lead Paint Disclosure	Correspondences	Move-in condition report
Property Condition Report	Insurance Declaration	Tenant Info Form	Lease Review checklist
Rental License	Power of Authority		Lead Paint Disclosure
Initial Property Eval	W-9 form		Application and Credit report
Benefit analysis	Owner Condition Report		
Property Tax Report			



## FOR CLOSING A PROPERTY

PROP CODE \_\_\_\_\_ ADDRESS \_\_\_\_\_

STOP MGMT \_\_\_\_\_ FINAL STATEMENT \_\_\_\_\_

### Property Manager

Date \_\_\_\_\_ Initial \_\_\_\_\_

\_\_\_\_\_ WRITTEN INSTRUCTIONS FROM OWNER; INCLUDE TENANTS DEPOSIT DISBURSEMENT

\_\_\_\_\_ ENTER IN CLOSE OUT LOG

\_\_\_\_\_ LETTER TO TENANT

\_\_\_\_\_ FAX UTILITIES TO STOP INTERIM BILLING ☐ PGE ☐ NW Nat Gas ☐ Water/Sewer ☐ Garbage

\_\_\_\_\_ RUN WORK ORDER SUMMARY TO CHECK  
OUTSTANDING WORK ORDERS PENDING

\_\_\_\_\_ UPDATE BOOKKEEPING TO HOLD ALL FUNDS

\_\_\_\_\_ REMOVE LEAD BASED PAINT DISCLOSURE

Hold for: \_\_\_\_\_

### DO NOT ORDER ANY ADDITIONAL WORK WITHOUT FUNDS IN ACCOUNT

CHARGE MGMT FEE UNTIL (30 days from date of notice or last day of mgmt, whichever is longer) \_\_\_\_\_

DISBURSEMENT OF TENANT FUNDS \_\_\_\_\_

DISBURSEMENT OF OWNER FUNDS \_\_\_\_\_

ADDITIONAL INSTRUCTIONS \_\_\_\_\_

AMOUNT OF RENT \_\_\_\_\_

ORIGINAL MANAGEMENT DATE \_\_\_\_\_

REASON FOR TERMINATION \_\_\_\_\_

### Bookkeeping

\_\_\_\_\_ CHECK TRUST ACCOUNT BALANCE FOR \$\$\$ Reports/Trust Acct Balance

\_\_\_\_\_ PAY ALL BILLS INCLUDING MGMT FEE Reports/Owner Stmt

\_\_\_\_\_ TRANSFER SEC DP TO CASH ACCOUNT Reports/Trust Acct Bal Rpt

\_\_\_\_\_ REFUND SECURITY DEPOSIT TO VACATING TENANT IF APPLICABLE

\_\_\_\_\_ PRINT FINAL TENANT LEDGER FOR OWNER AND FILE

\_\_\_\_\_ PROPERTY: CHG CODE TO LOWER CASE; REMOVE HYPHEN (-) IN SPV; MARK "closed 12/08" IN PROPERTY DESCRIPTION BOX;

CHANGE MGMT FEE AMTS TO 0.00;

DELETE FROM STATEMENT LISTS (LIST \_\_\_\_\_ / \_\_\_\_\_) / PULL ACH AUTHORIZATION SHEET FROM STANDING FILE \_\_\_\_\_

Team

CHANGE RESERVES AMT TO 0.00;

EDIT NOTES FIELD (SPVA; closed 12/08)

\_\_\_\_\_ UNIT: CHG CODE TO LOWER CASE; REMOVE HYPHEN (-) IN SPV; MARK "closed 12/08" IN UNIT INFORMATION-DESCRIPTION BOX & EDIT NOTES FIELD

\_\_\_\_\_ OWNER: TAG BOX: REMOVE HYPHEN (-) IN SPV & MARK "closed 12/08"

PROPERTY ADDRESS: CHECK (X) USE OWNER ADDRESS FOR PAYMENT

ACCOUNTING INFORMATION: UN-CHECK OWNER PAID BY ACH

OWNER PACKET: CHECK (X) OWNER PACKET & CASH FLOW BOXES: EDIT NOTES FIELD (SPVA; closed 12/08)

\_\_\_\_\_ DELETE RECURRING C/D FOR MORTGAGE, H/O, MEI, MMETRO, ETC

\_\_\_\_\_ DISBURSE BALANCE OF FUNDS TO OWNER

\_\_\_\_\_ PRINT FINAL CASH FLOW FOR CURRENT MONTH & OWNER STATEMENT FOR CALENDAR YR

\_\_\_\_\_ ATTACH CLOSING LETTER

\_\_\_\_\_ PLACE ON "EXCLUDE AT EOM" LIST & HIDE Property

### Property Manager

\_\_\_\_\_ RETURN KEYS TO OWNER, TAKE LABEL OFF BOX

\_\_\_\_\_ REMOVE MGMT AGMT FROM MASTER FILE AND PUT IN CLOSED FIRE SAFE FILE

\_\_\_\_\_ AUDIT FILES FOR MISFILED ITEMS - DATE FILES AS CLOSED-month/yr. on yellow file-place in front

\_\_\_\_\_ INCLUDE THIS WORKSHEET IN CLOSED RED FILE

\_\_\_\_\_ ENTER IN CLOSE OUT LOG



### Signing Appointment

<p><b>PET?</b></p> <p><input type="checkbox"/> Yes   <input type="checkbox"/> No</p> <p>Type: _____</p>
<p><b>Business?</b></p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Type: _____</p>

Rental Amount: \_\_\_\_\_

APPLICANT(S): \_\_\_\_\_

- |   |               |    |
|---|---------------|----|
| 1. Income verification (Income exceeds rental value by 3X?) | Yes           | No |
| Additional Income: _____                                    | Source: _____ |    |
| Income breakdown (Need) _____ (Actual) _____                |               |    |
| 2. Is application complete?                                 | Yes           | No |
| 3. Credit Check ( Date ran: _____ )                         | Yes           | No |
| 4. Employment History - Verified                            | Yes           | No |
| Employer/Position: _____                                    |               |    |
| Person spoke to: _____                                      |               |    |

## 5. Rental References

Tenant (1)	Tenant (2)	Tenant (3)	Tenant (4)
Landlord/Mgr	Landlord/Mgr	Landlord/Mgr	Landlord/Mgr
<p>1. Did tenant pay on time? Yes ___ No ___ Rent amount? _____</p> <p>2. Have you received any complaints? Yes ___ No ___</p> <p>3. Did tenant damage property during tenancy? Yes ___ No ___</p> <p>4. Have you taken any legal action on this tenant Yes ___ No ___</p> <p>5. Would you rent to tenant again? Yes ___ No ___</p>	<p>1. Did tenant pay on time? Yes ___ No ___ Rent amount? _____</p> <p>2. Have you received any complaints? Yes ___ No ___</p> <p>3. Did tenant damage property during tenancy? Yes ___ No ___</p> <p>4. Have you taken any legal action on this tenant Yes ___ No ___</p> <p>5. Would you rent to tenant again? Yes ___ No ___</p>	<p>1. Did tenant pay on time? Yes ___ No ___ Rent amount? _____</p> <p>2. Have you received any complaints? Yes ___ No ___</p> <p>3. Did tenant damage property during tenancy? Yes ___ No ___</p> <p>4. Have you taken any legal action on this tenant Yes ___ No ___</p> <p>5. Would you rent to tenant again? Yes ___ No ___</p>	<p>1. Did tenant pay on time? Yes ___ No ___ Rent amount? _____</p> <p>2. Have you received any complaints? Yes ___ No ___</p> <p>3. Did tenant damage property during tenancy? Yes ___ No ___</p> <p>4. Have you taken any legal action on this tenant Yes ___ No ___</p> <p>5. Would you rent to tenant again? Yes ___ No ___</p>

Applicant	Accepted	Yes	No	Why
Comments				

## RENTAL STATISTICS

PRORATED RENT:

SECURITY DEPOSIT:

APPLICATION FEE:

§

§

§ \_\_\_\_\_

PER DAY: \$ \_\_\_\_\_ x \_\_\_\_\_ = \$ \_\_\_\_\_

(Date received: \_\_\_\_\_)

APPROVED/DISAPPROVED BY:

(STOP MLS)

Agent for H.M.S.

Date \_\_\_\_\_







## New Tenant Move In Checklist

Tenant(s) Name: \_\_\_\_\_ Tenant ID: \_\_\_\_\_ Property Code: «Property\_ID» Team: «Property\_Manager»

Address: «Property\_Address» Available as of: «Date\_Available» Move-In Date: «Move\_out\_date»

	Amount Due	Amount Received	Date	Initial
First Month's Rent	\$ _____	\$ _____		
Security Deposit	\$ _____	\$ _____		

### INITIAL SET UP

Tenant/Guest Services	Leasing
Date Received: <u>«Todays_date»</u>	List Property on Rental Board: _____
List Property on Move-In/Out Board: _____	Put on Internet: RP Mgmt _____ Rentandbuyahome _____
Make Tenant Folder: _____	Craigslist _____ Rentalhomes+ _____ Rentals _____
Print out Flier and Put with File: _____	Make Fliers: _____ Add to Excel Listing Report: _____
Give File to Property Mgr: _____	If Vacant, Add to Appointments Plus: _____
Note status in tenant window if lease option _____	Email Owner & Mgr it is listed & showing info: _____
Make Copy Lead-Based Paint Form-Owner File _____	Check Pre-move out & give to Maint: _____

### PRE- LEASE SIGNING

Tenant/Guest Services	Leasing
Print New Lease Signing Packet: _____	Faxed Copy of Lease and/or Deposit Received: _____
Set up Prospective Tenant in Edge: _____	Take off Internet: RP Mgmt _____ Rentandbuyahome _____
Email PM & Owner regarding signed lease: _____	Craigslist _____ Rentalhomes+ _____ Rentals _____
Schedule Final Turnover Checklist Inspectoin: _____	Current Tenant Notified: _____
Make Coupons, Auto Draft & Label for Packet: _____	Remove Excel list: _____ Remove Appt-Plus: _____

### POST LEASE SIGING

Tenant/Guest Services	
Instructions/Lease Signed & Rcvd: _____	Update Lawn/Snow Excel list & Notify Vendor: _____
Make Copy Move-In Inspection (Copy to Tnt): _____	Utilities transferred: Gas _____ Elec _____ Water _____ Trash _____
Make work order for re-keying locks: _____	Make sure there is a City license: _____
Tenant window updated in Edge: _____	Mgmt Fee Changed: % ≥ \$110: _____
Update Move-in/Out Board: _____	Set up tenant E-Folder and scan lease docs: _____
Make copy of lease for owner: _____	Enter follow-up 1 week of move in: _____

### Dave

Lease Commission: \_\_\_\_\_%, Discount: \_\_\_\_\_% = \$ \_\_\_\_\_ Lease Log Updates: \_\_\_\_\_ Showing Credit: \_\_\_\_\_



ZZ

**HomePointe, Inc.** MGR: \_\_\_\_\_

**30-Day Notice Checklist**

ALL 30-day notices go to the manager

Date 30-Day Notice Rec'd/Serv'd	
Resident Code:	
Address	
Pull File & attach to checklist	
If resident served us: Status=Notice	
If we served resident: Status=Evict	
Figure prorate/Note 2nd page in Ledger	
Check for dep, if none- zero owner % in Setup->Property	
Review file / Prop notes / Ledger	
Notify acctg if on ACH transfer	
Lease Termination Date	
Release Date:	
Call owner/determine asking rent	
Asking Price: Rent / Deposit	
Call tenant/determine showing/see	
Issue VM Extension Number	
Record Voice Mail / File script	
Enter/Edit NetRent Vac List Status=Vacant	
Create Ad for Sac Bee when Vacant	
Order sign up by maintenance/Job#	
<b>Checklist &amp; file to Support Staff</b>	
Type & mail letters:	
Tenant Letter: R-90/Tenant Pre Move Folder	
Include Move in/out 3.12.18-19	
Owner letter O-60 or O-61 if we serv.	
Mail Resident/Owner Letters	
Attach Deposit Refund Ck-List	
Deliver to Manager	
File in 30-Day File	
<b>NOTICE TO EXTEND</b>	
Amend Vacancy List	
Rerecord Voicemail	
Extended to Date:	
<b>Checklist &amp; file to Support Staff</b>	
R-93 O-62	
Mail Original/File Copies	
Deliver to Manager	
File in 30-Day File	
<b>NOTICE TO CANCEL</b>	
Change Vac list to Rented status	
Rerecord Voicemail	
Note "Cancelled" in Vac Log	
Change owner hold back	
Stop any advertising	
Bill res for advertising	
<b>Checklist &amp; file to Support Staff</b>	
R-91 O-63	
Mail Original/File Copies	

6.2.1 8/31/06

## Closing Account Check List

Date: \_\_\_\_\_ Mgr-Report \_\_\_\_\_

Closing Date: \_\_\_\_\_

Address: \_\_\_\_\_

Property Code: \_\_\_\_\_

Closed Code: \_\_\_\_\_

Owner Code: \_\_\_\_\_

Monthly Management Fee: \_\_\_\_\_

Are any properties still managed for owner? Yes//NO

Reason for Close: \_\_\_\_\_

**USE ONE CHECKLIST PER PROPERTY**

Property Manager Hold until closed

Mgr determine last month to charge: \_\_\_\_\_

Remove flat rate fee after the 4th of mo. of last mo.

On 1st of closed mo. Tenant to Past

In Property set Work Order \$Limit to 5.00

Set Reserve to 0.00 & ownership to 0%

Print & Attach open work orders/resolve/clear up

Print & attach Report/Payable/Recurring

Terminate recurring vendors Attach copy of V-21

Terminate recurring vendors Attach copy of V-21

Terminate utilities as necessary

Delete all units from NetRent

If a mortgage, notify accounting what to do

Run Inv. Due List/Notify owner if funds needed (O-102)

If needed, copies of current R/A and app to \_\_\_\_\_

Keys given to: \_\_\_\_\_

Print Owner statement 1/YY-12/YY

Attach termination letter, or mail O-405

Only mail a O-405 if necessary (see supervisor)

Supervisor

Log in Closed Log/Check New Log

Supervisor remove mgt fee \$enter manually if needed

Accounting

Do the following steps immediately

Change Property Code= zzSTREET\*ST #'s"

Move street #'s behind street address

In Property file, edit code to yr closed: ex 35-z00

In Attributes note Year Closed

Ownership to actual owner & to 100% (out of banks)

If ACH remove it from Owner/remove from .gp06/20x

Remove property from Property Manager List

Remove property from Acctg date sort list

Enter accounting sort to zzzGPCLOYR

Remove recurring vendors & do final billing if needed

See attached letters of termination

Check Security Deposit account/funds to operating

Run Inv. Due List/pay funds down to 0.00

Change tenant(s) to PAST & Move out =Close date

Put z in front of tenant(s) Code

Remove all roommates and list on front page w/1st tenant

Remove tenant rent rate/end date lease chrgs

Get rid of or credit any incorrect charges in Tenant

Pay any bills and send \$\$ to owner w/statement

If funds owed, send owner O-116 wait 10 days

AFTER 10 days/to Collection

If funds owing after 10 days, to Collection

Pull Acctg file & combine with Mgr files

Place file in Closed File for the year account closed

10.6.1 1/25/2006



## MOVE-OUT CHECKLIST

(Clip Tenant Charge form and Move-Out Condition Report on back )

Name: «Tenant names» Tenant ID: «Tenant ID» Address: «Property Address»

Move-In Date: «Start date» Move-out Date: «Move out date» Date notice rec'd: «Notice Recvd»

Forwarding Address: «Forwarding Address» Proper Notice?: «Proper Notice» Lease end date: «Current Lease End Date» Actual Move-out Date: \_\_\_\_\_

### To be completed by Assistant

- |   |  |
|---|--|
| ___ Fill out move out packet/send tenant instructions         | ___ Give Pre-move-out inspection form to Manager.        |
| ___ Give Pre-Move out to Mgr w/ attached Owner update letter  | ___ Send copy of Pre-move out report and letter to owner |
| ___ Email manager to notify owner and check on re-rental      | ___ Update security deposit disposition log              |
| ___ Put Move-Out Follow-Up and Final Instructions in suspense | ___ W/O for winterizing vacant properties                |
| ___ Complete New Rental Folder and give to Manager            | ___ Uncheck AutoPay Draft Authorization box              |
| ___ List property on move-out board                           | ___ Remove next auto draft date                          |
| ___ Update New Tnt Move-In ✓ list lease fee (If applicable)   | ___ Call water department for final reading and bill     |
| ___ Update tenant info on computer                            | ___ Acct# _____  |
| ___ Update lease renewal in tenants window in UDF'S           | ___ Transfer utilities if not rented                     |

### To be completed by Property Manager

- |   |   |
|---|---|
| ___ Schedule final move out                                     | ___ Charge tenant re-lease fee for improper notice                                |
| ___ Make work orders and schedule for turnover                  | ___ Give accounting the tenant folder with deposit due date flagged on the folder |
| ___ Manager to indicate any charges on tenant charge form       | ___ Double check Security Deposit Disposition Log.                                |
| ___ Note-update new tenant checklist with an n/a for Lease fee. | ___ Put notice in suspense – send tenant to collection if funds are owed          |
| ___ Change Mgmt Fee in Property Window to \$75 if vacant        |   |
| ___ Print out photos of damage to be sent to tenant with notice |   |

### To be completed by Accounting

- |  |  |
|--|--|
| ___ Check tenant window to see if and how much deposit tenant paid. \$ _____   |  |
| ___ Make sure there aren't any rent charges made after tenant moved-out, unless noted due to improper notice. Delete any rent and late fee charges posted after move-out.  |  |
| ___ \$ _____ Calculate interest. Make sure to calculate remaining interest from the time we took over management. (5.5% thru 4/30/92, 4% 5/1/92-3/22/96, 3% 3/23/96 to 8/01/03, 1% to current). Create payable and cut check from trust and deposit into security deposit account. (Only issue credit to tenant if owner has deposit). |  |
| ___ Input any charges noted by the management team such as outstanding water bills, improper cleaning and damage done to the property by tenant. This is done through the same manner as interest above.   |  |
| ___ Create payable and cut check for any tenant charges. Print tenant ledger to make sure it's right.  |  |
| ___ Print SECURITY DEPOSIT REFUND NOTICE from the tenant menu. Send notice or letter and refund check (if applicable) to the tenant at the forwarding address. If no forwarding address was given, mail it to the property address. If the tenant still owes money, send an invoice.   |  |
| ___ In tenant window on EDGE, put the end date in the "Rent Sch" and make sure IWR is checked.   |  |
| ___ Print copy of Tnt CRP _____  |  |
| ___ Make tenant and owner copy of disposition  |  |
| ___ If tenant broke lease and owes future month's rent and/or re-leasing fee, put copy of tenant charge form in showing folder   |  |



## MOVE-OUT CHECKLIST

(Clip Tenant Charge form and Move-Out Condition Report on back)

Name:«Tenant\_names» ID:«Tenant\_ID» Address:«Property\_Address»

Move-In Date: Move-out Date:«Move\_out\_date» Notice rec'd:«Notice\_Recvd» Actual Move-out Date:

Forwarding Address:«Forwarding\_Address» Proper Notice?:«Proper\_Notice» Lease end date:

### TENANT/GUEST SERVICE COORDINATOR

- |   |  |
|---|--|
| ___ Fill out move out packet/send tenant instructions         | ___ Give Pre-move-out inspection form to Manager.                          |
| ___ Give Pre-Move out to Mgr w/ attached Owner update letter  | ___ Send copy of Pre-move out report and letter to owner                   |
| ___ Email manager to notify owner and check on re-rental      | ___ Update security deposit disposition log                                |
| ___ Put Move-Out Follow-Up and Final Instructions in suspense | ___ W/O for winterizing vacant properties                                  |
| ___ Complete New Rental Folder and give to Manager            | ___ Uncheck AutoPay Draft Authorization box<br>Remove next auto draft date |
| ___ List property on Move-in/Move-Out progress log            | ___ Call water department for final reading and bill<br>Acct#_____         |
| ___ Update New Tnt Move-In √list lease fee (If applicable)    | ___ Put in suspense to transfer utilities if not rented                    |
| ___ Update tenant info on computer                            |  |
| ___ Update lease renewal in tenants window in UDF'S           |  |

### PROPERTY MANAGER

- |  |   |
|--|---|
| ___ Schedule final move out                              | ___ Charge tenant re-lease fee for improper notice              |
| ___ Make work orders and schedule for turnover           | ___ Print out photos of damage to be sent to tenant with notice |
| ___ List tenant charges                                  | ___ Double check Security Deposit Disposition Log.              |
| ___ Change Mgmt Fee in Property Window to \$75 if vacant | ___ Give accounting the tenant folder                           |

### ACCOUNTING

- \_\_\_ Check tenant window to see if and how much deposit tenant paid. \$ \_\_\_\_\_
- \_\_\_ Make sure there aren't any rent charges made after tenant moved-out, unless noted due to improper notice. Delete any rent and late fee charges posted after move-out.
- \_\_\_ \$ \_\_\_\_\_ Calculate interest. Make sure to calculate remaining interest from the time we took over management.(5.5% thru 4/30/92, 4% 5/1/92-3/22/96, 3% 3/23/96 to 8/01/03, 1% to current).Create payable and cut check from trust and deposit into security deposit account. (Only issue credit to tenant if owner has deposit).
- \_\_\_ Input any charges noted by the management team such as outstanding water bills, improper cleaning and damage done to the property by tenant. This is done through the same manner as interest above.
- \_\_\_ Create payable and cut check for any tenant charges. Print tenant ledger to make sure it's right.
- \_\_\_ Print **SECURITY DEPOSIT REFUND NOTICE** from the tenant menu. Send notice or letter and refund check (if applicable) to the tenant at the forwarding address. If no forwarding address was given, mail it to the property address. If the tenant still owes money, send an invoice.
- \_\_\_ In tenant window on EDGE , put the end date in the "Rent Sch" and make sure IWR is checked.
- \_\_\_ Print copy of Tnt CRP \_\_\_\_\_
- \_\_\_ Make tenant and owner copy of disposition and give file to property manager
- \_\_\_ If tenant broke lease and owes future month's rent and/or re-leasing fee, put copy of tenant charge form in showing folder



# NEW ACCOUNT CHECK LIST

Owner Name(s):«First Name» «Last Name» Property Address: «Property Address» County: «County»

Phone (H) «Home Phone» (W) «Work Phone» (cell) «Cell Phone» (Email): «Owner Email»

Property Type: «Property Type» Team: «Team» Circle all that apply: Rent to own, 4 Sale, 4 Rent

Complete Initials

PROPERTY MANAGER		
1. Evaluate house		
2. Evaluation report sent to owner		
3. \$50 Set-up fee received from Owner		
4. Download all property photos from camera to hard drive		
5. Mgmt packet sent		
6. Mgmt packet received: _____ Mgmt Start Date: _____		
7. Email Owner reply that packet was received		
8. Print out MLS on property		
9. Manager Set Up Review with owner (within 48 hours)		
10. Charge \$75 min mgmt fee for this month YES/NO		
11. Initial Funds from owner: \$ _____		
12. Security Deposit(s) received. Owner keeping YES/NO		
13. Fill out internet posting form and give to Leasing w/ MLS report		
14. Update Tenant/Guest Srv Coordinator if Lawn/Snow needed		
15. Manager change Mgmt Fee in property window		
TENANT/GUEST SERVICES COORDINATOR		
16. Set up lawn care or snow removal if needed		
17. Set up Owner		
18. Set up property		
20. Set up Units		
21. Set up tenants, if occupied		
22. Put suspense reminder to input min mgmt fee when owner vacates		
23. Keys received/tagged/filed and updated in key list and Unit window		
24. Make copy of Mgmt agreement to be sent w/ monthly statements		
25. Follow up on Association Rules and Regulations		
26. Is there a City license: YES/NO If NO, give license form to leasing		
27. Check need to service heating system & fireplace. Make WO		
28. Send New Account Ticket to Accounting		
29. Log Insurance follow up on "waiting for insurance" in Excel		
30. Fax Insurance Notification to Insurance Agent		
DAVE		
31. Commission to referring Agent		
32. Add property to tracking logs		
33. Make Initial Set Up Fee charge in Edge		
34. Update excel log		
35. Owner File Complete		

## Owner File

## Tenant File

Owner Questionnaire	New Acct Checklist	Showing Log	Rental Log
New Owner Setup Review	Management Agreement	Property Maint. Report	Lease
Owner Disclosure	Lead Paint Disclosure	Correspondences	Move-in condition report
Property Condition Report	Insurance Declaration	Tenant Info Form	Lease Review checklist
Rental License	Power of Authority		Lead Paint Disclosure
Initial Property Eval	W-9 form		Application and Credit report
Benefit analysis	Owner Condition Report		
Property Tax Report			



#### **A. TYPE OF PROPERTIES MANAGED**

1. R.P. Management, Inc., accepts the management of single family homes and, small residential rental property.
2. Our policy is to accept the management of quality properties. We do not accept property in North Minneapolis (except Camden) South Central Mpls, the Frogtown area and near east side of St Paul.
3. All properties managed must meet any applicable local ordinance requirements.
4. All properties managed must meet reasonable habitability standards.
5. It is our desire to provide a quality residence for our tenants, consistent with the needs and goals of our owner clients.
6. We will not normally accept management of any property more than 30 minute drive from our office.



## A. SET UP OWNER

1. The owner is the first to be set up in the EDGEs database. The following are the steps. Most of this information will be found on the NEW OWNER QUESTIONNAIRE or the NEW ACCOUNT CHECKLIST .

- a) Go to Owner, select Owner Window then select the NEW icon; it looks like a blank page with a bent right corner. (Press enter after each of the following steps)
- b) The Owner ID starts with "O" for owner followed by the first three letter of the owner's last name. If this ID is already being used, you can use up to six letters of the owner's last name. If still in use, try first initial of first name followed by last name initials.
- c) Fill in the complete name(s) of the owner.
- d) Select "Addr/Ph" Fill in the phone numbers, Email and mailing address of the owner. (Find this info on the NEW OWNER QUESTIONNAIRE). Under DESC you can right click on the mouse for a pick list. Select the term "email main" for the email address.
- e) The "Pay To Name/Address" is where the monthly statements are to be sent. Most of the time it's the same as the "Legal Name/Address"
- f) Under IRS 1099's enter the tax payer – this is usually the owner unless it's a company like an LLC. DBA stands for "doing business as." This is only used if the tax payer is a business.
- g) Most owners will use their social security number SSN as the tax ID. Use EIN (Employer Identification Number) if it's a business owner. Find this on W9 form or on the front page of the NEW OWNER QUESTIONNAIRE.
- h) The Property Info tab will auto fill once you enter the property information later.
- i) Fill in UDF. The information for these can be found on the new account questionnaire.
  - DirectDep – Does owner want us to directly deposit funds. Indicate Yes or No . If Yes, fill out NEW ACCT TICKET, attach voided check and give to Accounting to set up direct deposit.
  - Routing and Account numbers on the bottom of the check for direct deposit are entered here.
  - DOB – Date of birth of owner.
  - Return date – List the start date of management found on the front on the property management agreement.
  - Owner Rating – Not filled in at this time.



- j) Images – These will be inputted in the property window
- k) Contact Notes – Nothing here during set up.
- l) Select Save (Icon looks like a computer disk).

2. Make an Owner/property file as directed below. The file setup is also list on the bottom of the New Account Checklist. Use a Red file. Put a label under the tab on the front of the file with the Owner name and mailing address. The property address label will go on the tab. Owners of multiple properties will have a separate file for each.

**Diagram of file setup:**

### **OWNER FILE**

<b>Owner Questionnaire</b> <b>New Owner Setup Review</b> <b>Owner Disclosure</b> <b>Property Condition Report</b> <b>Rental License</b> <b>Initial Property Eval</b> <b>Benefit analysis</b> <b>Property Tax Report</b>	<b>New Acct Checklist</b> <b>Management Agreement</b> <b>Lead Paint Disclosure</b> <b>Insurance Declaration</b> <b>Power of Authority</b> <b>W-9 form</b> <b>Owner Condition Report</b>
--	---





# MANAGEMENT

Residential Property Management Inc.

## POLICIES AND PROCEDURES

<b>I. SECTION 1.0 GENERAL COMPANY INFORMATION</b>	<b>6</b>
A. HISTORY OF THE COMPANY	6
B. MISSION	6
C. PHILOSOPHY	6
D. PRIMARY AIM	7
E. STRATEGIC OBJECTIVE	7
F. GENERAL BUSINESS	7
G. CUSTOMER SERVICE	7
H. BUSINESS SOURCES	9
I. EMPLOYEE RELATIONS	9
J. ORGANIZATIONAL STRUCTURE AND DEPARTMENTAL FUNCTIONS	9
K. COMPANY LOGO AND COLORS	10
L. ELECTRONIC FILE ORGANIZATION	10
M. SPECIAL EVENTS	11
N. DAILY OPENING AND CLOSING OF THE OFFICE	12
O. STAFF MEETINGS AND COMMUNICATIONS WITHIN THE COMPANY	14
P. ORGANIZATION AND TIME MANAGEMENT	14
Q. TECHNOLOGY, EQUIPMENT AND VEHICLES	14
R. COMMUNICATION SYSTEMS:	15
S. VEHICLES:	15
T. LOCK BOXES:	15
U. RENTAL SIGNS:	15
STAFFING AND EMPLOYEE POLICIES	16
V. EMPLOYEE MANUAL:	16
W. TEMPORARY OFFICE ASSISTANCE:	16
X. ADDING PERMANENT STAFF:	16
Y. INSURANCE:	16
Z. VENDORS AND SERVICES USED	16
I. TECHNICAL SUPPORT:	16
AA. SHIPPING/COURIER SERVICES:	17
BB. SUPPLY CHARGE ACCOUNTS:	17
CC. PURCHASE ORDER SYSTEM:	17
<b>II. SECTION 2.0 COMPANY POLICIES</b>	<b>21</b>
A. SCOPE OF SERVICES	21
B. TYPE OF PROPERTIES MANAGED	21
C. FEES	22
D. OTHER MONETARY POLICIES	22
E. MISCELLANEOUS PROPERTY POLICIES	22
F. PROPERTY RATING	26
G. COMPLAINT HANDLING	26
H. DOCUMENTATION	27
<b>III. SECTION 3.0 PROPERTY MARKETING PROCEDURES</b>	<b>28</b>
A. PROSPECT AND MARKETING PROCEDURES	28
B. REFERRALS	28
C. MARKETING TECHNIQUES	29
D. PROSPECT INQUIRIES	31
E. ORIENTATION	31
F. INITIAL EVALUATION/BENEFIT ANALYSIS	32



G.	OTHER CRITERIA .....	57
H.	MONETARY POLICIES .....	58
I.	OTHER LEASING POLICIES .....	59
J.	LEASE TERMS .....	60
K.	REFERRAL FEES .....	60
L.	LEASING RESPONSIBILITIES .....	60
M.	HANDLING CO-SIGNERS .....	62
N.	HANDLING COMPANIES ACTING FOR TENANTS .....	62
O.	REMOVAL OF ONE TENANT, OTHERS REMAINING .....	62
<b>VII. SECTION 6.0 LEASING PROCEDURES .....</b>		<b>63</b>
A.	OVERVIEW .....	63
B.	MARKETING RENTAL PROPERTIES .....	64
C.	AVAILABILITY LISTS .....	65
D.	WEEKLY REVIEW .....	66
E.	HANDLING CALLS .....	67
F.	APPOINTMENTS AND SHOWINGS .....	68
G.	APPLICATION PROCESSING .....	69
H.	DENIAL POLICY .....	70
I.	LEASE CLOSINGS .....	72
J.	PROCESSING LEASE CLOSINGS .....	74
K.	(See Section 15 – Property Trust Accounting Procedures) .....	74
<b>VIII. SECTION 7.0 MAINTENANCE PROCEDURES .....</b>		<b>75</b>
A.	MAINTENANCE POLICIES .....	75
B.	PREVENTIVE MAINTENANCE .....	76
C.	RECEIVING MAINTENANCE REQUESTS .....	77
D.	RECURRING MAINTENANCE .....	80
E.	CREATING WORK ORDERS .....	80
F.	PROCESSING INVOICES .....	80
G.	HOUSE CLEANING JOB SPECIFICATIONS .....	83
H.	OUTSIDE VENDOR INFORMATION .....	
<b>IX. SECTION 9.0 INSPECTION PROCEDURES .....</b>		<b>85</b>
A.	RECURRING MAINTENANCE AND INSPECTIONS .....	85
B.	ALL INSPECTIONS .....	86
C.	INITIAL EVALUATIONS .....	87
D.	MOVE-IN INSPECTIONS .....	87
E.	ROUTINE INSPECTIONS .....	87
F.	ANNUAL HEATING SYSTEM SERVICING .....	89
G.	MOVE OUT INSPECTIONS .....	89
H.	COMMON PROPERTY MAINTENANCE STANDARDS .....	90
<b>X. SECTION 10.0 KEY PROCEDURES .....</b>		<b>96</b>
<b>XI. SECTION 11.0 RENT COLLECTION PROCEDURES .....</b>		<b>97</b>
A.	ACCEPTING PAYMENTS .....	97
B.	POSTING PAYMENTS .....	97
C.	LATE RENTS .....	97
D.	RETURNED CHECKS .....	98
E.	USE OF COLLECTION AGENCY .....	99
F.	MOVE IN, MOVE OUT .....	99
<b>XII. SECTION 12.0 LEASE RENEWAL PROCEDURES .....</b>		<b>100</b>
B.	LEASE EXPIRATIONS .....	100
C.	REVIEW PROCESS .....	101
D.	NOTICE LETTERS .....	101
E.	RECORD /UPDATE RECORDS .....	101
F.	FOLLOW-UP .....	103
G.	RENEWAL FEES .....	103
<b>XIII. SECTION 13.0 LEASE TERMINATION/MOVE-OUT PROCEDURES .....</b>		<b>105</b>
A.	TENANT MOVE OUT .....	105
B.	TENANTS BREAKING LEASE .....	108



G.	SIGNUP .....	32
H.	MARKETING AND CORRESPONDENCE .....	33
<b>IV.SETTING UP NEW ACCOUNTS.....</b>		<b>34</b>
A.	NEW ACCOUNT CHECKLIST .....	34
B.	EVALUATION OF UNITS .....	34
C.	MAKE SET-UP CHARGE .....	34
D.	DOWNLOAD PROPERTY PHOTOS.....	34
E.	KEYS TAGGED.....	34
F.	OWNER WELCOME PACKET.....	34
G.	ADD PROPERTY TO TRACKING LOG .....	35
H.	SECURITY DEPOSITS.....	35
I.	SET UP OWNER.....	35
J.	SET UP PROPERTY .....	36
K.	SET UP UNITS.....	39
L.	SET UP TENANTS .....	40
M.	SEND NEW TENANT WELCOME PACKETS.....	41
N.	FOLLOW UP ON SHOWING FOLDER .....	41
O.	FOLLOW UP ON ASSOCIATION RULES AND REGS.....	41
P.	RENTAL REGISTRATION/LICENSE NAME CHANGE.....	41
Q.	NOTIFY ACCOUNTING .....	41
R.	MAKE OWNER UPDATE.....	41
S.	FOLLOW UP ON HEATING SYSTEMS/FIREPLACE SERVICE.....	42
T.	TRANSFER OWNER PAID UTILITIES .....	42
U.	OWNER INSURANCE .....	42
V.	AGENT PAID COMMISSION.....	42
W.	PROPERTY MANAGER INTRODUCTION .....	42
X.	PROPERTY MANAGER REVIEW .....	43
Y.	CARETAKER AGREEMENT .....	43
<b>V. SECTION 4.0 GENERAL DAILY PROCEDURES .....</b>		<b>44</b>
A.	CLIENT/CUSTOMER/PROSPECT COMMUNICATIONS .....	44
B.	COMMUNICATIONS WITHIN THE COMPANY .....	45
C.	WORKSTATION SET UP .....	47
D.	DAILY/MONTHLY SCHEDULES .....	48
E.	TIME ORGANIZATION.....	48
b)	Waiting for response - .....	48
F.	TEAM MEETING.....	49
G.	PROGRAMMING VOICE-MAIL.....	49
H.	UPDATE SUSPENSE.....	50
I.	PRINTING NOTES, SCHEDULED MAINTENANCE, JOURNALS .....	50
J.	PROCESS IN-BASKET.....	50
K.	PRIORITIZE/SCHEDULE NEXT DAY .....	51
L.	ON-GOING PROCESS PROCEDURES.....	51
•	Availability reports.....	51
•	Changes of names,addresses,property information .....	51
•	Death of owner .....	51
•	Death of tenant .....	51
•	Owners changing names, addresses, bank accounts.....	51
•	Tenants changing names .....	51
•	Sale of property .....	51
•	Handling power of attorney.....	51
•	Handling companies acting for owners .....	51
<b>VI. SECTION 5.0 LEASING POLICIES.....</b>		<b>55</b>
A.	PROSPECT QUALIFICATION AND LEASING STANDARDS .....	55
B.	GENERAL REQUIREMENTS.....	55
C.	INCOME CRITERIA .....	55
D.	CREDIT CRITERIA .....	56
E.	RENTAL/OWNERSHIP HISTORY.....	56
F.	CRIMINAL CRITERIA.....	57



C.	SECURITY DEPOSIT REFUND .....	108
<b>XIV.</b>	<b>SECTION 13 LEGAL ACTION AND EVICTION PROCEDURES .....</b>	<b>111</b>
A.	ACTIONS TO RECOVER PROPERTY AND/OR FOR NON-PAYMENT .....	112
B.	ACTIONS RELATIVE TO SECURITY DEPOSITS AND/OR DAMAGE CLAIMS .....	115
<b>XV.</b>	<b>SECTION 14.0 TERMINATION &amp; CANCELLATION PROCEDURES.....</b>	<b>118</b>
B.	OWNERS WHO ARE RETURNING TO THE PROPERTY .....	119
C.	OWNERS TERMINATING TO MANAGE PROPERTY THEMSELVES OR USE ANOTHER COMPANY .....	119
D.	OWNERS WHO WISH TO SELL THE PROPERTY .....	120
E.	TERMINATION PROCEDURES .....	120
<b>XVI.</b>	<b>SECTION 15.0 PROPERTY TRUST ACCOUNTING PROCEDURES.....</b>	<b>123</b>
A.	DAILY/MONTHLY ACCOUNTING .....	123
B.	DAILY TASKS .....	125
C.	PROGRAMMING VOICE-MAIL .....	125
D.	UPDATE SUSPENSE.....	125
E.	TODAY AND INCOMING BINS .....	126
F.	POSTING TENANT PAYMENTS.....	126
G.	POST MANAGEMENT FEES .....	128
H.	MAKING DEPOSITS AND CLOSING BATCHES .....	130
I.	OPERATING RECAPS .....	130
J.	CHECK TASK LIST .....	130
K.	PRIORITIZE/SCHEDULE NEXT DAY .....	130
L.	WEEKLY/MONTHLY TASKS .....	131
M.	AUTO-CHARGE PROCESS .....	131
N.	TENANT DELINQUENT STATEMENTS .....	132
O.	DELINQUENT RENT REPORT .....	132
P.	BANKTIES (ACH) .....	132
Q.	ACCOUNTS PAYABLE/ WORK ORDER INPUT .....	133
R.	REVIEW AVAILABLE FUNDS .....	134
S.	HANDLING PAYABLES .....	134
T.	RECURRING PAYABLES .....	135
U.	HANDLING MOVE-OUTS .....	135
V.	BANK RECONCILIATION .....	137
W.	PROFITABILITY REPORTS .....	137
X.	ESCROW PROPERTY TAXES .....	138
Y.	END OF MONTH FINANCIALS .....	139
Z.	PROCESSING BROKER'S PROPERTIES .....	140
AA.	EDGE MANAGEMENT SOFTWARE INITIAL SETUP NOTES .....	140
BB.	ENTERING NEW PROPERTIES .....	141
CC.	ENTERING APPLICANTS, EARNEST MONEY DEPOSITS AND APPLICATION FEES .....	145
DD.	PROCESSING LEASE CLOSINGS .....	146
EE.	HANDLING LEASE RENEWALS .....	149
FF.	SECURITY DEPOSIT UPDATES AND TRANSFERS .....	150
GG.	POSTING OWNER AND MISC RECEIVABLES .....	151
HH.	ENTERING VENDORS .....	151
II.	HANDLING MAINTENANCE .....	152
JJ.	HANDLING OWNER SHORTAGES .....	153
KK.	PRINTING OWNER STATEMENTS .....	153
LL.	TERMINATING PROPERTIES .....	154
MM.	PROCESSING BROKER'S PROPERTIES .....	155
NN.	CONDO ASSOCIATION MANAGEMENT .....	156
OO.	HANDLING BANK ACCOUNTS .....	157
PP.	HANDLING CHART OF ACCOUNTS .....	157
QQ.	ADVERTISING RECORDS .....	157
RR.	FORMS DESIGN .....	157
SS.	AVAILABILITY LISTS .....	157
TT.	RECURRING MAINTENANCE AND INSPECTIONS .....	157
UU.	REMINDERS- USER SPECIFIC LOGS .....	158
VV.	RECORD SPECIFIC LOGS .....	158
WW.	AUDITS .....	159



XX. END OF YEAR PROCEDURES.....	160
YY. STORAGE OF IMAGES.....	160
ZZ. REPORTS AND USER DEFINED FIELDS.....	161
AAA. PROBLEMS AND FIXES.....	161
<b>XVII. SECTION 16.0 COMPUTER PROCEDURES.....</b>	<b>162</b>
A. HOUSEKEEPING.....	163
B. BACKUP PROCEDURES.....	163
C. DOWNLOADING PROPERTY PHOTOS.....	163
D. UPDATING WEBPAGE.....	164
<b>XVIII. SECTION 17.0 COMPANY ACCOUNTING PROCEDURES.....</b>	<b>165</b>
A. PROCESSING PAYABLES.....	166
B. PROCESSING RECEIVABLES.....	166
C. RECONCILE BANK STATEMENTS UPON RECEIPT.....	166
D. LEASING COMMISSIONS.....	166
E. EMPLOYEES.....	167
F. HEALTH INSURANCE.....	167
G. TIME SHEETS.....	167
H. EMPLOYEE FILES.....	168
I. UNEMPLOYMENT CLAIMS BY FORMER EMPLOYEES.....	168
J. TERMINATED EMPLOYEES.....	169
K. GARNISHMENTS.....	169
L. OFFICE EQUIPMENT.....	169
M. WORKER COMPENSATION AUDIT.....	169
N. E-MAIL.....	170
O. BROKER'S CORRESPONDENCE.....	170
P. PAYROLL PROCEDURES.....	170
Q. STATE ANNUAL REPORT.....	174
R. SINGLE BUSINESS TAX ANNUAL RETURN.....	174
S. AUTO REIMBURSEMENT.....	174
T. BANK DEPOSITS.....	174
U. STAFF MEETING MINUTES.....	174
V. INCOME TAX PREPARATION.....	174
<b>XIX. SECTION 18.0 APPENDIX – CHECKLISTS.....</b>	<b>175</b>
A. NEW PROPERTY CHECKLIST.....	175
B. NEW TENANT MOVE-IN CHECKLIST.....	175
C. LEASE RENEWAL CHECKLIST.....	175
D. ROUTINE INSPECTION CHECKLIST.....	175
E. INITIAL INSPECTION CHECKLIST.....	175
F. MOVEOUT INSPECTION CHECKLIST.....	175
G. MAKE READY CHECKLIST.....	175
H. LEASING CHECKLIST.....	175
I. MAINTENANCE CALLS CHECKLIST.....	175
J. TERMINATED PROPERTY CHECKLIST.....	175
K. NEW EMPLOYEE CHECKLIST.....	175
<b>SECTION 19.0 JOB DESCRIPTIONS/POSITION CONTRACTS.....</b>	<b>176</b>
L. PROPERTY MANAGER POSITION CONTRACT.....	176
M. ASSISTANT PROPERTY MANAGER POSITION CONTRACT.....	179
N. COMPANY BOOKKEEPER.....	182
O. LEASING AGENT.....	184
P. ADMINISTRATIVE ASSISTANT.....	187
Q. OFFICE SECRETARY/RECEPTIONIST/CUSTOMER SERVICE.....	190
R. PROPERTY MANAGEMENT BOOKKEEPER.....	192
S. MARKETING SPECIALIST.....	194
T. MAINTENANCE TECHNICIAN.....	197



SAMPLE  
Medium Size Office  
By Job Assignment

**OPERATIONS MANUAL  
TABLE OF CONTENTS**

Page Number

**GENERAL**

- ♦Auto Liability Coverage
- ♦Company History
- ♦Fair Housing Statement
- ♦Job Descriptions
- ♦Organization Chart

**RECEPTIONIST**

- ♦Phone Procedures
- ♦Rental Inquiries
- ♦New Owner Prospect Calls
- ♦HOA Newsletter
- ♦Mail Procedures

**OFFICE MANAGER**

- ♦Advertising: Rental + Sale
- ♦Change of Terms
- ♦Opening of Office
- ♦Closing of Office
- ♦Mail Procedures
- ♦Management Contracts
- ♦Vacancies
- ♦Screening Applicants
- ♦Credit Checks
- ♦Leases
- ♦Money Handling in the Front Office
- ♦Owner Insurance
- ♦Rent Increases
- ♦Three-day Notices
- ♦Disposition of Security Deposit
- ♦Housing Authority - Section 8
- ♦Management Prospect Package

**PROPERTY MANAGER**

- ♦Showing Properties
- ♦Housing Authority – Section 8
- ♦New Management Contract Procedure
- ♦New Account Checklist Procedure



- ♦Close-out Property Management Procedure
- ♦Collections
- ♦Compliance with State Landlord/Tenant Requirements
- ♦Evictions
- ♦Management Prospects
- ♦New Account Checklist Procedure
- ♦New Management Contract Procedure
- ♦Tenant Insurance
- ♦Walk-in Procedure
- ♦Move-out Procedure
- ♦Lockbox Procedure
- ♦Tenant Disputes
- ♦Management Client Leads
- ♦Owner Conflict Resolution
- ♦Mailing Program

### **Maintenance**

- ♦Acquiring a Vendor
- ♦Key Procedures
- ♦Maintenance of Vendor Files
- ♦Maintenance Vacancy Board
- ♦Maintenance of Vendor Files and Printing of Vendor Report
- ♦Renovations/Bids/Jobs
- ♦Scheduling Cleaning
- ♦Safety Make-ready
- ♦Smoke Detector Policy
- ♦Obtaining Bid Information
- ♦Maintenance Bill Processing
- ♦Annual Surveys
- ♦Work Orders

### **BOOKKEEPING**

- ♦Payroll Procedure
- ♦Petty Cash
- ♦Security Deposits
- ♦Late Rents
- ♦Management Close-outs
- ♦New Management Package Set-up
- ♦Property Management Payables
- ♦Property Management Bookkeeping Receipts
- ♦Operations Bookkeeping - Work Orders
- ♦Monthly Owners' Statements & Funds to Owner
- ♦Broker's Book and Bank Reconciliation



Outline for Office Operations			
Learning Unit Title	Learning Objectives	Teaching Techniques	Estimated Time
Structure	<ul style="list-style-type: none"> <li>Outline the plusses and minuses of small and large office operations</li> <li>Understand the differences between franchise and private operations</li> <li>List the strengths and weaknesses of having a property management division within a real estate company</li> </ul>	Live Lectures and PowerPoint Handouts	30 minutes
Policies and Procedures	<ul style="list-style-type: none"> <li>Understand the difference between policies and procedures</li> <li>List the advantages of having policies and procedures in place</li> <li>Identify the way in which liability is lessened by policies and procedures</li> </ul>	Live Lectures and PowerPoint Handouts	60 minutes
Outlining the Policies and Procedures Manual	<ul style="list-style-type: none"> <li>Properly begin the manual process</li> <li>Understand the sections of the manual</li> <li>Write policies and procedures</li> <li>Identify the interactions between policies, procedures, and action items</li> <li>Recognize the differences in policies and procedures based on a company's needs</li> <li>Differentiate between a function and a system</li> </ul>	Live Lectures and PowerPoint Handouts	120 minutes
Trust Accounting	<ul style="list-style-type: none"> <li>Determine your state's laws on trust accounting</li> <li>Distinguish the actions that constitute comingling</li> <li>Identify reconciliation and proper practices for segregation of funds</li> <li>Formulate plans for policies for posting, third-party payments, and late payments</li> </ul>	Live Lectures and PowerPoint Handouts	60 minutes
Checklists	<ul style="list-style-type: none"> <li>Understand the components that make up a checklist</li> <li>Differentiate between the various uses of a checklist</li> <li>Be able to create checklists to meet your</li> </ul>	Live Lectures and PowerPoint Handouts	15 minutes



	needs		
Review and Updating	<ul style="list-style-type: none"> <li>List the triggers that signal a policy update</li> <li>Decide which review procedure works best for you</li> <li>Communicate to your staff when changes are made to the policies and procedures manual</li> <li>Understand the Red Flag Rule</li> </ul>	Live Lectures and PowerPoint Handouts	20 minutes

**Total clock hours: 305 minutes**



## Proposed Changes for Office Operations Course

### General Recommendations

- Order may be better in a branch form – policy to procedure to checklist (following a policy, its subsequent procedures and subsequent checklists). Currently, it goes from policies and procedures, to structure of an office/sections of a policies and procedures manual, to policies to procedures to trust accounting to checklists to updates.
- Mentions other classes, etc. on slides. It might be best in terms of structure and clarity to keep those off the slides and just have the instructor mention them.
- Text on slides is overwhelming – needs more slides to break up text
- Oftentimes bullets on slides don't follow logical order (for example, slide 13)
- Some poor/confusing wording on instructor notes
- The term “brokers book” is used (I'm not sure if this term is universal enough to be used)
- Trust accounting section oftentimes discusses statutes as universals when they are state-specific
- Examples of terms needed throughout trust accounting section
- Order of information in individual sections also confusing – for example, Red Flag Rules are mentioned and then it says what Red Flag Rules are.



Office Operations Exam (Answer Key)

Formatted: Left

General Notes: Number of options varies from other course exams, too many all or none of the above, and too many true or false questions

1. Why is it important to have a policy and procedures manual?

- a. Provide consistency
- b. Minimize liability
- c. Use as a training tool
- d. All of the above

~~e. None of the above~~

Answer: d (page 6, 10)

2. A policy can best be described as: Describe a policy:

- a. ~~An o~~Objective to be achieved
- ~~b. Could be set by law~~ b. Law (could be set by law is incorrect grammatically
- ~~c. Guiding~~ c. An item that guides business principles
- d. "a" and "b" above All of the above
- e. All of the above
- f. None of the above

Answer: ~~d~~e (page 9)

3. ~~Describe a~~ procedure:

- a. ~~Is a t~~Tasks to achieve an objective
- b. Action steps to achieve an objective
- c. ~~Includes~~Could include forms and checklists
- d. "a" and "c" above
- ~~e. d.~~ All of the above
- f. None of the above

Answer: ~~e~~d (page 9)

4. How do you create a property management policy and procedures manual? A person could start from scratch if an individual desired. Suggested altered question:

- ~~a. Purchase from NARPM® member or affiliate~~
- ~~b. Purchase at local bookstore~~
- ~~c. Start from scratch~~
- d. "a" and "c" above
- e. All of the above
- f. None of the above

Answer: ~~d~~ (page 12) it would also be page 11

- a. Create it alone to ensure it is how you want it
- b. Begin with policies and then move to goals and your mission statement
- c. With updates, from scratch, or by purchasing one depending on your situation (correct answer)

Formatted: Numbered + Level: 1 +  
Numbering Style: a, b, c, ... + Start at: 1 +  
Alignment: Left + Aligned at: 0.5" + Indent at:  
0.75"



**d. Waiting for items to show themselves as issues and then address them**

5. (I am not sure how relevant this question is) True or False: The Certified Residential Management Company (CRMC) designation candidacy checklist is an excellent guide for creating a policy and procedures manual.

a. True  
b. False

**Answer: a (page 12)**

6. True or False: When creating a policy and procedures manual, you always start with the mission statement and goals for the company.

a. True  
b. False

**Answer: a (page 12)**

7. The policy and procedures manual can be organized by:

a. Checklist  
b. Function  
c. System

~~d. "b" and "c" above~~ d. Function or System

~~e. All of the above~~

~~f. None of the above~~

**Answer: d (page 13)**

- ~~8. What are the three sections of every policy and procedures manual? This question asks what the three sections are and then lists everything as a single item~~

- ~~8. The three sections of a policy and procedures manual are:~~

~~a. General information, company policies, company programs~~

~~b. General information, employee information, client information~~

~~c. General information, company policies, property management procedures~~

~~d. Company policies, company procedures, company checklists~~

~~a-e.~~ e. General information

~~b-f.~~ f. Company policies

~~c-g.~~ g. Property management procedures

~~d-h.~~ h. All of the above

~~e-i.~~ i. None of the above

**Answer: ~~d-c~~ (page 14)**

9. True or False: The NARPM Code of Ethics and Standards of Professionalism should be included in the general information portion of the policy and procedures manual.

a. True  
b. False

**Answer: a (page 15)**

10. True or False: Property management procedures organized by function basically end up being job descriptions.

a. True  
b. False

**Formatted:** Numbered + Level: 1 +  
Numbering Style: a, b, c, ... + Start at: 1 +  
Alignment: Left + Aligned at: 0.5" + Indent at:  
0.75"



**Answer: a (page 17)**

**This is incorrect based on the slides**

11. All the following are examples of property management procedures by system except:

- a. Getting the property
- b. Termination of tenant or owner
- c. Marketing the property
- ~~e.d. Management agreements are confidential (D)~~
- ~~d. Bookkeeper~~

**Answer: d ( page 18)**

12. What can be attached to a folder (such as a property folder) to ensure all tasks are consistently completed as the folder moves through different functions?

- a. Policy and procedures manual
- b. Checklist
- c. Office policy statement
- d. Office mission statement
- ~~e. Office function statement~~

**Answer: b (page21)**

13. **True or False:** One purpose of a checklist with action steps is ~~that to allow~~ any person in the company ~~could easily~~to easily do the task with little or no training.

- a. True
- b. False

**Answer: a (page24)**

14. **True or False:** If there are action steps that apply to different procedures, it is best to again list these action steps with each procedure and ~~(not just reference them).~~

- a. True
- b. False

**Answer: b (page28)**

15. **True or False:** Trust accounting must be included in a property management policy and procedures manual.

- a. True
- b. False

**Answer: a (page 30)**

16. **True or False:** As an example of good company policy, the owner funds and tenant funds should be placed in one trust account.

- a. True
- b. False



**Answer: b (page 32)**

**Formatted:** Font: Bold

17. This course recommends a policy to reconcile trust accounts with bank balances:
- a. At least monthly, if not weekly
  - b. Every 2 months
  - c. Every 3 months
  - d. Every 6 months

**Answer: a (page 30)**

18. True or False: There should be written procedures for balancing the trust account against trust accounting records ~~and how to handling handle~~ NSF checks.
- a. True
  - b. False

**Answer: a (page 33, 34)**

19. If you don't have written procedures to reconcile trust accounts, you could have one or more of the following problems:
- a. Illegal commingling of funds
  - b. Shortages
  - c. Overages
  - ~~d. Unclaimed funds~~
  - ~~e. d. All of the above~~
  - ~~f. None of the above~~

**Answer: ~~d~~ ( page 36-39)**

20. True or False: Since cash cannot be refused for payments, you cannot have a policy stating otherwise.
- a. True
  - b. False

**Answer: b (page 41)**

21. Which one ~~or more~~ of the following ~~are is an~~ examples of a good office policy?
- a. Definition of rent payment
  - b. Funds from third party
  - c. Posting and depositing of funds
  - ~~d. Late fees~~
  - ~~e. Making payments for owners~~
  - ~~f. d. All of the above~~
  - ~~g. None of the above~~

**Answer: ~~f~~ d (page 42-51)**

22. A property management company should have a policy that all checks be signed by:
- a. Property manager
  - b. Bookkeeper
  - c. Broker or company officer
  - d. Both property manager and bookkeeper



e. ~~Secretary~~

**Answer: c (page 52)**

23. True or False: A checklist is a list of all tasks and action steps.

a. True

b. False

**Answer: a (page 54)**

24. True or False: Checklists can be divided by function or system.

a. True

b. False

**Answer: a (page 55)**

25. True or False: This course recommends only reviewing and updating the policy and procedures manual annually.

a. True

b. False

**Answer: b (page 58)**

26. True or False: Your office policies will always change when your procedures change.

a. True

b. False

**Answer: b (page 59)**

27. True or False: The Red Flag Rule requires property managers as users of consumer reports to implement policies and procedures to verify information in the consumer report.

a. True

b. False

**Answer: a (page 61)**

28. True or False: A property management company should have a policy concerning safe-keeping and destroying documents.

a. True

b. False

**Answer: a (page 63)**

29. True or False: The policy and procedures manual must include a policy that all payables be authorized in writing by the owner.

a. True

b. False

**Answer: a (page 50)**

30. True or False: The policy and procedures manual needs to include a policy ~~addressing aon~~ making mortgage, property tax, and insurance payments for owners.

a. True

b. False

**Answer: a (page 51)**



NEW TAB





# Owner/Client Relations Essentials Student Outline



Phone: 800-782-3452  
Fax: 866-466-2776  
E-mail: [info@narpm.org](mailto:info@narpm.org)  
[www.narpm.org](http://www.narpm.org)



National Association of Residential Property Managers



# The Essentials of Client/Owner Relations



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 1

---

---

---

---

---

---

---

---

## Disclaimers

- Anti-trust Laws ... Fees
  - illustrative purposes only
  - not recommendations
- Many reference to laws, taxes, or insurance not considered advice
- Consult your broker, attorney, or CPA



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 2

---

---

---

---

---

---

---

---

## Class Organization

- Breaks
- Lunch
- Facilities
- Class notebook



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 3

---

---

---

---

---

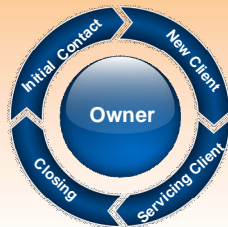
---

---

---



## The Owner Cycle



Copyright © 2011 NARPM®

  
National Association of Residential Property Managers

Updated: 29-May-12 4

---

---

---

---

---

---

---

---

## Objectives

- Managing the prospect
- Securing the client and the property
- Servicing your client
- Closing out the relationship well

Copyright © 2011 NARPM®

  
National Association of Residential Property Managers

Updated: 29-May-12 5

---

---

---

---

---

---

---

---

## Class Schedule

- Morning:
  - The client as a prospect
  - Setting up the client
  - Setting up the property
- Afternoon:
  - Working with the client
  - Closing out the relationship
  - Evaluations/test

Copyright © 2011 NARPM®

  
National Association of Residential Property Managers

Updated: 29-May-12 6

---

---

---

---

---

---

---

---



## Student Introductions

- Name, company, and location
- Are you owner/principal, or staff?
- Where do most of your clients come from?
- What part do you play in securing new owner/clients?
- Why are you taking this class?

Copyright © 2011 NARPM®



Updated: 29-May-12 7

---

---

---

---

---

---

---

---

## National 'No Call'/'No Fax'

- PR/EBR status
- 'Opt Out'
- Clearly display contact name/number/fax
- National registry
  - [Do Not Call Registry](https://www.donotcall.gov/default.aspx) - <https://www.donotcall.gov/default.aspx>
  - [Check the status](https://telemarketing.donotcall.gov) - <https://telemarketing.donotcall.gov>
- Fines - \$11,000 per violation

Copyright © 2011 NARPM®



Updated: 29-May-12 8

---

---

---

---

---

---

---

---

## Prospective Clients

What is one client  
worth to your company?

Copyright © 2011 NARPM®



Updated: 29-May-12 9

---

---

---

---

---

---

---

---



## Initial Contact

- Making a good first impression
  - Working out of a home
  - With a good web site
  - With good material
  - With phone response



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 10

---

---

---

---

---

---

---

---

## Initial Contact – Checklist

- Collect information
  - Name/phone/email/address
  - Address of property
  - How did they hear about you?
  - What type of management do they need?
  - Why are they looking?
  - Details about the property



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 11

---

---

---

---

---

---

---

---

## Initial Contact – Checklist

- Take notes about personal information
- Ask probing questions about their motives for contacting a professional manager
- Ask questions they can't answer



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 12

---

---

---

---

---

---

---

---



## Initial Contact – Qualification

- Prescreening the owner
  - Do they fit your model?
- Prescreening the Property
  - Does it fit your model?



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 13

---

---

---

---

---

---

---

---

## Initial Contact – Services Offered

- Lease with management
- Lease without management
- Lease purchase
- House sitting
- Master leasing
- Buying their house
- Selling their house



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 14

---

---

---

---

---

---

---

---

## Initial Contact – Services Offered

- Rehabbing, renovations
- Home inspections
- Virtual tour
- Collection services
- Small loan company
- Mortgage protection
- Eviction protection



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 15

---

---

---

---

---

---

---

---



## Initial Contact – Presentation

- Have a presentation outline
- Placing a tenant into the property
  - Marketing program
  - Application process
  - Move-in procedures



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 16

---

---

---

---

---

---

---

---

## Initial Contact - Presentation

- Ongoing management
  - Manage the money
  - Manage the tenant
  - Manage the property
- Manage the move-out



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 17

---

---

---

---

---

---

---

---

## Initial Contact – Discussing Fees

- Build value by describing services
- Establishing the worth of your fees
  - Infrastructure
  - Certifications
  - Available staff
  - Experience
- Should you negotiate fees? Required?



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 18

---

---

---

---

---

---

---

---



## Initial Contact – Objections

- Answer when they ask
- Answer later
- I don't know
- Defer to another professional
- Ignore it
- Answer before they ask

---

---

---

---

---

---

---

---

## Follow Up

- Stay in touch
- Contact management
- Offer additional services
- Offer reduced fees for reduced services
- If they choose another property manager, why?
- Reasons to stay in touch

---

---

---

---

---

---

---

---

## NEW CLIENTS



---

---

---

---

---

---

---

---



## Securing New Clients

- Presenting the management package
- Required owner documentation
- Required property documents
- Educating about the process
- Setting expectations



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 22

---

---

---

---

---

---

---

---

## Present the Management Package

- The Management Agreement
- Representation (Agency)
- Owner's Responsibilities
- Management's Responsibilities
- Fees
- Cancellation



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 23

---

---

---

---

---

---

---

---

## Required Owner Documentation

- Ownership challenges
  - Do your homework
    - Pull deed records - tax records
  - Get their document showing ownership
  - Limited liability companies
  - Land trusts - estates
  - Corporation - limited partnerships
- Get the right signatures



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 24

---

---

---

---

---

---

---

---



## Required Owner Documentation

- Home owner's associations
  - Documents and rules
- Home warranty policy
- Mortgage condition affidavit
  - Copy of payment coupon
  - Copy of lender's payment screen
- Lead paint disclosure

Copyright © 2011 NARPM®



Updated: 29-May-12 25

---

---

---

---

---

---

---

---

## Required Owner Documentation

- Insurance declaration page with additional insured listed
- Mold disclosures
- Flood disclosures
- Personal property disclosure
  - Inventorying?

Copyright © 2011 NARPM®



Updated: 29-May-12 26

---

---

---

---

---

---

---

---

## Required Property Documentation

- Appliance manuals
- Features /date page
- Available amenities
- Access to everything
  - Mailbox keys
  - House keys
  - Access codes
  - Garage openers

Copyright © 2011 NARPM®



Updated: 29-May-12 27

---

---

---

---

---

---

---

---



## Required Property Documentation

- Utility company numbers
- Photos, virtual tours, old flyers
- Plat map/survey
- Legal description
- Old appraisals
- What did we miss?



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 28

---

---

---

---

---

---

---

---

## Describe Your Procedures

- Assessment and preparation of residence
- Have a checklist (sample)
  - Habitability assessment
  - Utilities on
  - Hazards around the property
  - Cleanliness, updating, and curb appeal
  - Re-keying



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 29

---

---

---

---

---

---

---

---

## Describe Your Procedures

### Cost of a vacancy exercise

- Let's do an analysis
- Teams of 3 or 4
- Here is the information you need
  - \$1,000 rent .. 8 weeks move out to move it.
  - Cost to rehab \$1,500 ... mortgage payment \$1,100
  - What will the owner spend to get a new tenant?
  - You make up the rest of the information.
- You have 5 minutes ... go!



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 30

---

---

---

---

---

---

---

---



## Describe Your Procedures

Cost of rehab	\$1,500
Time to do rehab	2 weeks at \$1,100/mo
Time to next move-in	6 weeks at \$1,100/mo
Lawn care	8 weeks at \$45/event
Utilities	8 weeks at \$150/mo
Your lease fee	\$1,000
Total	\$4,880

---

---

---

---

---

---

---

---

## Describe Your Procedures

### Advertising the property

- When you start advertising & why
  - When it's still occupied, or when vacant
  - When it's rent-ready
- Who pays for what?
- Signage
- Co-oping / referral fees

---

---

---

---

---

---

---

---

## Describe Your Procedures

- Application procedures
  - Holding deposits
- Tenant selection
  - Qualifying guidelines
  - First applicant vs. Best qualified
  - Choosing the tenant
- When/how the owner is notified

---

---

---

---

---

---

---

---



## Describe Your Procedures

### Bill paying policy

- Mortgages & insurance
  - Liability issues
  - Vacancies / late payments
- Recurring charges
  - HOA dues
  - Property tax's
  - Utilities while vacant

---

---

---

---

---

---

---

---

## Describe Your Procedures

### Bill paying policy

- Maintenance
  - Authorized vs. Unauthorized
  - Vacancies / late payments
- Invoice management
  - If/when copies are sent
  - E-storage (be green!)
  - Utilities while vacant

---

---

---

---

---

---

---

---

## Describe Your Procedures

### Explaining the owner statement

- Review a sample statement (monthly/year end)
- Delivery method
  - Online, email, mailed
- Reserve amount
- Security deposits

### Negative account balances

---

---

---

---

---

---

---

---



## Setting Expectations

- Communication frequency
  - While on the market
  - With monthly financials
  - Monthly newsletter / constant contact
  - Emergencies
  - Unpaid rent / NSF / eviction
  - Large maintenance issue
  - Vacancy notice



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 37

---

---

---

---

---

---

---

---

## Setting Expectations

- Communication method
  - Depends on urgency
    - Phone ... very urgent
    - Email ... not so urgent
    - Letter ... very important
    - Fax ... when they have one
    - Pager ... when they direct you to
  - Return in like method
- Increase intensity by using multiple methods



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 38

---

---

---

---

---

---

---

---

## Setting Expectations

Your method of communication  
depends on your need to  
document the communication

Document ... Document ...  
Document



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 39

---

---

---

---

---

---

---

---



# SERVICING YOUR CLIENTS



---

---

---

---

---

---

---

---

## Servicing Clients

- Record keeping
- Maintenance
- Communication
- Conflict resolution

---

---

---

---

---

---

---

---

## Servicing Clients

- Recordkeeping
  - Software – use NARPM vendors/Affiliates
  - Internet access
  - Statement cycle
    - Anticipate funds needed
    - Move disbursements toward middle/end of month
    - Monthly/quarterly/yearly
  - Maintenance history

---

---

---

---

---

---

---

---



## Servicing Clients

- Recordkeeping (cont)
  - Insurance renewals
  - Letters/emails
  - Digital photos/video
  - Legal documents
    - Management agreement
    - W-9/1099

---

---

---

---

---

---

---

---

## Servicing Clients

- Record Keeping - Cont
  - Agreements
  - Conversations
  - Property Inspections/Reviews
  - Tenant Requests/Responses
  - Maintenance Approval
  - What else?

---

---

---

---

---

---

---

---

## Servicing Clients

- Recordkeeping – cont
  - Uses of documentation
    - Disputes
    - Legal
    - Insurance
    - History of property
    - Review can uncover ongoing problems
    - Identify callbacks

---

---

---

---

---

---

---

---



## Servicing Clients

- Year End Reporting
  - Profit & Loss Statement
  - Vacancy Rate (0% is always good!)
  - Rent Increase/Decrease
  - Major Events
    - Insurance Claims
    - Turn Overs
  - Outstanding Maintenance/Deferred Maintenance



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 46

---

---

---

---

---

---

---

---

## Servicing Clients

- Maintenance
  - Clarify responsibility
    - Tenant caused
    - Vendor call back
    - Client/owner
  - Capital improvements
    - Life expectancy
  - Wear & tear vs. Damage



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 47

---

---

---

---

---

---

---

---

## Servicing Clients

- Identifying maintenance problems
  - Find the cause – not the symptom
  - Provide trouble shooting guide
    - Askjeeves/homedepot/lowes/handyman
  - Get details



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 48

---

---

---

---

---

---

---

---



## Servicing Clients

Maintenance – cont

Contacting the owner

- Provide alternatives if available
  - Replace vs. Repair
    - » Multiple calls
    - » Code upgrades
  - Deferred
  - Same quality/features or upgrade

Do not blindside owner with invoice

Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 49

## Servicing Clients

- Clients 'needs' & 'wants' change
  - Rapidly changing economy & technology
    - Get funds monthly instead of yearly
    - Funds disbursed to a different place
  - Life changing events
    - Estate planning
    - Entity changes
  - Change of terms may be needed

Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 50

## Servicing Clients

- Building business relationships
  - Life events
  - Annual thank you
  - Planned visits
  - Market updates
  - Referrals

Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 51



## Servicing Clients

- Conflict resolution
  - Active listening
    - Take notes
    - Don't interrupt
    - Stay calm
    - Lower your voice



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 52

---

---

---

---

---

---

---

---

## Servicing Clients

### Conflict Resolution- Cont

- Documenting the Resolution
  - Simple – write a letter
  - Complex
    - List tasks
    - Assign responsible person
    - Create time line
- Follow up to ensure conflict is resolved



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 53

---

---

---

---

---

---

---

---

## Servicing Clients

### Conflict resolution - cont

- Restate their concerns
- Determine the desired result
  - Common understanding
  - Administrative request
  - Change of policy/procedure
  - Replacing tenant/owner/you
- If complex issue, set a follow up meeting



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 54

---

---

---

---

---

---

---

---



## CONFLICT RESOLUTION

- Determine alternatives
  - Brainstorm
  - Recite past experiences
  - Contact NARPM members
  - Research and gather data
  - Use the 'T' diagram



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 55

---

---

---

---

---

---

---

---

## Updating the Owner

- Newsletters/blogs
  - “Canned” vs. Unique – combination
  - Report accomplishments
    - Career
    - Company
  - “Sell” your auxiliary services
  - Be consistent
  - Continual education for your client



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 56

---

---

---

---

---

---

---

---

## FINISHING WELL – ending the relationship



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 57

---

---

---

---

---

---

---

---



## FINISHING WELL – ending the relationship

- Firing the Owner
- Transferred to Another Property Manager
- Owner taking back Management
- Owner moving back
- Property Transfer of Title



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 58

---

---

---

---

---

---

---

---

## Finishing Well

- For Sale
  - Opportunity
    - Meet a new investor/agent
    - Expand your contact base
  - Inspections
    - Serving notices
    - Meeting inspectors
    - Providing tenants names/phone numbers



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 59

---

---

---

---

---

---

---

---

## FINISHING WELL – ending the relationship

- Information for Listing Agent
  - May require owner's approval
  - Charges may apply
  - Rent role
  - Major repairs/insurance claims
  - Deferred maintenance
  - Disclose anything that may affect the value



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 60

---

---

---

---

---

---

---

---



## FINISHING WELL – ending the relationship

- Closing Package
  - Transfer Responsibility
    - Utilities
    - Outstanding Bills
    - Security Deposit
  - Ask for a Referral
  - Leave the Door Open



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 61

---

---

---

---

---

---

---

---

## FINISHING WELL – ending the relationship

Be Professional and Organized

- Provide Final P&L
- Provide 1099 at year-end
- Property Documentation Returned
- Thank You for years of being a client



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 62

---

---

---

---

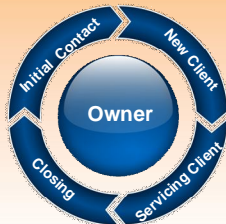
---

---

---

---

## In Summary



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 63

---

---

---

---

---

---

---

---



## Other NARPM® Classes

- Habitability Standards and Maintenance
- Marketing
- Tenancy
- Operating a Maintenance Company
- Owner/Client Relations

Copyright © 2011 NARPM®



Updated: 29-May-12 64

---

---

---

---

---

---

---

---

## Other NARPM® Classes

- Personnel Procedures Essentials
- Personnel Procedures Advanced
- Risk Management Essentials
- Risk Management Advanced

Copyright © 2011 NARPM®



Updated: 29-May-12 65

---

---

---

---

---

---

---

---

Thank you for attending

now it's time for...

**the exam**

Please complete the evaluation forms.

Copyright © 2011 NARPM®



Updated: 29-May-12 66

---

---

---

---

---

---

---

---



THANK YOU!



Copyright © 2011 NARPM®

National Association of Residential Property Managers

Updated: 29-May-12 67

---

---

---

---

---

---

---

---



## **Owner/Client Essentials**

### **General**

- Some odd structure on slides
- Typos and grammar throughout
- Wordy slides
- The Owner Cycle is alluded to, but only really makes an appearance at the beginning and end – this may be another opportunity to make the presentation itself follow a more cyclical pattern
- The objectives are not really objectives (it's essentially an outline)
- In general the notes pages are very good and detailed; every course should have this level of detail

### **Federal Legislation**

- Update Do Not Call/Fax

### **Prospective Clients**

- Mention of property management life cycle – there could be an opportunity to better tie the owner cycle and the property management cycle together
- Discussing fees – there is mention of some states requiring negotiations on fees. There should probably be a reference to provide an idea of the different regulations

### **New Clients**

- Securing new clients is mentioned as a five-step process, but then it says it can be a three- to 10-step process. This is probably somewhat confusing and should probably just be left as a five – step process (with wiggle room alluded to).
- Cost of a vacancy exercise – check for any necessary update and include different numbers based on markets

### **Servicing Your Clients**

- Articulation on 1031 exchanges is needed. It's mentioned in the subsequent section as well, so it may be good to bring out exactly what these are.



Outline for Essentials of Owner and Client Relations			
Learning Unit Title	Learning Objectives	Teaching Techniques	Estimated Time
Legal Consideration	<ul style="list-style-type: none"> <li>Analyze regulations regarding "Do Not Call"</li> <li>Outline requirements under CAN-SPAM</li> <li>Detail anti-trust regulations</li> <li>Navigate national regulations that affect social media</li> </ul>	Live Lectures and PowerPoint Handouts	75 minutes
Initial Contact	<ul style="list-style-type: none"> <li>Identify areas where a good impression can be made</li> <li>List the contact information to collect from potential clients</li> <li>Outline the questions to ask potential clients</li> <li>Determine items to include in your initial client presentation</li> <li>Detail why it is important to provide potential clients with services offered</li> </ul>	Live Lectures and PowerPoint Handouts	60 minutes
New Clients	<ul style="list-style-type: none"> <li>Outline the steps needed when setting up a new client</li> <li>Identify the components of a management package</li> <li>Detail the documentation that needs to be provided to and obtained from a new client</li> <li>Analyze the necessity for various means of communication between a property manager and new client</li> <li>Prepare to market the property</li> </ul>	Live Lectures and PowerPoint Handouts	90 minutes
Servicing Your Clients	<ul style="list-style-type: none"> <li>Identify the items typically important to client relations</li> <li>Analyze the level of maintenance knowledge necessary to your client relations</li> <li>Detail the documentation that needs to be presented to the owner</li> <li>Outline the steps necessary for conflict resolution</li> </ul>	Live Lectures and PowerPoint Handouts	60 minutes
Finishing Well	<ul style="list-style-type: none"> <li>Identify the reasons an owner may have to be "fired"</li> <li>Detail the items that have to be</li> </ul>	Live Lectures and PowerPoint Handouts	45 minutes



	<p>communicated between the agent and property manager when a rental is sold</p> <ul style="list-style-type: none"><li>• Outline the reasons ending well are important to a property manager's portfolio</li><li>• List the items involved with a closing package</li></ul>		
--	---	--	--

**Total clock hours: 330 minutes**



General: Too many True or False questions

The Essentials of CLIENT/OWNER RELATIONS – TEST  
QUESTIONS – Test Answers for instructor

1. True or False: Property Managers do not need to check the Do Not Call Registry – T/F  
F – slide 8

2. The national fines for violating the Do Not Call List is \_\_\_\_\_ per violation. is –  
A. \$1000  
B \$100  
C \$164,000  
D \$5000 –  
C - slide 8

3. True or False: If you are working out of your home, a good Wweb site can make a  
good impression onto your clients. T/F T - slide 10

4. True or False: Smiling when you answer your phone will help to project a positive first  
time impression. T/F T – slide 10

5. True or False: Property mManagers should have an initial contact checklist to follow  
with prospective new clients. T/F T – slide 11

6. True or False: Pre-screening an owner's property to see if it fits your business model is  
not necessary. T/F F - slide 13

7. True or False: Having a presentation outline on your Wweb site is good marketing for  
new clients. – T/F T – slide 16

8. True or False: The best way to avoid client's objections is to answer the question  
before they ask it. T/F - T – Slide 19

9. When securing a new client you should

A. Present the Management Package

B. Require Owner Documents

C. Require Property Documents

~~D. Educate about the Process~~

~~E. Setting Expectations~~

~~F. All the above –~~

~~F~~ - slide 22



10. True or False: When presenting the management package you should avoid going over your fees with the client. T/F F- slide 23
11. True or False: Its always a good idea to get a copy of a new client's driver's license to ensure who you are dealing with. T/F T – slide 24
12. True or False: Always obtain from the client an updated HOA Doc's to protect them, you and the tenant. T/F T – slide 25
13. True or False: Property ~~m~~Managers don't have to worry about obtaining a copy of an owners ~~i~~nsurance ~~d~~Dec. ~~p~~Page as some insurance companies will resist<sup>2</sup>s adding you to it. T/F F – slide 26
14. True or False: Property ~~m~~Managers should take their own photos for marketing and not rely on the owner. T/F T – slide 28
15. True or False: Always have utilities turned on when marketing a property for rent. T/F T – slide 29
16. True or False: Marketing a property that is occupied can be a hindrance if the tenant is not cooperating. T/F T – slide 32
17. Paying an owner's mortgage or insurance is.  
A. Against the law  
B. Risky  
C. ~~illegal-Illegal~~  
B – slide 34
18. True or False: Always have sufficient funds for HOA dues, property taxes and utilities while the property is vacant to avoid letting your trust account go negative or comingling funds. T/F T – slide 34
19. True or False: Today more ~~and&~~ more property managers mail monthly statements instead of email or online. T/F F – slide 36
20. True or False: Conflicts will arise, the trick is to professionally handle them and bring it to a professional conclusion. T/F T – slide 41
21. True or False: When servicing the client always make sure your owner knows and understands how and when funds are disbursed. T/F T – slide 42
22. True or False: When an owner agrees with you to lower the rent or to do some maintenance a verbal conversation is good enough. T/F F – slide 44
23. True or False: You cannot send your owners year end statement in the same envelope with the 1099<sup>2</sup>s . T/F T – slide 46



- | 24. True or False: On a maintenance call back always get a no charge invoice to show your owner that you are providing excellent service. T/F T – slide 47
- | 25. True or False: The largest amount of headaches in managing properties is collection of rent. T/F F – slide 48
- | 26. True or False: The first step to resolving a conflict is to take down notes. T/F F – slide 53
- | 27. True or False: Always let the tenant know prior to giving out their names and& contact information to a sales agent. T/F T – slide 59
- | 28. True or False: The most important part of working with a listing agent is making sure that both of you stay informed. T/F T – slide 60
- | 29. True or False: When closing out a owner be sure to thank them for trusting you and allowing you to manage their property. T/F T – slide 61
- | 30 True or False: The final 1099 for your client can be sent 30-45 days after the end of their contract. T/F F – slide 63



NEW TAB





# Owner/Client Relations Advanced Student Outline



Phone: 800-782-3452  
Fax: 866-466-2776  
E-mail: [info@narpm.org](mailto:info@narpm.org)  
[www.narpm.org](http://www.narpm.org)



National Association of Residential Property Managers



NATIONAL ASSOCIATION OF RESIDENTIAL  
PROPERTY MANAGERS

OWNER/Client RELATIONS  
for  
BUSINESS MANAGERS & CEO'S



9/7/2011 National Association of Residential Property Managers Copyright © 2009 NARPM®

---

---

---

---

---


---

---

---

Disclaimer

- NARPM® cannot represent the law or ordinances where you live or work.
- Any mention of fees or commissions is only to clarify the discussion with examples.
- Please refer to the NARPM® Disclaimer statement included in your binder.



9/7/2011 National Association of Residential Property Managers Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---


Today's Schedule

Hours

Breaks

Lunch

Exam



9/7/2011 National Association of Residential Property Managers Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Disclaimer

*Due to time limitations, this course will not review in depth the following subjects – maintenance, marketing, personnel practices, office operations, and risk management. However, it will touch on these subjects as necessary. There are other RMP® and MPM® courses available, which cover these subjects in depth, and you are urged to take them.*



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Introductions

- Your Name
- Length of time as NARPM® member
- Company Name, Location, your Position
- Number of Properties/Units
- Type of Properties
- Are you in a growth mode?
- Where do most of your clients come from?
  - i.e. Cold Calling, Advertising, Referrals, Other



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Objectives

- Understanding the elements of a management agreement
- Developing policies and documents for managing the owner/client relationship
- Identifying and resolving points of conflict
- Understanding the owner/broker risk



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Class Schedule

- Morning
  - Elements of a Management Agreement
- Afternoon
  - Developing policies and documents
  - Identifying and resolving points of conflict
  - Understanding the owner/broker risk



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Elements of a Management Agreement



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Elements of a Management Agreement

- Guarantees
  - 30 day – money back
  - Rent after 30 days
  - Maintenance Warranty
- Sanity Check
  - What did the client hear was guaranteed?
  - Do you want any guarantees from the client?



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Elements of a Management Agreement

### Considerations:

- Laws
  - Contract
  - Licensing
  - Landlord/Tenant
  - Regulatory
- Marketplace
- Company Management Model



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Elements of a Management Agreement

### Considerations (cont.)

- Staff
  - Office Structure
  - Contact Information
  - Experience/Designations
- Vendors
  - Provide List? Proprietary?
  - Reoccurring Maintenance (Gardening/Pest)



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Elements of a Management Agreement

- Identify Parties/Property
- Terms
- Representation (Agency)
- Owners Responsibilities
- Management (Agents) Responsibilities
- Cancellation



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Elements of a Management Agreement

### Identify Parties/Property

- Owner
  - Individual
  - Joint
  - Entity
- Management Company
- Property Address/Legal Description



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Elements of a Management Agreement

### Terms

- Length (year/month/combination)
  - Renewals
  - Holdover
- Managing Owner Funds
  - Accounting for Income and Expense
  - Maintaining Owner Reserves
  - Disbursement



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Elements of a Management Agreement

- **Fee Schedule:** *Note: Discussions concerning rates or fees are for illustrative purposes only and are not to be considered as being recommendations*
  - Management Fee
    - Percentage
    - Flat Fee
    - Graduated based on selective criteria
    - Minimum Fee



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Elements of a Management Agreement

- Fee Schedule (Cont)
  - Late/NSF fees
    - Keep/Share
  - Additional Services/Fees (full disclosure)
    - Overrides
    - Commissions/Sales
    - Referral Fees
    - Any Others?



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Elements of a Management Agreement

### Representation (Agency)

- Know your state law
  - Disclosure
  - Agency Relationship
- Signing documents on behalf of the owner
  - Legal representation
  - Limited Power of Attorney
- Must disclose material facts



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Elements of a Management Agreement

### Owner Responsibilities

- Insurance (Property/Liability)
  - Amount of Coverage
  - Type of Coverage
  - Additional Insured
  - Broker Authorization
- Indemnify Manager (Transfer Risk)



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Elements of a Management Agreement

### Owner Responsibilities (Cont)

- Provide funds when needed
  - Trust Account – NO Commingling
  - Emergency Repairs (Reserves)
  - Mortgage/Property Tax Payments
  - Parameters for extending cash on behalf of an owner



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Elements of a Management Agreement

### Owner Responsibilities (Cont)

- Provide the following:
  - Operating Instructions (Appliances/HVAC/etc)
  - HOA
    - Governing Documents
    - Broker Authorization
    - Access/Mailbox/Pool
  - Utility Information
  - Material facts affecting the desirability of the property



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Elements of a Management Agreement

### Owner Responsibilities (Cont)

- Provide property contacts
  - Alarm Service
  - Gardener
  - Emergency
  - What else?



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Elements of a Management Agreement

### Manager Responsibilities

- Compliance with local/state/federal regulations
- Maintain Financial Records (Trust Accounting)
- Due diligence in finding a tenant



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Elements of a Management Agreement

### Manager Responsibilities

- Maintenance
  - Spending Limits
  - Emergency Authority
  - Vendor Selection and ???
- Foreclosure Procedure
  - Protecting Tenants at Foreclosure Act,
  - Public Law 111-22



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Elements of a Management Agreement

### Produce Owner Manual

- Cover – Picture of Property/Your name
- Contents
- Office Structure
  - Names/Phone Numbers
  - Office Hours
  - Emergency Procedure



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---



## Elements of a Management Agreement

### Owner Manual (cont.)

- Contract
- Sample Statement
- Sample Lease/Addendum
- FAQ's
- Optional
  - List of Items provided by owner
  - Other documentation (HOA Rules, Warranties)



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Elements of a Management Agreement

- Firing the Owner
- Transferred to Another Property Manager
- Owner taking back Management
- Owner moving back
- Sold!
- Be Professional and Organized



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Elements of a Management Agreement

### When the Manager cancels the Contract:

- Code Violations
- Uninhabitable
- Constant Irritant
- Fair Housing Violation
- Don't Blame
  - Our management philosophies are different
  - Your property doesn't fit our revised portfolio



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Elements of a Management Agreement

When the Owner cancels the Contract:

- Ask Why
- Save Account if Possible
- Cooperate with other Manager
  - If not in NARPM®, invite them
  - Write letter to tenants
- Offer to take back within one year with no additional fee
- Continue sending newsletters for 6 months



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Elements of a Management Agreement

- Inform owner of their responsibilities
  - Transfer utilities
  - Notify Insurance/HOA/Mortgage
  - Arrange maintenance/gardening/pest control
- Letter to Tenant
  - Transfer of Security Deposit
  - Owners name/address/phone numbers
- Provide outstanding maintenance list



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Elements of a Management Agreement

- Educate owner
  - Lease or month-to-month
  - Repair/upgrade prior to taking possession
  - Transfer of utilities
- Walk through with Owner
  - Re-key
  - Wear & Tear vs. Damage



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Elements of a Management Agreement

### Property is Sold

- Cooperate with Owner/Agent
- Put agent's and/or new owner on your newsletter list for 6 months



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Developing Policies and Documents



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Developing Policies & Documents

- Policies – What we are going to do?
- Procedures – How we are going to do it?
- Documentation – Why do we need it?
- Checklists – Ensure we do it right!



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Developing Policies & Documents

### **Policies** – What are we going to do?

- Develop Policies & Procedures Manual
- Examples:
  - Verifying Ownership
  - Property Standards
  - Handling Maintenance
  - Setting Fees/Rents
  - Property Being Sold



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Developing Policies & Documents

### **Government**

- Fair Housing
- EPA
- Megan's Law
- Soldiers and Sailors Act

### **Trade Associations such as NARPM®**

- Standards of Professionalism
- Code of Ethics



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Developing Policies & Documents

### **Procedures** – How we are going to do it?

- Expansion of the Policy
- Example: Policy – Handling Maintenance
  - Emergency Procedures
  - Repair above limits
  - Negotiating contracts
  - Vacant vs. Occupied
  - Owner Handling Maintenance



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Developing Policies & Documents

### Response Criteria:

- Different for type of communication device
- Internal criteria VS. External criteria
- Tracking System
- Email auto-reply
- Phone company/personal greeting



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Developing Policies & Documents

- Authorizations
  - Utility Turn On/Turn Off
  - Mortgage/Insurance
  - HOA
  - Maintenance
    - Bid Approvals
    - Turn Over



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Developing Policies & Documents

- When and under what circumstances the owner is contacted
- Develop a common ground to build trust Client
- Survey every 2-4 years
  - Incentives to send back
  - Report results
  - MAKE CHANGES!



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Developing Policies & Documents

### **Documentation** – Why do we need it?

- Protect the company
  - Lawsuits
- Maintain consistency
  - Fair Housing Defense
- Set company standards



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Developing Policies & Documents

- Owner's Insurance Documentation
  - Liability
  - Additional Insured
  - Lost Rents
  - Umbrella Vs. Landlord Policy
  - Special Handling for Condo's
  - Home Warranties



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Developing Policies & Documents

### **Checklists** – Ensure we do it right!

- New Property
  - Bd/Bth; amenities; utilities; etc.
- Owner Documentation Received
- Owner Files
- Incident Reports
- Property Assessments



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Developing Policies & Documents

- Additional Checklists
  - Staff
  - Resident
  - Agent



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Developing Policies & Documents

### Other Checklists:

- Lease Renewal
- Maintenance Procedures
- Records Turnover
- Condition Reports



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Identifying and Resolving Conflict



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---



## Identifying and Resolving Conflict

- Listen
- Restate their concerns
- Determine the desired Result
  - Common understanding
  - Administrative Request
  - Change of Policy/Procedure
  - Replacing Tenant/Owner/You
- If complex issue, set a follow up meeting



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Identifying and Resolving Conflict

- Document Resolution
- Assign Responsibilities
- Change policies/procedures to prevent
- Follow Up – Ensure conflict is resolved



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Understanding the Owner/Broker Risk



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Understanding the Owner/Broker Risk

- Determine their Investment Goals
  - Income Generation
    - Be clear on Maintenance
    - Beware of Above Market Rent Increases
  - Tax Shelter
  - Equity Building
- Read 1031 Newsletters



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Understanding the Owner/Broker Risk (cont.)

- 1031 Exchange
  - Part of your team
  - Auxiliary Service
- Pro Forma
  - Helps your owner determine the worth
  - Vacancy Rate; Current Rent; Market Rent
  - Deferred Maintenance



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Understanding the Owner/Broker Risk (cont.)

- GRM – Gross Rent Multiplier
- CAP – Capitalization Rate
- ROI – Return on Investment



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---



## Summary

- Elements of a Management Agreement
- Developing Policies and Documents
- Identifying and resolving points of conflict
- Understanding the owner/broker risk



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## RESOURCES

- NARPM
- NAR
- IREM
- Insurance companies
- State/Local trade ASSOCIATIONS
- Attorney
- State licensing board



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Other NARPM® Designation Classes

- Habitability Standards and Maintenance
- Marketing
- Tenancy
- Operating a Maintenance Company
- Owner/Client Relations Essentials
- Personnel Procedures Essentials
- Personnel Procedures Advanced
- Risk Management Essentials
- Risk Management Advanced



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



THANK YOU FOR ATTENDING

NOW IT'S TIME FOR...  
THE EXAM

PLEASE COMPLETE THE  
EVALUATION FORMS.



9/7/2011

National Association of Residential Property Managers

Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## **Owner-Client Relations: Advanced**

### **General**

- Course objectives are unclear/unfocused
- Unanswered questions throughout. There needs to be at least a reason or two in the notes to help the instructor keep the discussion focused
- Notes don't always match slide
- Copies the same topics as other classes (agency, trust accounting, etc.)
- Misspellings/grammar errors on slides and notes
- Needs organized class/group activities
- The materials do not accurately reflect the title of the course
- Slides are wordy/bland

### **Elements of a management agreement**

- Discusses "prospective clients" and national legislation, but then goes into management agreements.
- Begins to discuss portions of an agreement and then goes into considerations that need to be made when developing an agreement. This should be reversed or reorganized
- Need visual aids rather than lists
- The various responsibilities need to be illustrated better (subsections or better defined). The responsibilities also appear to be a listing and do not seem organized
- Firing the owner/canceling the agreement seem out of place
- If the property is sold also in the elements of a management agreement and does not seem to belong

### **Developing policies and documents**

- Many of these topics also addressed in office operations
- There are some items that actually do involve more than development of policies, so perhaps the section should be renamed and re-focused.
- Should have tangible examples of policies, procedures, checklists

### **Understanding the Owner/Broker Risk**

- Only really discusses an investor client, so it may need to be renamed/re-focused



Outline for Owner-Client Relations for Business Managers and CEOs			
Learning Unit Title	Learning Objectives	Teaching Techniques	Estimated Time
Elements of a Management Agreement	<ul style="list-style-type: none"> <li>Identify the items that need to be outlined in a property management agreement</li> <li>Determine the importance of setting expectations prior - to the agreement</li> <li>Outline the responsibilities of each party in a property - management relationship</li> <li>List the types of agency and how they impact your agreement</li> </ul>	Live Lectures and PowerPoint Handouts	90 minutes
Developing Policies and Documents	<ul style="list-style-type: none"> <li>Identify what purposes policies and documents serve</li> <li>List the ways in which property can be owned and how to verify ownership</li> <li>Detail the policies that are mandated by government regulations</li> <li>Analyze how policies can take shape and form procedures</li> <li>Outline how maintenance and client relations interact</li> <li>Describe the role checklists play in client relations</li> </ul>	Live Lectures and PowerPoint Handouts	90 minutes
Identifying and Resolving Conflict	<ul style="list-style-type: none"> <li>Identify the steps involved with active listening</li> <li>List the process involved with finding alternatives to the conflict</li> <li>Outline the importance of documenting conflicts and their resolutions</li> </ul>	Live Lectures and PowerPoint Handouts	60 minutes
Understanding the Broker-Owner Risk	<ul style="list-style-type: none"> <li>Outline the importance of educating investor clients</li> <li>Define a 1031</li> <li>Detail commonly used pro-formas</li> </ul>	Live Lectures and PowerPoint Handouts	60 minutes

**Total clock hours: 500 minutes**



Owner/Client Relations  
For  
Business Managers and CEO's  
FINAL EXAM

Question does not measure knowledge

1. ~~Which of the following is not one of the objectives of this course:~~

- ~~A. Understanding the elements of a management agreement~~
- ~~B. Developing policies and documents for managing the owner/client relationship~~
- ~~C. Identifying and resolving points of conflict~~
- ~~D. Processing maintenance documentation~~
- ~~E. Understanding the owner/broker risk~~

~~(D)~~

Which of the following is not a document that needs to be provided by the owner:

- ☐ A cleaning manual for a furnace
- ☐ The monthly statement of the escrow account (Correct Answer)
- ☐ Rules for the Garden Grove Homeowners' Association
- ☐ Information on utilities

2. Before signing a management agreement with a client, review:

- A. Warranties, ~~o~~Operations, ~~g~~Guarantees
- B. Guarantees, ~~w~~Warranties, ~~e~~Expectations
- C. Operations, ~~g~~Guarantees, ~~e~~Expectations
- D. None of the ~~a~~Above

(B)

3. One should pay attention to the following when drawing up a management agreement:

Formatted: Space After: 10 pt, No bullets or numbering

Formatted: Indent: Left: 0", Space After: 10 pt

Formatted: Indent: Left: 0", Space After: 10 pt



- A. Marketplace
  - B. Laws
  - C. Company ~~m~~Management ~~m~~Model
  - ~~D. None of the above~~
  - ~~E. D.~~ All of the above
- (~~d~~E)

4. When taking the marketplace into consideration while drawing up a management agreement, the following should be considered: (mark all that apply)

- A. Demographics where the property is located
  - B. Economics of the community
  - C. Neither A nor B
  - D. Both A and ~~&~~ B
- (D)

5. The ~~m~~Management ~~c~~Contract includes all of the following except:

- A. Identify Parties/Property
  - B. Terms
  - C. Owners Responsibilities
  - D. Tenants Responsibilities
  - ~~E. Management (Agents) Responsibilities~~
  - ~~F. Cancellation~~
- (D)

6. The fee schedule should include all of the following except:

- A. Management commissions
  - B. Application fees
  - C. Maintenance ~~o~~Over-ride
  - D. Required reserves
  - ~~E. Fee for check disbursement vs. ACH disbursements~~
- (B)

~~7. Dual-agency means that the property manager represents both the \_\_\_\_\_ and the \_\_\_\_\_ (owner, tenant/resident).~~ Dual-agency means that the property manager represents both the \_\_\_\_\_ and the \_\_\_\_\_.



☐ owner, tenant/resident (Correct Answer)

☐ client, principal

☐ agency, state

☐ tenant, resident

A material fact affects the \_\_\_\_\_ of the property

☐ Value

☐ Desirability (Correct Answer)

☐ Physical structure

☐ Assessment

8. A material fact affects the \_\_\_\_\_ of the property (~~desirability~~)

The indemnification clause transfers risk from the \_\_\_\_\_ to the

\_\_\_\_\_.

☐ owner, tenant

☐ owner/client, property manager/company

☐ property manager/company, owner/client (Correct Answer)

☐ tenant, owner



9. The indemnification clause transfers risk from the \_\_\_\_\_ to the \_\_\_\_\_  
(property manager/company, owner/client)

10. The Protecting Tenant at Foreclosure Act protects tenants by placing all of the following conditions except:

- A. Successor in interest to the property after foreclosure must give 60 days notice to vacate
- B. Any lease entered into prior to the 90 Notice of foreclosure have the right to stay until the end of the leases term (if it is not the purchaser's primary residence)
- C. A 90 day notice applies when the purchaser has a right to evict the tenant before the end of the lease
- D. Rent under the lease is at fair market value  
(A - Must be 90 days)

11. List 3 reasons why a management contract may be cancelled (this could be a multitude of different answers)

- a. \_\_\_\_\_
- b. \_\_\_\_\_
- c. \_\_\_\_\_

Which is a reason a management contract may be cancelled?

- ☐ Lack of profitability
- ☐ Foreclosure
- ☐ Sale
- ☐ All of these (Correct Answer)

A \_\_\_\_\_ of contract is when a party in the contract does not fulfill their obligations as outlined in the document.

- ☐ Merger

Formatted: Indent: Left: 1", No bullets or numbering

Formatted: Indent: Left: 1", No bullets or numbering



☐ Binder

☐ Breach (Correct Answer)

☐ Title

---

~~12. A \_\_\_\_\_ of contract is when a party in the contract does not fulfill their obligations as outlined in the document. (Breach)~~

True or False: The contract can be cancelled by either the client or the management company.

☐ True (Correct Answer)

☐ False

~~13. The Contract can be cancelled by either the \_\_\_\_\_ or the \_\_\_\_\_ (owner/management company)~~

14. Which of the following is not a good reason to cancel a contract with the owner:

- A. Owner wants to rent to only families
  - B. The furnace is inoperable
  - C. The client makes sexual advances to the property manager
  - D. The client does not have the funds to fix the leaking roof
- (B)

Dual-agency means that the property manager represents both the \_\_\_\_\_ and the \_\_\_\_\_.

☐ owner, tenant/resident (Correct Answer)

☐ client, principal

☐ agency, state



☐ tenant, resident

~~15. Dual Agency occurs when the management company represents both the \_\_\_\_\_ and the \_\_\_\_\_. (owner/landlord, tenant/resident)~~

16. When setting response criteria with your owner consider all but the following:

- A. Email auto reply
- B. Phone company greeting
- C. Internal tracking system

~~D. A& C~~

~~E. D.~~ All of the above

(E)

Resolving conflict starts with \_\_\_\_\_.

☐ Policies

☐ Procedures

☐ Listening (Correct Answer)

☐ The management contract

~~17. Resolving Conflict starts with \_\_\_\_\_. (Listening)~~

GRM stands for:

☐ Generated Revenue Multiplier

☐ Gross Rent Multiplier (Correct Answer)

☐ Generated Rent Measure

☐ Generic Rate Monthly

~~18. Terms:~~

~~GRM: \_\_\_\_\_ (Gross Rent Multiplier)~~



## CAP relates to:

- ☐ Central Annual Percentage
  - ☐ Percent of investment
  - ☐ Capitalization Rate (Correct Answer)
  - ☐ Property of like-kind
- 

~~CAP: \_\_\_\_\_ (Capitalization Rate)~~

## ROI stands for:

- ☐ Reorganizaed office index
- ☐ Rental over index
- ☐ Rate over investment
- ☐ Return on investment (Correct Answer)

~~ROI: \_\_\_\_\_ (Return on Investment)~~

19. The client needs to disclose all the following except:

- A. Fireplace that can't be used due to a cracked chimney
  - B. Street ~~p~~Parking ~~Permits~~ permits needed in front of the residence
  - C. Pest ~~c~~Control comes every month
  - D. The owner is divorced
- (D)

Choose either True or False for the following questions (T/F):

20. ~~True~~ ort False: ~~T/F~~ Management agreements provided by professional ~~r~~Real Estate/~~p~~Property ~~m~~Management associations always stand alone and do not need addendums. (F)



- 21. ~~True~~ ~~ort~~ ~~False~~:~~T/F~~—If an entity owns the property, only one signature is needed (F - it depends on which type of entity and it may require more than one signature)
- 22. ~~True~~ ~~ort~~ ~~False~~:~~T/F~~—Management fees are paid even if there is not enough money in one client's account to do so because you can borrow from other clients as long as it is paid back in 30 days. (F)
- 23. ~~True~~ ~~ort~~ ~~False~~:~~T/F~~—The owner does not have any responsibilities when the contract is canceled (F)
- 24. ~~True~~ ~~ort~~ ~~False~~:~~T/F~~—Policies do not need to include ~~f~~Fair ~~h~~Housing since it is covered in the contract and is a ~~f~~Federal ~~l~~Law. (F)
- 25. ~~True~~ ~~ort~~ ~~False~~:~~T/F~~—Policies never change but procedures do. (F)
- 26. ~~True~~ ~~ort~~ ~~False~~:~~T/F~~—The owner is always right. (F)
- 27. ~~True~~ ~~ort~~ ~~False~~:~~T/F~~—A ~~p~~Pro-~~f~~Forma helps the investor to determine the worth of the investment. (T)
- 28. ~~True~~ ~~ort~~ ~~False~~:~~T/F~~—~~f~~Fee ~~s~~Schedules are a guideline and are negotiable. (T)
- 29. ~~True~~ ~~ort~~ ~~False~~:~~T/F~~—Commingling of funds means that you place the company's money~~ies~~ in the same bank account as the owner's. This is allowable as long as the owner has given approval in the management agreement. (F - it is never allowed)
- 30. ~~True~~ ~~ort~~ ~~False~~:~~T/F~~—Policies flow into procedures which are the basis for creating checklists. (T).



NEW TAB





# Personnel Procedures Essentials Student Outline



Phone: 800-782-3452  
Fax: 866-466-2776  
E-mail: [info@narpm.org](mailto:info@narpm.org)  
[www.narpm.org](http://www.narpm.org)



National Association of Residential Property Managers



**National Association of Residential  
Property Managers**

**ESSENTIALS OF  
PERSONNEL PLANNING  
AND RELATIONS**



Copyright © 2009 NARPM®

National Association of Residential Property Managers

May 2013

1

---

---

---

---

---

---

---

---

**Disclaimer**

- NARPM® cannot represent the law or ordinances where you live or work.
- Any mention of fees or commissions is only to clarify the discussion with examples.
- Please refer to the NARPM® Disclaimer statement included in your binder.



Copyright © 2009 NARPM®

National Association of Residential Property Managers

May 2013

2

---

---

---

---

---

---

---

---

**Disclaimer**

*Due to time limitations, this course will not review in depth the following subjects: maintenance, marketing, personnel practices, office operations, and risk management. However, it will touch on these subjects as necessary. There are other designation courses available, which cover these subjects in depth, and you are urged to take them.*



Copyright © 2009 NARPM®

National Association of Residential Property Managers

May 2013

3

---

---

---

---

---

---

---

---



## Today's Schedule

Hours

Breaks

Lunch

Exam

---

---

---

---

---

---

---

---

## Introductions

- Your name
- Length of time as NARPM® member
- Company name, location, your position
- Number of properties/units
- Type of properties
- Price range

---

---

---

---

---

---

---

---

## About NARPM®

- Benefits of membership
  - NARPM® members specialize in Single Family Residential Property Management
  - Business Building Referrals and Marketing Support
  - Unparalleled Networking
  - Industry Specific Educational Opportunities
  - Nationally Recognized Professional Designation Program

---

---

---

---

---

---

---

---



## About NARPM®

- Benefits of membership (cont.)
  - Annual Convention & Trade Show and Leadership Training
  - Broker/Owner Retreat with brokers teaching brokers
  - Regional Conferences through the Nation
  - Current Industry-Related News and Information through print and electronic publications
  - Key legislative & new product innovations

---

---

---

---

---

---

---

---

## About NARPM®

Education is a key component of the mission statement of NARPM® and our organization delivers educational courses that are essential to your professional performance and advancement.

---

---

---

---

---

---

---

---

## About NARPM®

- Residential Management Professional - RMP®
  - Current member of NARPM®
  - Currently licensed for not less than the 2 previous years
  - 100 unit yrs experience - minimum of 2 consecutive yrs
  - 18 hrs NARPM® approved class, plus NARPM® Ethics
  - Earn 50 elective points through service to NARPM®

---

---

---

---

---

---

---

---



## About NARPM®



- Residential Management Professional - RMP®
  - Attend 2 NARPM® state/regional OR 1 national conferences
  - Letters of recommendation from 2 RMP® or MPM® & 3 clients
  - Submit completed packet within 3 years of application date
  - Non-refundable application fee of \$150

---

---

---

---

---

---

---

---

## About NARPM®



- Master Property Manager - MPM®
  - Current member of NARPM® & achieved RMP® designation
  - Currently licensed for not less than the 5 previous years
  - 500 unit yrs experience - minimum of 5 consecutive yrs
  - Additional 24 hrs NARPM® approved class

---

---

---

---

---

---

---

---

## About NARPM®



- Master Property Manager - MPM®
  - 200 elective points (RMP® points earned)
  - Attend 2 additional NARPM® National Conventions
  - Letters of recommendation 2 MPM® and 3 clients
  - Submit completed packet within 3 years of application date
  - Non-refundable application fee of \$250

---

---

---

---

---

---

---

---



## About NARPM®



### Certified Residential Management Company CRMC®

This esteemed designation is awarded to those professional property management firms that demonstrate a high standard in both procedures and customer service. A detailed examination of the company and recommendations from clients and peers are required for this designation.

---

---

---

---

---

---

---

---

## About NARPM®



### • Certified Residential Management Company CRMC®

- Have an MPM® designee on staff
- 500 unit years of management experience
- Complete on-site visit from a NARPM® auditor – pay expenses
- Complete the audit process within 3 years
- Non-refundable application fee of \$300
- Annual renewal is \$150

---

---

---

---

---

---

---

---

## Course Objective

Identify Key Components of an Effective Personnel Plan for the Residential Property Management Company

---

---

---

---

---

---

---

---



## Key Points

- Plan the business structure
- Outline company policies and a personnel handbook
- Develop effective job descriptions
- List best hiring & selection practices
- Plan overall training & retention
- Identify how & when to terminate

---

---

---

---

---

---

---

## Plan the Business Structure

---

---

---

---

---

---

---

## Plan the Business Structure

- Management of Personnel Theory
  - Maslow Hierarchy of Needs
  - Herzberg
  - Theory X / Theory Y
  - Theory Z
  - Total Quality Management
  - Six Sigma (Continuous Improvement)

---

---

---

---

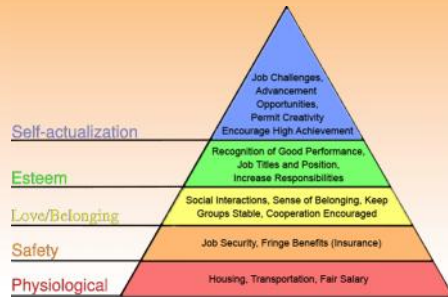
---

---

---



## Plan the Business Structure




---

---

---

---

---

---

---

---

## Plan the Business Structure

### • How Maslow's Theory Relates to Job Issues

- Physiological
  - Housing
  - Transportation
  - Fair salary
- Safety
  - Job security
  - Fringe benefits (insurance)

---

---

---

---

---

---

---

---

## Plan the Business Structure

### • How Maslow's Theory Relates to Job Issues

- Social
  - Social interactions; sense of belonging
  - Keep groups stable
  - Cooperation encouraged
- Esteem
  - Recognize and publicize good performance
  - Job titles and position
  - Increase responsibilities

---

---

---

---

---

---

---

---



## Plan the Business Structure

- **How Maslow's Theory Relates to Job Issues**

- Self Actualization
  - Challenges in job
  - Provide advancement opportunities
  - Permit creativity
  - Encourage high achievement

---

---

---

---

---

---

---

---

## Plan the Business Structure

- **Herzberg's Theory Two Factor Theory**

- Herzberg's Motivation-Maintenance Theory states that there are certain factors in the workplace that cause job satisfaction, while a separate set of factors cause dissatisfaction.

---

---

---

---

---

---

---

---

## Plan the Business Structure

- **Herzberg's Theory Motivational Factors**

- Achievement
- Recognition
- Advancement
- The work itself
- Possibility Of personal growth
- Responsibility

---

---

---

---

---

---

---

---



## Plan the Business Structure

- **Herzberg's Theory Maintenance Factors**

- Pay and benefits
- Company policy and administration
- Technical supervision
- Interpersonal relations with: supervisor, peers, subordinates
- Job security
- Personal life
- Working conditions

---

---

---

---

---

---

---

---

## Plan the Business Structure

- **Theory X and Theory Y**

- Douglas McGregor in his book, "The Human Side of Enterprise" published in 1960 has examined theories on behavior of individuals at work, and he has formulated two models which he calls Theory X and Theory Y.

---

---

---

---

---

---

---

---

## Plan the Business Structure

- **Theory X**

- Authoritarian, repressive style
- Tight control
- No development
- Produces limited depressed culture

---

---

---

---

---

---

---

---



## Plan the Business Structure

- **Theory Y**

- Liberating and developmental
- Control, achievement and continuous improvement achieved by enabling, empowering and giving responsibility

---

---

---

---

---

---

---

---

## Plan the Business Structure

- **Theory X & Theory Y**

- Came from Maslow's Hierarchy
- Grouped into Lower Order & Higher Order
- Theory X applies to Lower Order
- Theory Y to Higher Order

- **Both can be used interpedently**

---

---

---

---

---

---

---

---

## Plan the Business Structure

- **Theory Z**

Japanese consensus management style

- Employees want to build cooperative relationships with their employers, peers, and other employees in the firm
- For this they require a high degree of support in the form of secure employment and facilities for development of multiple skills through training and job rotation

---

---

---

---

---

---

---

---



## Plan the Business Structure

- **Theory Z**

Japanese consensus management style (cont.)

- They value family life, culture and traditions, and social institutions as much as material success
- They have well-developed sense of dedication, moral obligations, and self-discipline
- They can make collective decisions through consensus

---

---

---

---

---

---

---

---

## Plan the Business Structure

- **Total Quality Management (TQM)**

- At its core, Total Quality Management (TQM) is a management approach to long-term success through customer satisfaction
- In a TQM effort, all members of an organization participate in improving processes, products, services and the culture in which they work
- Continuous improvement is the ultimate goal

---

---

---

---

---

---

---

---

## Plan the Business Structure

- **Six Sigma (continuous improvement)**

- Vigorous process to eliminate defects  
There are 5 important steps included in "DMAIC"
  - D** - Define goals to improve the overall process
  - M** - Measure your current processes
  - A** - Analyze your relationship within the process
  - I** - Improve the process
  - C** - Control

---

---

---

---

---

---

---

---



## Plan the Business Structure

- **Management styles**

- Autocratic
- Paternalistic
- Democratic
- Laissez-faire

---

---

---

---

---

---

---

---

## Plan the Business Structure

- **Management styles**

- Autocratic
  - Manager makes decisions unilaterally
  - Decisions reflect opinions & personality of a manager
  - Project image of a confident & well managed business
  - Subordinates become dependent upon leaders & require more supervision

---

---

---

---

---

---

---

---

## Plan the Business Structure

- **Management styles**

- Paternalistic
  - Dictatorial
  - Decisions based on best interest of employees & business
  - Leader explains decisions to employees
  - Leader ensures employees social & leisure needs are met
  - Employee loyalty & less labor turnover is an advantage
  - Disadvantage is employees become dependent on leader

---

---

---

---

---

---

---

---



## Plan the Business Structure

- **Management styles**

- Democratic
  - Manager & Employees involved in decision making (majority)
  - Useful when complex decisions require a range of specialist skills
  - Improves job satisfaction & quality of work
  - Decision making is slower
  - Need for consensus may avoid best decisions for the business

---

---

---

---

---

---

---

---

## Plan the Business Structure

- **Management styles**

- Laissez-faire
  - Leader's role is peripheral
  - Staff manages their own areas
  - Uncoordinated delegation occurs
  - Can bring out the best in highly professional employees
  - However, mostly leads to lack of staff focus & sense of direction
  - Results to dissatisfaction & poor company image

---

---

---

---

---

---

---

---

## Plan the Business Structure

- **When do you need more help???**

- Working too long or too hard
- Other staff too pressed
- Not responding to client needs
- Not growing
- Anticipating expansion (growth)

---

---

---

---

---

---

---

---



## Plan the Business Structure

- **Growth patterns**

- Working alone
- Some clerical help
- More clerical help
- Technical help
- Marketing help
- Managerial help
- Multi-office growth

---

---

---

---

---

---

---

---

## Plan the Business Structure

- **Adequate and professional staffing**

- Appropriate staff size relative to property inventory and workload
  - 0 - 100 units – one to two persons
  - 100 - 200 units – two to three persons
  - 200 - 400 units – three to five persons
  - 400 - 600 units – four to seven persons
  - 600 - 800 units – six to nine persons
  - 800 - 1,000 units – eight to nine persons

---

---

---

---

---

---

---

---

## Plan the Business Structure

- **Managing Growth**

- Have a growth plan
- Properly pace your growth
- Increase staff proactively
  - Hire before you're too busy
  - Hire before you're giving poor service
  - Allow lead time
  - Budget for increased staff cost

---

---

---

---

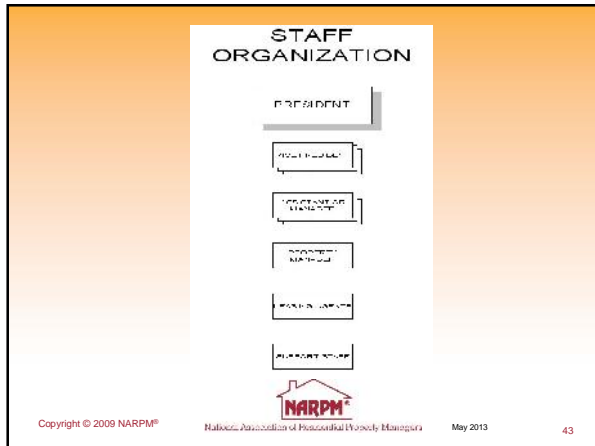
---

---

---

---






---

---

---

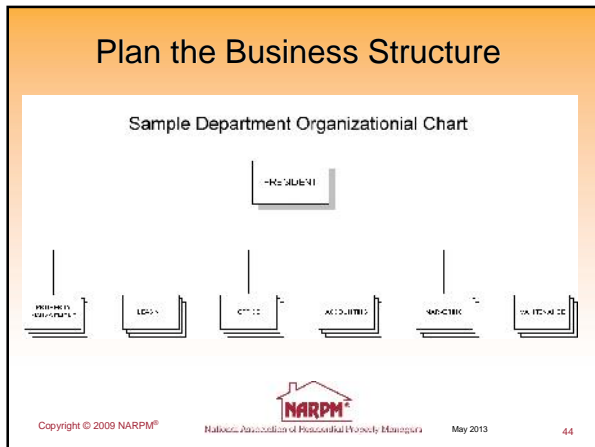
---

---

---

---

---




---

---

---

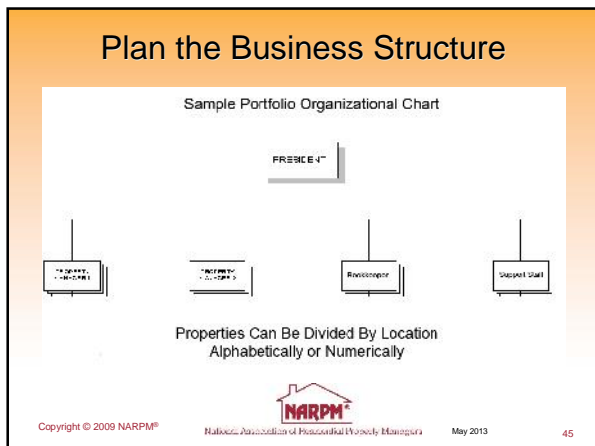
---

---

---

---

---




---

---

---

---

---

---

---

---



## Plan the Business Structure

- **Independent contractor defined**

- A person who contracts to do work for another person according to his or her own processes and methods; the contractor is not subject to another's control except for what is specified in a mutually binding agreement for a specific job.

---

---

---

---

---

---

---

---

## Plan the Business Structure

- **Independent contractor test**

- Behavioral control
- Financial control
- Relationship of the parties
- Written agreement

---

---

---

---

---

---

---

---

## Plan the Business Structure

### 20 fact test for independent contractors

- |                               |                               |
|-------------------------------|-------------------------------|
| - Direction of worker         | - Submitting reports          |
| - Training                    | - Method of payment           |
| - Integration of services     | - Payment of expenses         |
| - Personal nature of services | - Tools and materials         |
| - Similar workers             | - Investment                  |
| - Continuing relationship     | - Profit or loss              |
| - Hours of work               | - Exclusivity of work         |
| - Full-time work              | - Available to general public |
| - Work on premises            | - Right of discharge          |
| - Order of performance        | - Right-to-quit               |

---

---

---

---

---

---

---

---



## Plan the Business Structure

- **Pros and cons of using independent contractors**

- Pros:
  - You will probably save money on payroll
  - Staffing flexibility
  - Reduced exposure to lawsuits
- Cons:
  - Less control; frequent turnover
  - Can terminate only as provided in contract
  - Liable for injuries (not covered by your Worker's Comp)
  - Risk of audits by State/Fed

---

---

---

---

---

---

---

---

## Plan the Business Structure

- **Employee definition:**

- "A person who is hired by another person or business for a wage or fixed payment in exchange for personal services and who does not provide the services as part of an independent business. Any individual employed by an employer. "

*From the "Lectric Law Library's Lexicon*

---

---

---

---

---

---

---

---

## Plan the Business Structure

- **Pros and cons of using employees**

- Pros:
  - Dedicated loyalty
  - Multiple roles
  - Improved work
- Cons:
  - Added responsibility to management
  - Extra overhead
  - Becoming a manager of people, not property

---

---

---

---

---

---

---

---



## Plan the Business Structure

- Delegation is one of the most important management skills
- Delegation is a two-way process
- Good delegation saves you time, develops staff, grooms a successor, and motivates
- Poor delegation will cause you frustration, de-motivates, and confuses
- It's a management skill that's worth improving

---

---

---

---

---

---

---

---

## Plan the Business Structure

### • Why we don't delegate

- Not always appropriate
- Organizational obstacles
- Managerial obstacles
- Subordinate's obstacles
- Client expectations

---

---

---

---

---

---

---

---

## Plan the Business Structure

### • What to delegate

- To improve your performance
- To improve your Quality Work Life (QWL)
- To enrich employees' jobs
- Things you used to do
- Routine tasks, responsibilities
- Jobs taking big chunks of time
- Details you don't like

---

---

---

---

---

---

---

---



## Plan the Business Structure

- **What to delegate**

- A simple delegation rule is the **SMART** acronym, or better still, **SMARTER**. It's a quick checklist for proper delegation. Delegated tasks must be:
  - **Specific**
  - **Measurable**
  - **Agreed**
  - **Realistic**
  - **Time-bound**
  - **Ethical**
  - **Recorded**

---

---

---

---

---

---

---

---

## Plan the Business Structure

- **Delegation Workshop - in class**

- List specific responsibilities you can/should delegate
- For each, answer the questions on the next slide

---

---

---

---

---

---

---

---

## Plan the Business Structure

- **Delegation Workshop**

- For Each One, Answer The Following:
  - Who will you delegate it to?
  - What are the specific responsibilities being delegated?
  - How will you communicate the specifics?
  - What authority goes with the responsibilities?
  - What training and direction is needed?
  - What feedback is required?
  - What is the time frame?
  - What are the benefits that will result?

---

---

---

---

---

---

---

---



## Outline Company Policies and Personnel Handbook

---

---

---

---

---

---

---

---

## Outline Company Policies and Personnel Handbook

- **Policy-Procedures Manual is job related**

- Focus is general operating policy of company & specific procedures to accomplish tasks

**Vs**

- **Policy-Personnel Handbook is people related**

- Focus is company policy regarding personnel only & consequences for non-compliance

---

---

---

---

---

---

---

---

## Outline Company Policies and Personnel Handbook

- **Benefits of Policy-Procedures Manual & Personnel Handbook**

- Provides CONSTANT set of operating guidelines
- Provides an 'Authority' as reference point
- Establishes limits and proper procedure
- Eliminates need for manager consultation on minor issues
- Avoids 'on the spot' decisions
- Enables Owner/Manager to delegate & creates efficiency
- Backup in case of litigation

---

---

---

---

---

---

---

---



## Outline Company Policies and Personnel Handbook

### • Contents of Policy-Procedures Manual

- Mission/Vision/Values Statements
- General policies
- Office operations
- Marketing procedures
- Property operations
- Leasing operations
- Owner and accounting procedures

---

---

---

---

---

---

---

---

## Outline Company Policies and Personnel Handbook

### • Contents of Policy-Procedures Manual

- Resident policies
- Security deposit and collections policies and procedures
- Maintenance procedures
- All forms, letters and contracts you use
- **Want to learn more?**  
**attend the next NARPM Office Operations class**

---

---

---

---

---

---

---

---

## Outline Company Policies and Personnel Handbook

### • Contents Policy-Personnel Handbook

- Introduction
- Changes in policy
- Equal employment opportunity
- Recruitment
- Termination of employment
- Disciplinary action

---

---

---

---

---

---

---

---



## Outline Company Policies and Personnel Handbook

### • Contents Policy-Personnel Handbook

- Compensation
- Personnel classifications
- Hours of work
- Overtime pay
- Pay days
- Payroll deductions
- Personnel records
- Change in status
- Emergency closing
- Performance management
- Raises

---

---

---

---

---

---

---

---

## Outline Company Policies and Personnel Handbook

### • Contents Policy-Personnel Handbook

- Benefits and services
- Training & trade associations
- Holidays
- Vacations
- Personal time off
- Leaves of absence
- Bereavement leave

---

---

---

---

---

---

---

---

## Outline Company Policies and Personnel Handbook

### • Contents Policy-Personnel Handbook

- Standards of conduct
- Record keeping and retention
- Treatment of personnel
- Workplace safety
- Confidentiality
- Use of company property

---

---

---

---

---

---

---

---



## Outline Company Policies and Personnel Handbook

- **Contents Policy-Personnel Handbook**

- Alcohol and drugs

- **Company commitment**

- We expect all personnel to work alcohol and drug free and urge anyone with a possible alcohol or drug problem to see voluntary counseling and treatment

- **Personnel responsibility**

- Personnel are responsible for following work and safety rules and for conduct that an employer, coworkers and clients have a right to expect from you. Additionally Personnel are responsible to seek assistance BEFORE an alcohol or drug problem adversely affects work performance

---

---

---

---

---

---

---

---

## Outline Company Policies and Personnel Handbook

- **Contents Policy-Personnel Handbook**

- Personnel communications

- Client/Vendor solicitations

- General staff meetings

---

---

---

---

---

---

---

---

## Outline Company Policies and Personnel Handbook

- **Computers and the internet**

- Personnel communications

- Computers

- Internet access

- Personal cell phone

- Social Media

- All information stored on company owned electronic systems or personal electronic systems used on the premises are company property and should not be considered personal

---

---

---

---

---

---

---

---



## Outline Company Policies and Personnel Handbook

- **Other policy inclusions**

- Confidentiality
- Non-competition
- Conflict-of-interest
- Personnel owned rental property

---

---

---

---

---

---

---

---

## Outline Company Policies and Personnel Handbook

- **Other policy inclusions**

- Grievance procedure & conflict resolution
- Harassment
- Sexual harassment
- Personal vehicle policy

---

---

---

---

---

---

---

---

## Outline Company Policies and Personnel Handbook

- **Safety and Health**

- Safety
- OSHA (Occupational Safety and Health Administration)
- Security
- Workplace Violence
- Health – No Smoking
- Dress, Personal Appearance and Hygiene
- Housekeeping

---

---

---

---

---

---

---

---



## Outline Company Policies and Personnel Handbook

### What is Missing?

---

---

---

---

---

---

---

---

## Develop Effective Job Descriptions

---

---

---

---

---

---

---

---

## Develop Effective Job Descriptions

### • Benefits of effective Job Descriptions

- Provides big picture view
- Avoids confusion and overlap of responsibilities
- Provides standards for performance evaluation
- Becomes training tool

---

---

---

---

---

---

---

---



## Develop Effective Job Descriptions

- **Contents of effective Job Descriptions**

- List of essential functions
- Minimum expectation levels
- Minimum qualifications (licensing, skills, attitude)
- Organizational relationships

---

---

---

---

---

---

---

---

## Develop Effective Job Descriptions

- **Sample list of essential functions**

- Answer all inquiry calls from potential tenants
- Schedule appointments to view available properties
- Ensure applications are complete and fee is paid
- Verify applicant complies with written leasing guidelines
- Have Office Manager give final approval

---

---

---

---

---

---

---

---

## Develop Effective Job Descriptions

- **Sample list of expectation levels**

- During office hours, all calls are answered by a person
- Incomplete or unsigned applications are not processed
- Application submitted without fee is incomplete
- Applications will be processed within 48 hours of receipt

---

---

---

---

---

---

---

---



## Develop Effective Job Descriptions

- **Sample list of qualifications**

- Real Estate License per DRE regulations
- Good communication skills
- Level of computer skills required to pull credit/criminal reports
- Observation skills necessary to obtain information required to approve application

---

---

---

---

---

---

---

---

## Develop Effective Job Descriptions

- **Sample Organizational Relationships**

- Prepare the lease with accurate information
- Ensure that all repairs are completed (maintenance)
- Request move-in Pictures & remove sign (manager)
- Scan & file completed lease
- Forward completed checklist to Office Manager

---

---

---

---

---

---

---

---

## List Best Hiring and Selection Practices

---

---

---

---

---

---

---

---



## Best Hiring and Selection Practices

- Clarify your hiring and selection practices to:
  - Recognize recruitment resources
  - Define hiring qualifications
  - Conduct effective interviews
  - Test for skill & aptitude
  - Cover bases with background checks
  - Earn the coveted 'Best Choice Award'

---

---

---

---

---

---

---

---

## Best Hiring and Selection Practices

- Recognize recruitment resources
  - Temporary vs. Permanent
  - Classified vs. Online
  - Utilizing NARPM® colleagues

---

---

---

---

---

---

---

---

## Best Hiring and Selection Practices

- Define hiring qualifications
  - Entry level or experienced
  - Licensed or unlicensed
  - Knowledge of tools and equipment
  - Key personal traits

---

---

---

---

---

---

---

---



## Best Hiring and Selection Practices

- Key personal traits – vary by position
  - Problem solver
  - Self starter
  - Strong people skills
  - Dependability
  - Team player
  - Honesty
  - Enthusiasm
  - Motivation
  - Flexibility
  - Detail oriented
  - Strong organizational skills
  - Strong communication skills
  - Convincing and persuasive
  - Professional demeanor
  - Strong work ethic
  - Good reasoning ability
  - Manages conflict well
  - Outgoing and friendly

---

---

---

---

---

---

---

---

## Best Hiring and Selection Practices

- Conduct effective interviews
  - Resume as initial contact
  - Email questions to answer
  - Phone interview
  - Face-to-face interview

---

---

---

---

---

---

---

---

## Best Hiring and Selection Practices

- Test for Skill & Aptitude
  - In house
  - Online

---

---

---

---

---

---

---

---



## Best Hiring and Selection Practices

- Cover bases with background checks
  - Employment references
  - Credit check
  - Criminal report
  - Drug & controlled substances

---

---

---

---

---

---

---

---

## Best Hiring and Selection Practices

- Earn the coveted **Best Choice Award**
  - Long term employee
  - Skill matched to job description
  - Good fit with company culture

---

---

---

---

---

---

---

---

## Identify How and When to Terminate

---

---

---

---

---

---

---

---



## Identify How and When to Terminate

- 3 Basic Rules of Termination
  - Follow the Policy-Personnel Handbook
  - Document the reasons and attempts to resolve
  - Follow the Policy-Personnel Handbook



---

---

---

---

---

---

---

---

## Identify How and When to Terminate

- Reasons for termination vary:
  - Violation of company policy
  - Change in business model
    - Market: sales, foreclosure, self management
    - Catastrophic: earthquake, tornado, hurricane
    - Sale or purchase of area of business
    - Implementation of methods/knowledge from NARPM® classes & networking



---

---

---

---

---

---

---

---

## Identify How and When to Terminate

- Checklist for personnel termination
  - What is their seniority, age, sex, race, & etc?
  - Is termination consistent with past evaluations?
  - Is the decision well documented?
  - Have they been warned in writing that failure to improve will result in termination?
  - Have there been progressive discipline, probation or a performance improvement program?



---

---

---

---

---

---

---

---



## Identify How and When to Terminate

- Checklist for personnel termination continued
  - Was discipline reasonable as related to seriousness of violation & service record?
  - Have all procedures been followed?
  - Did all levels of management sign if policy requires?
  - Does documentation show that personnel was aware of performance standards & policies?
  - Is this termination consistent with past practices in similar matters?

---

---

---

---

---

---

---

---

## Identify How and When to Terminate

- Checklist for personnel termination continued
  - Are there possible statutory problem?
    - Equal Employment Opportunity
    - National Labor Review Board
    - Whistle Blower
    - Other?
  - Are there mitigating circumstances?

---

---

---

---

---

---

---

---

## Identify How and When to Terminate

- Checklist for personnel termination continued
  - Will the termination fall on sacred dates?
    - Birthday
    - Anniversary
    - Death in family
    - Separation or divorce
  - Return from honeymoon, vacation, jury duty
  - Immediately prior to vesting

---

---

---

---

---

---

---

---



## Identify How and When to Terminate

- Checklist for personnel termination continued
  - Have others reviewed & concurred with termination?
  - Have you discussed with personnel to get their side of facts or obtain possible admission?
  - Does personnel fully understand the reason for termination?
  - Will personnel sign a separation agreement to release company in return for severance pay or favorable benefit treatment?

---

---

---

---

---

---

---

---

## Identify How and When to Terminate

- Checklist for personnel termination continued
  - Have you followed the Policy-Personnel Handbook?
  - Have you documented every step along the way?

---

---

---

---

---

---

---

---

## RESOURCES

- Hiring Websites
  - <http://smallbusiness.findlaw.com/>  
Employment law and human resources for small businesses
  - <http://humanresources.about.com/>
  - <http://hr.blr.com/>  
Human resources employment law topics
  - <http://www.businessgov/business-law/employment/hiring/first-employee.html>  
Ten steps to hiring your first employee

---

---

---

---

---

---

---

---



## RESOURCES

- HR Websites
  - <http://www.allbusiness.com/human-resources/careers-job-interview/2976551-1.html>  
Job interviews
  - <http://www.esrcheck.com/>  
Employment screening resources
  - <http://www.toolkit.com/tools/index.aspx>  
Tools, templates, checklist & forms for small business
  - <http://www.allbusiness.com/human-resources/workforce-management-hiring/2976570-1.html>

---

---

---

---

---

---

---

---

## Plan Overall Training and Retention

---

---

---

---

---

---

---

---

## Plan Overall Training and Retention

- Train to Retain
  - Company Policy & Procedure
  - Industry specific
  - Legal areas
  - Technical knowledge
  - Quality service

---

---

---

---

---

---

---

---



## Plan Overall Training and Retention

- Effective training methods
  - One-on-One communications
  - Staff meetings
  - Problem sharing and analysis
  - Observe live situations
  - Outside courses and seminars
  - Cross training

---

---

---

---

---

---

---

---

## Plan Overall Training and Retention

- Job Descriptions provide
  - Foundation for training
  - Tool used to measure productivity
  - Basis for Performance Evaluation

---

---

---

---

---

---

---

---

## Plan Overall Training and Retention

- Benefits of Performance Evaluation
  - Accountability
  - Communication tool
  - Provides validation
  - Provides documentation
  - Identify strengths and weaknesses
  - Basis for raises, promotions, terminations
  - Correct direction
  - Motivation tool
  - Provides Incentive
  - Generates Ideas

---

---

---

---

---

---

---

---



## Plan Overall Training and Retention

- Performance Evaluation
  - Evaluate general qualities
  - Prepare list of tasks (from job description)
  - Self-evaluation
  - Peer-to-Peer evaluation
  - Evaluation of company

---

---

---

---

---

---

---

---

## Plan Overall Training and Retention

Your goal is to  
create a situation where  
success is likely

---

---

---

---

---

---

---

---

## Plan Overall Training and Retention

- Performance Evaluation – Sandwich Approach
  - Acknowledge contribution/success
  - Identify areas for improvement
  - Develop written plan (time frame)
  - End on positive with joint commitment
  - Reduce to writing and all sign

---

---

---

---

---

---

---

---



**National Association of Residential  
Property Managers**

## **ESSENTIALS OF PERSONNEL PLANNING AND RELATIONS**



Copyright © 2009 NARPM®

National Association of Residential Property Managers

May 2013

109

---

---

---

---

---

---

---



## **General Personnel Qualities Evaluation**

### **Knowledge of Work**

*Consider knowledge of job gained through education, training and/or experience*

☐ **Low - 1**

Limited knowledge;  
Requires considerable assistance

☐ **Medium - 2**

Satisfactory knowledge of duties

☐ **High - 3**

Knowledgeable in all phases of work

### **Quality of Work**

*Consider thoroughness, effectiveness and accuracy*

☐ **Low - 1**

Commits frequent errors;  
Work is often unacceptable

☐ **Medium - 2**

Produces acceptable work;  
Average number of errors

☐ **High - 3**

Continually produces neat & accurate work; very few errors

### **Quantity of Work**

*Consider volume of work under normal conditions*

☐ **Low - 1**

Produces low volume of work

☐ **Medium - 2**

Produces satisfactory volume

☐ **High - 3**

Exceptionally productive

### **Ability to Learn New Duties**

*Consider ability to master routine, grasp explanations and retain knowledge*

☐ **Low - 1**

Requires considerable instruction to grasp ideas

☐ **Medium - 2**

Requires normal instruction

☐ **High - 3**

Grasps new ideas readily;  
Often anticipates next instruction

### **Initiative/Pro-active Approach**

*Consider ability to contribute, develop and/or carry out new ideas or methods*

☐ **Low - 1**

Exhibits limited initiative

☐ **Medium - 2**

Exhibits average initiative

☐ **High - 3**

Resourceful; Often develops time or money saving ideas

### **Cooperation/Communication**

*Consider manner of handling Client, Customer & Staff relationship*

☐ **Low - 1**

Sometimes reluctant to cooperate

☐ **Medium - 2**

Cooperates as required

☐ **High - 3**

Exceptionally cooperative;  
Volunteers useful assistance

### **Judgement and Common Sense**

*Consider ability to think intelligently and make logical decisions*

☐ **Low - 1**

Inclined to be somewhat illogical

☐ **Medium - 2**

Exhibits normal judgment and common sense

☐ **High - 3**

Highly perceptive; Grasps situations rapidly & forms logical judgments

### **Punctuality and Attendance**

*Consider frequency, legitimacy and notification of absences as well as use of time while on job*

☐ **Low - 1**

Frequent absence or tardiness;  
Requires close supervision to avoid lost time on job

☐ **Medium - 2**

Normal attendance; Occasionally lacks legitimate reasons;  
Average loss of time

☐ **High - 3**

Rarely absent or tardy; No unnecessary time lost on job; Absences are for just cause

Name: \_\_\_\_\_

Date \_\_\_\_\_

Signature: \_\_\_\_\_

Total Score \_\_\_\_\_



## **20 “Independent Contractor” Questions**

Employers who classify workers as independent contractors should carefully examine the 20 common-law rules used to determine proper worker classification. The IRS views ‘yes’ answers to the following to be evidence of an employer-employee relationship.

1. Do you provide the worker with instructions on when, where and how work is performed?
2. Did you train the worker in order to have the job performed correctly?
3. Are the worker’s services a vital part of your company’s operations?
4. Is the worker prevented from delegating work to others?
5. Is the worker prohibited from hiring, supervising and paying assistants?
6. Does the worker perform services for you on a regular and continuous basis?
7. Do you set the hours of service for the worker?
8. Does the worker work full-time for your company?
9. Does the worker perform duties on your company premises?
10. Do you control the order and sequence of the work performed?
11. Do you require workers to submit oral or written reports?
12. Do you pay the worker by the hour, week or month?
13. Do you pay for the worker’s business or travel expenses?
14. Do you furnish tools or equipment for the worker?
15. Does the worker lack a ‘significant investment’ in tools, equipment and facilities?
16. Is the worker insulated from suffering a loss as a result of the activities performed for your company?
17. Does the worker perform services solely for your firm?
18. Does the worker not make services available to the general public?
19. Do you have the right to discharge the worker at will?
20. Can the worker end the relationship without incurring any liability?



## **Essentials of Personnel Planning and Relations**

### **General**

- If included, the “About NARPM” RMP, MPM, CRMC information needs to be checked for updates (notes and slide). If it is included, the same/similar information should be included for all designation courses.
- Revise key points to objectives
- Many slides are wordy
- Needs graphics

### **Plan the Business Structure**

- Possibly rename to leadership theories as opposed to business structures, which could imply physical or logistical structure
- Group/class activities for each of the theories
- Group/class activities for the management styles
- Eliminate repetition of instructor notes on slides
- Make Growth Patterns its own section – include growth and staffing levels, etc.

### **Growth Patterns**

- Adequate and professional staffing references a table that doesn't exist in the materials
- Separate the business structure section

### **The Business Structure**

- Update graphic elements for departmental/old school/portfolio with Prezi or in a multi-media format
- Include more pros and cons of the various structures
- May be nice to have an employee vs. independent contractor portrayal
- Make Delegation its own section or move it to the theory-based information

### **Outline Company Policies and Personnel Handbook**

- General information repeats other classes. May be best to focus solely on personnel policies

### **Hiring and Selection Practices**

- Training and Interview activities would enhance the materials



- Ensure resource links are updated



Outline for Essentials of Personnel Planning and Relations			
Learning Unit Title	Learning Objectives	Teaching Techniques	Estimated Time
Introduction and Management Theory	<ul style="list-style-type: none"> <li>• Characterize the bases behind Maslow's hierarchy</li> <li>• Differentiate between maintenance and motivational factors as characterized by Frederick Herzberg</li> <li>• Outline the X and Y theories and how they can be used separately and dependently</li> <li>• Identify the components of Theory Z</li> <li>• List the components of Total Quality Management</li> <li>• Describe the characteristics of Six Sigma</li> </ul>	Live Lectures and PowerPoint Handouts	40 minutes
Management Styles	<ul style="list-style-type: none"> <li>• Differentiate between autocratic, paternalistic, democratic, and laissez-faire management styles.</li> <li>• Define permissive autocrat and directive autocrat.</li> <li>• List the potential advantages and disadvantages of the various management styles.</li> </ul>	Live Lectures and PowerPoint Handouts	20 minutes
Structure	<ul style="list-style-type: none"> <li>• Outline the pattern by which growth normally takes place</li> <li>• Detail the balance that must be made between growth and hiring</li> <li>• List the typical staff to unit ratios</li> <li>• Differentiate between the various office structure</li> </ul>	Live Lectures and PowerPoint Handouts	30 minutes
Employees and Independent Contractor	<ul style="list-style-type: none"> <li>• Identify the characteristics that constitute an independent contractor</li> <li>• List the qualities that define an employee</li> <li>• Differentiate between an employee and an independent contractor</li> <li>• Outline the advantages and disadvantages of using independent contractors or using employees.</li> </ul>	Live Lectures and PowerPoint Handouts	60 minutes



Delegation	<ul style="list-style-type: none"> <li>• Determine the reasons delegation can improve your business</li> <li>• Identify the obstacles we face in terms of delegation</li> <li>• List the considerations that should be made when delegating a task</li> </ul>	Live Lectures and PowerPoint Handouts	20 minutes
Policies and Handbook	<ul style="list-style-type: none"> <li>• Define the difference between a policies and procedures manual and policies and personnel handbook</li> <li>• List the benefits of a policies and personnel handbook</li> <li>• Determine the items that should be included in a policies and personnel handbook</li> </ul>	Live Lectures and PowerPoint Handouts	60 minutes
Job Descriptions	<ul style="list-style-type: none"> <li>• Identify the importance of job descriptions</li> <li>• List the components of effective descriptions</li> <li>• Formulate job descriptions for particular positions</li> </ul>	Live Lectures and PowerPoint Handouts	10 minutes
Hiring, Selection, and Training	<ul style="list-style-type: none"> <li>• Clarify your hiring and selection processes</li> <li>• Identify recruiting resources</li> <li>• Differentiate between the advantages and disadvantages of temporary and permanent employees</li> <li>• Match qualities with positions</li> <li>• List interviewing tactics that could be beneficial</li> </ul>	Live Lectures and PowerPoint Handouts	50 minutes
Termination	<ul style="list-style-type: none"> <li>• Determine whether it is time to terminate a staff member</li> <li>• Outline the reasons for terminating a staff member</li> </ul>	Live Lectures and PowerPoint Handouts	20 minutes

**Total clock hours: 310 minutes**



General: Many true or false questions

Personnel Procedures Essentials

1. True or False: In the Laissez-faire leadership style, the leader's role is peripheral and the staff manages their own areas of the business.

True

False

2. True or False: In a dDemocratic style of leadership, the manager makes decisions unilaterally and without much regard for subordinates.

True

False

3. True or False: The Maslow hierarchy of needs suggests that people are motivated to fulfill basic needs before moving on to other needs.

True

False

4. True or False: In his motivation-hygiene theory, Herzberg theorizes that job satisfaction and job dissatisfaction act independently of each other.

True

False

5. You know you need more help in the business when you:

- a. Are working too long or too hard
- b. Are not responding to client needs
- c. Are anticipating expansion
- d. All of the above

6. True or False: Most single-family managers who start “-from scratch”- with a new business will do so all alone.

True

False

7. To manage the growth of your business you:

- a. have a growth plan
- b. properly pace your growth
- c. increase staff proactively
- d. all of the above

8. True or False: In a portfolio style of property management you have a portfolio of people handling different functions.

True

False



9. True or False: Behavioral ~~c~~Control, ~~f~~Financial ~~c~~Control and ~~r~~Relationship of the ~~p~~Parties are components of the Independent Contractor Test.

True

False

10. True or False: The IRS classifies a worker as an employee if the organization can **control** what will be done and how it will be done.

True

False

11. The pPros of hiring employees include:are

- a. They have dedicated loyalty; can take multiple roles and there is& improved work flow
- b. extra overhead; multiple roles and& added responsibility
- c. added responsibility; dedicated loyalty and& becoming a manager
- d. There is a better change for an employee to becomeming a manager; extra overhead and& added responsibility

12. True or False: Delegation is one of the most important management skills.

True

False

13. True or False: Poor delegation will save you time, develop and motivate your staff , and groom a successor.

True

False

14. True or False: It is always appropriate to delegate.

True

False

15. True or False: Quality of Work Life (~~QWL~~) is one reason to delegate.

True

False

16. Before delegating tasks you should always answer:

- a. Who will you delegate it to
- b. What training and direction is needed
- c. How will you communicate the specifics
- d. All of the above

17. True or False: A company ~~p~~Policy-~~p~~Procedure ~~m~~Manual eliminates the need for manager consultation on minor issues.

True

False

18. True or False: With a company ~~p~~Policy-~~p~~Personnel ~~h~~Handbook the ~~p~~Policy-~~p~~Procedures ~~m~~Manual becomes obsolete.



True  
False

19. True or False: The truly important part in making our ~~p~~Policy-~~p~~Personnel ~~h~~Handbook a valued tool in our company is that we ~~follow~~~~FOLLOW~~ it in all situations with all personnel.

True  
False

20. True or False: Once published, the ~~p~~Policy-~~p~~Personnel ~~h~~Handbook never changes unless required by a change in federal or state law.

True  
False

21. True or False: No harm can come from allowing your staff members to surf the net during their breaks and/or lunch to ~~“clear their minds”~~.

True  
False

22. Effective job descriptions will include:
- a. ~~List of E~~ssential functions ~~and~~ organizational relationships
  - b. Minimum expectation levels and qualifications
  - c. None of the above
  - d. All of the above

23. True or False: Best hiring and selection practices will recognize recruitment resources and define hiring qualifications.

True  
False

24. True or False: While key personal traits will vary by position, you usually want your bookkeeper to be outgoing and friendly while your front desk person should ~~mainly~~ be a good problem solver.

True  
False

25. True or False: There is no need to spend time training on ~~f~~Federal ~~f~~Fair ~~h~~Housing ~~l~~aws since ~~they~~~~it~~ ~~are~~~~is~~ included in the ~~p~~Policy-~~p~~Personnel ~~h~~Handbook.

True  
False

26. True or False: There is no better way for your staff to gain industry specific education than through membership and active participation in NARPM. (This question also seems sketchy)

True  
False



28. True or False: The job interview should be free flowing and conversational in nature so the interviewee can feel comfortable and like you.

True

False

29. True or False: The pPolicy-pPersonnel hHandbook is job-related and the pPolicy-pProcedure mManual is people-related.

True

False

30. True or False: Changes in your business model resulting from greater efficiency due to lessons learned from your active participation in NARPM could result in staff termination. (This question seems sketchy)

True

False



NEW TAB





# Personnel Procedures Advanced Student Outline



Phone: 800-782-3452  
Fax: 866-466-2776  
E-mail: [info@narpm.org](mailto:info@narpm.org)  
[www.narpm.org](http://www.narpm.org)



National Association of Residential Property Managers



**National Association of Residential  
Property Managers**

**Personnel Planning  
And Relations  
For Office Managers and CEO's**



Copyright © 2009 NARPM®

National Association of Residential Property Managers

1

---

---

---

---

---

---

---

**Disclaimer**

- NARPM® cannot represent the law or ordinances where you live or work.
- Any mention of fees or commissions is only to clarify the discussion with examples.
- Please refer to the NARPM® Disclaimer statement included in your binder.



Copyright © 2009 NARPM®

National Association of Residential Property Managers

2

---

---

---

---

---

---

---

**Today's Schedule**

Hours  
Breaks  
Lunch  
Exam



Copyright © 2009 NARPM®

National Association of Residential Property Managers

3

---

---

---

---

---

---

---



## Disclaimer

*Due to time limitations, this course will not review in depth the following subjects – maintenance, marketing, office operations, and risk management. However, it will touch on these subjects as necessary. There are other designation courses available, which cover these subjects in depth, and you are urged to take them.*



---

---

---

---

---

---

---

---

## Introductions

- Your Name
- Length of time as NARPM® member
- Company name, location, your position
- Number of properties/units you manage
- Type of properties you manage



---

---

---

---

---

---

---

---

## Course Objective

To expand on key elements of an effective personnel plan for the residential property management company



---

---

---

---

---

---

---

---



## Key Points

- Business growth and expansion
- Create teamwork and harmony in the office
- Identify supervising, managing and tracking methods
- Adopt effective performance reviews and compensation structures
- Discuss legal issues and resources

---

---

---

---

---

---

---

## Plan For Business Growth & Expansion

---

---

---

---

---

---

---

## Business Growth & Expansion

### The Order of Business Development

1. The Right People in the Right Places
2. Profitability
3. Planning and Strategy
4. Finance and Funding
5. Marketing and Promotion
6. Operational Best Practices
7. Wealth Management

---

---

---

---

---

---

---



## Business Growth & Expansion

The business owner is three-people-in-one!



---

---

---

---

---

---

---

---

## Business Growth & Expansion

**The business owner is:**

1. *The Technician*
2. *The Manager*
3. *The Entrepreneur*

**None of these personalities wants to be the boss and none of them want to have a boss!**

---

---

---

---

---

---

---

---

## Business Growth & Expansion

**The Technician:**

- Is the doer
- Likes to be in control of work flow
- loves to get things done
- Lives in the present
- Their fatal assumption is-

If you understand the technical work of a business, you understand the business.

---

---

---

---

---

---

---

---



## Business Growth & Expansion

### Challenges for the Technician:

- Suspicious of lofty ideas or abstractions
- Wants to get things done!
- Can only do one thing at a time
- Gets frustrated and annoyed at being interrupted
- Mistrusts co-workers for trying to get more done than is possible or necessary
- Doesn't like putting systems ahead of people



---

---

---

---

---

---

---

---

## Business Growth & Expansion

### The Manager:

- Is a planner
- Likes order and predictability
- Is a pragmatist
- Is systems oriented
- Clings to the status quo and lives in the past
- Combined with the Entrepreneur's vision, they create the synthesis for all great works



---

---

---

---

---

---

---

---

## Business Growth & Expansion

### Challenges for the Manager:

- Embracing change
- Working through disorder
- Accepting the Entrepreneur's need for improvement and constant change
- Putting operational systems ahead of people
- Making the Technician feel like an individual



---

---

---

---

---

---

---

---



## Business Growth & Expansion

### The Entrepreneur:

- Has a strong need for control
- Is the visionary in us...the dreamer
- Is the catalyst for change
- Knows how to turn a trivial condition into an opportunity
- Lives in the future



---

---

---

---

---

---

---

---

## Business Growth & Expansion

### Challenges for the Entrepreneur:

- Craves control
- Thrives on change
- Others as problems that get in the way of the dream
- Creates conflict with the Manager over change
- Frustrates the Technician who wants to focus on getting work done



---

---

---

---

---

---

---

---

## Business Growth & Development

### What the Business Needs

1. Disciplined People
  - First Who...Then What
  - Will Need Level 5 Leaders
2. Disciplined Thought
  - Must Confront the Brutal Facts
  - Make Decisions using the Hedgehog Concept
3. Disciplined Action
  - Creating a Culture of Discipline



---

---

---

---

---

---

---

---



## Business Growth & Expansion

### First Who... then What!

- Beginning with “Who” makes change easier so the business moves in the right direction
- The “Right” people are:
  - Self-motivated
  - Produce the best results
  - Walk their talk
- Won’t fulfill the vision with the “Wrong” people



---

---

---

---

---

---

---

---

## Business Growth & Expansion

### Level 5 Leaders:

- Channel ego away from self and focuses on building the company
- Paradoxical blend of personal humility and professional will
- Cultivates Level 5 leadership within the company
- Use the Window and the Mirror Test to recognize level of leader



---

---

---

---

---

---

---

---

## Business Growth & Expansion

### Ways to Confront the Brutal Fact

1. Lead with questions, not answers.
2. Engage in dialogue and debate, not coercion.
3. Conduct autopsies, without blame
4. Build “red flag” mechanisms



---

---

---

---

---

---

---

---



## Business Growth & Expansion

### Using "The Hedgehog Concept"

Intersect *three* understandings that define your business;

1. *What you are deeply passionate about?*
2. *What you can be the best in the world at?*
3. *What drives your economic engine?*

**Ask questions and make decisions guided by these three core understandings.**



---

---

---

---

---

---

---

---

## Business Growth & Expansion

### Building a Rigorous Culture

- Consistently apply exacting standards
- When in doubt, don't hire – keep looking
- Act when you know you need to make a personnel change
- Put the best people on the best opportunities, not the biggest problems
- Make sure the best people know their position is secure



---

---

---

---

---

---

---

---

## Business Growth & Expansion

### A Culture of Discipline:

- Has freedom and responsibility, within a system
- Has self-disciplined people willing to go to extremes to fulfill responsibilities
- Focuses on accomplishments relative to what was going to be accomplished
- Don't confuse a culture of discipline with a disciplinarian



---

---

---

---

---

---

---

---



## Business Growth & Expansion

### Generations in the workplace

1. Matures – Born 1909-1945 wealthiest and smallest group
2. Boomers – Born 1946-1964 largest group, have lots of control and are workaholics
3. Generation Xers - Born 1965-1978 opposite of Boomers and defined by them as slackers
4. Millennials (Generation Y) – Born 1979-1988 always lived with technology and defines “self” by what they do away from work



---

---

---

---

---

---

---

---

## Business Growth & Expansion

### Matures are born between 1909 – 1945

- Are loyal to employer - expects same in return
- Possesses superb interpersonal skills
- Believes promotions, raises, and recognition should come from tenure
- Measures a work ethic in timeliness, productivity, and not drawing attention
- Enjoys flextime to work on own schedule



---

---

---

---

---

---

---

---

## Business Growth & Expansion

### Boomers are born between 1946-1964

- Dominates the workforce (77 million) as bosses, supervisors, heads of government
- Has a solid, strong work ethic measured by hours worked, not productivity
- Defines self and others based on work ethic
- Believes relationship building is important and teamwork is critical to success



---

---

---

---

---

---

---

---



## Business Growth & Expansion

### Generation Xers born between 1965-1978

- They've seen failure in almost every US institution and think "it's up to me"
- Values control of their time
- Respects production over tenure
- Wants open communication regardless of position, title or tenure
- Invests their loyalty in a person, not a company



---

---

---

---

---

---

---

---

## Business Growth & Expansion

### Generation Y are born between 1979-1988

- Seen more changes in their lifetime
- Knows affluence and lived protected lives
- Wants personal fulfillment from a job
- Are open communicators and works well with Matures
- Needs positive reinforcement from a boss
- Seeks out those who can help them reach their goals



---

---

---

---

---

---

---

---

## Business Growth & Expansion

### Skills Needed in a Multigenerational Workforce

1. Acknowledge and respect different definitions of "self" in the workplace
2. Understand what one needs from his/her job
3. Accept that younger generations will follow those they admire rather than have long term loyalty for their organization
4. Allow younger generations to stay younger longer



---

---

---

---

---

---

---

---



## Morning Exercise

How do you get buy-in  
from different generations?



---

---

---

---

---

---

---

---

## Morning Exercise

- How would you help a Mature embrace, learn and use new technology?
- How would you help a Boomer be comfortable with staff working flex time?
- How would you help a Generation Y develop a business casual Friday dress code?

---

---

---

---

---

---

---

---

## Business Growth & Expansion

Appropriate staff size relative to property inventory  
and workload:

- 50 Units – one person
- 150 Units – two to three persons
- 300 Units – four to six persons
- 500 Units – eight to nine persons
- 800 Units – twelve to fifteen persons

---

---

---

---

---

---

---

---



## Business Growth & Expansion

### Overall Business Model/Structures

- Departmental – Growth potential is around 500 - 600 units
- Portfolio – Growth potential unlimited
- Multiple Offices – Growth potential unlimited
- Virtual Offices / Telecommuting – Growth potential unknown

---

---

---

---

---

---

---

---

## Business Growth & Expansion

### A Healthy Organizational Structure

1. Builds and maintains a cohesive leadership team
2. Creates organizational clarity
3. Over communicates organizational clarity
4. Reinforces organizational clarity through human systems

---

---

---

---

---

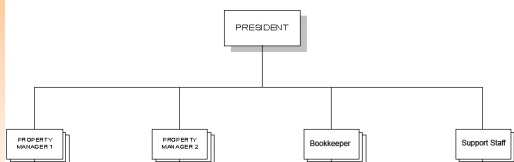
---

---

---

## Plan The Business Structure

Sample Portfolio Organizational Chart



Properties Can Be Divided By Location  
Alphabetically or Numerically

---

---

---

---

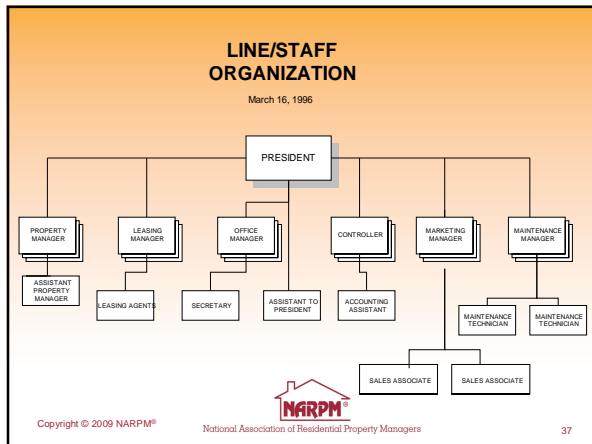
---

---

---

---






---

---

---

---

---

---

---

---

## Business Growth & Expansion

### Class Exercise

**What does your company's  
Organizational Chart look like?**

Copyright © 2009 NARPM® National Association of Residential Property Managers 38

---

---

---

---

---

---

---

---

## Business Growth & Expansion

When do you need more help?

- Working too long or too hard
- Other staff too pressed
- Not responding to client needs
- Not growing
- Anticipating expansion

Copyright © 2009 NARPM® National Association of Residential Property Managers 39

---

---

---

---

---

---

---

---



## Business Growth & Expansion

- Have a growth plan
- Properly pace your growth
- Increase staff proactively
  - Hire before you're too busy
  - Hire before you're giving poor service
  - Allow lead time
  - Budget for increased staff cost

---

---

---

---

---

---

---

---

## Create Teamwork and Harmony in the office



---

---

---

---

---

---

---

---

## Create Teamwork and Harmony

### What is a Dysfunctional Team?

- Does not have trust between its members
- Has a false sense of harmony
- Lacks commitment to goals and mission
- Exhibits ambiguities
- Focuses on individual ego (politics)

---

---

---

---

---

---

---

---



## Create Teamwork and Harmony



Attention to Results  
Accountability  
Commitment  
Healthy Conflict  
Trust

- Build from the bottom up

---

---

---

---

---

---

---

---

## Create Teamwork and Harmony

### Teams that Trust:

- Appreciate other's skills and experiences
- Give each other the benefit of the doubt before arriving at a negative conclusion
- Admit weakness / mistakes
- Ask for help / accept questions / input
- Offer / accept apologies without hesitation

---

---

---

---

---

---

---

---

## Creating Teamwork and harmony

### Teams that Trust:

- Look forward to meetings / opportunities to work as a group
- Take risks offering feedback and assistance
- Focus time / energy on important issues, not politics
- Have fun!

---

---

---

---

---

---

---

---



## Create Teamwork and Harmony

### Teams that engage in Healthy Conflict:

- Have lively and interesting meetings
- Discuss critical topics openly
- Get ideas / input from all team members
- Solve real problems quickly
- Minimize politics

---

---

---

---

---

---

---

## Create Teamwork and Harmony

### Teams that Commit:

- Create clarity around direction and priorities
- Align the entire team around common objectives
- Develop an ability to learn from mistakes
- Take advantage of opportunities before competitors do
- Move forward without hesitation
- Change direction without hesitation or guilt

---

---

---

---

---

---

---

## Create Teamwork and Harmony

### Teams that hold one another Accountable:

- Ensure poor performers feel need to improve
- Identify potential problems quickly by questioning one another without hesitation
- Hold everyone to the same high standards
- Avoid bureaucracy around performance management and corrective action

---

---

---

---

---

---

---



## Create Teamwork and Harmony

### Teams that focus on Collective Results:

- Minimize individualistic behavior
- Benefit from individuals who subjugate their own goals/ interest for the good of the team
- Avoid distractions
- Enjoy success and suffer failures acutely
- Retain achievement-oriented employees

---

---

---

---

---

---

---

---

## Create Teamwork and Harmony

### Ways to bring Teams Together:

1. Office meetings
2. Annual retreats
3. Company goal setting sessions
4. Educational opportunities
5. NARPM Regional Conferences & Convention
6. Achieve the CRMC® Designation
7. Special occasions
8. Holiday parties

---

---

---

---

---

---

---

---

## Create Teamwork and Harmony

### Complete a 15 question Team evaluation

(Handout)

1. Test everyone in your company and compile the results
2. Gives you a personal evaluation of your team's strengths and challenges
3. Learn what areas to work on to make your team healthier and more productive

From the book The Five Dysfunctions of a TEAM by Patrick Lencioni

---

---

---

---

---

---

---

---



## Supervising, Managing & Tracking Methods



---

---

---

---

---

---

---

---

## Supervising, Managing & Tracking Methods

- The Leader and the Manager have different core activities
- What makes a Great Manager
- Understanding the *Real* Golden Rule
- Control, Systems and Talent
- Employee Retention Probability
- Evaluating the Manager

---

---

---

---

---

---

---

---

## Supervising, Managing & Tracking Methods

### Leaders Do the Right Things

- Leaders look Outward:
  - At the competition
  - At the future
  - At alternative routes forward
- Leaders focus on:
  - Board patterns
  - Finding connections, cracks, weakness
  - Visioning, strategic thinking and activating

---

---

---

---

---

---

---

---



## Supervising, Managing & Tracking Methods

### Managers Do Things Right

Look Inward:

- At company and individuals
- Create transformations and manage by exception
- Draw out person's strengths /don't try to fix weaknesses

Focus on:

- Selecting for talent - not experience and skills
- Defining outcomes using the best method for each employee
- Developing and finding the right fit for each employee

---

---

---

---

---

---

---

---

## Supervising, Managing & Tracking Results

### What Great Managers know:

Each individual:

- Is unique and motivated differently
- Has own way of thinking and relating to others
- Has a limit to how much he/she can change
- Cannot achieve anything he/she sets mind to

They disregard the *Golden Rule* by treating  
People differently based on the individual

---

---

---

---

---

---

---

---

## Supervising, Managing & Tracking Methods

Too Much Control causes:

- Less initiative and creativity
- More control needed in the future
- Limits your own effectiveness
- Less success by employees
- Less willingness to accept delegation

---

---

---

---

---

---

---

---



## Supervising, Managing & Tracking Results

### Too Little Control causes:

- Costly mistakes
- Liability and risk of lawsuit
- Failures which will result in less delegation in the future
- Losing control of management responsibilities
- Employee expectation of total freedom



---

---

---

---

---

---

---

---

## Supervising, Managing & Tracking Methods

### How Teams Respond to Office Systems:

1. Passive- Team gets stuck
2. Political – Team values certain processes and disvalues others
3. Robust – Team chooses to pursue all systems processes purposefully and zestfully



---

---

---

---

---

---

---

---

## Supervising, Managing & Tracking Methods

### Office Systems and People:

1. Is an error because of the system or the person?
2. Systems are dependent on people to succeed
3. People have System Blindness



---

---

---

---

---

---

---

---



## Supervision, Managing & Tracking Methods

### Four Types of System Blindness:

1. Spatial Blindness –  
Can't see the big picture – can only see his/her world
2. Relationship Blindness –  
Can't see the patterns of relationships
3. Process Blindness –  
Can't see patterns of process
4. Temporal Blindness –  
Doesn't know history of how we got to this point



---

---

---

---

---

---

---

---

## Supervising, Managing & Tracking Methods

### Finding the Right Talent:

1. Know which talents you want=  
Needs to fit in with the company culture
2. Know your expectations and ability to supervise=  
Must mesh with your management style
3. Know the other people on the team=  
Must fit into the total work environment



---

---

---

---

---

---

---

---

## Supervising, Managing & Tracking Methods

### Three Kinds of Talent:

1. Striving – explains the *Why* of a person
2. Thinking – explains the *How* of a person
3. Relating – explains the *Who* of a person

Attitude and drive add to a person's talents



---

---

---

---

---

---

---

---



## Supervising, Managing & Tracking Methods

### The **WHY** of a person - Striving Talent

- Motivation
- Desires to succeed
- Competitor, altruistic or both
- Defines self by technical competence or just wants to be liked

---

---

---

---

---

---

---

---

## Supervising, Managing & Tracking Methods

### The **HOW** of a person - Thinking Talent

- How he/she thinks
- Weighs alternatives
- Makes decisions
- Focused or flexible
- Disciplined and structured or spontaneous and easily distracted
- A linear, practical thinker or a strategist

---

---

---

---

---

---

---

---

## Supervising, Managing & Tracking Methods

### The **WHO** in a person - Relating Talent

- Who he/she trust – everyone or does it need to be earned
- Who he/she builds relationships with
- Who he/she confronts and confrontation style
- Who he/she ignores
- Able to win over strangers or only at ease with friends

---

---

---

---

---

---

---

---



## Supervising, Managing & Tracking Methods

### Group Exercise

Develop three interview questions to:

1. Learn talents and whether matches needs
2. Know values and if same as company
3. Determine expectations and level of supervision



---

---

---

---

---

---

---

---

## Supervising, Managing & Tracking Methods

### What Talented Employees Need :

1. Know what is expected of him/her at work
2. Do his/her job with the materials and equipment provided by the company
3. The employer to talk to him/her every six months about his/her progress
4. The opportunity to learn and grow



---

---

---

---

---

---

---

---

## Supervising, Managing & Tracking Methods

### From the Manager:

5. The opportunity to do what he/she does best every day
6. Receive recognition and praise once every seven days for his/her work
7. Act like he/she cares about the employee as a person
8. Encourage the employee's development



---

---

---

---

---

---

---

---



## Supervising, Managing & Tracking Methods

### To Feel Like he/she Belongs:

9. Make sure the employee's opinions count
10. Confirm the mission/purpose of the company make the employee's job important
11. Have co-workers who are committed to doing quality work
12. Allow the employee to have a best friend at work

---

---

---

---

---

---

---

---

## Supervising, Managing & Tracking Methods

### Evaluate Manager and Test Employee's Retention Probability Handout

---

---

---

---

---

---

---

---

## Performance Reviews & Compensation Structures



---

---

---

---

---

---

---

---



Performance Preview & Compensation Structures

Reasons for doing performance reviews:

- Hold employee accountable
- Excellent communication tool
- Motivate employee
- Increase feelings of worth
- Correct wrong direction



Copyright © 2009 NARPM®

National Association of Residential Property Managers

73

---

---

---

---

---

---

---

---

Performance Reviews & Compensation Structures

Reasons for doing performance reviews:

- Identify training needs
- Great idea generator
- Helps make decisions regarding raises, promotions
- Provides documentation in case of later problems
- Helps make decisions regarding terminations



Copyright © 2009 NARPM®

National Association of Residential Property Managers

74

---

---

---

---

---

---

---

---

Performance Reviews & Compensation Structures

Make reviews positive:

- Recognize contributions
- Time for employee to openly discuss concerns
- Not just employee evaluation, also a company evaluation
- Involve employee in the "Big Picture"
- Discuss growth, advancement



Copyright © 2009 NARPM®

National Association of Residential Property Managers

75

---

---

---

---

---

---

---

---



## Performance Reviews & Compensation Structures

Gives opportunity to set goals:

- Basics for setting goals
  - Measurable
  - Attainable
  - Track able
- Some goals may not be measurable
  - Staff 'buy in'
  - Effect on current clients
  - Stress level in office

Copyright © 2009 NARPM®  
 National Association of Residential Property Managers



76

---

---

---

---

---

---

---


---

## Performance Reviews & Compensation Structures

Employee Manual:

- Salary Increases
  - Timing vs. Performance Reviews
  - Based on Profitability of Company
- Promotions
- Benefits
- Time off considered work
- Confidentiality

Copyright © 2009 NARPM®  
 National Association of Residential Property Managers



77

---

---

---

---

---

---

---


---

## Performance Reviews & Compensation Structures

Compensation Structures:

- Staff Compensation Packages as % of Company Gross or Net Income
- Benefits – Cafeteria Plan
  - Insurances
  - Retirement
- Insurance/Workers Comp
- Job Sharing / Flex time

Copyright © 2009 NARPM®  
 National Association of Residential Property Managers



78

---

---

---

---

---

---

---


---



Performance Reviews & Compensation Structures

Types of compensation:

- Payroll
  - Exempt
  - Non-exempt
- Bonuses
- Commissions
- Benefits
- Time off (vacations, sick days, holidays)



Copyright © 2009 NARPM®  
National Association of Residential Property Managers

79

---

---

---

---

---

---


---

---

Performance Reviews & Compensation Structures

Types of indirect compensations:

- Professional Organization membership fees (i.e. NARPM)
- Educational classes
- Professional designations
- NARPM Conventions/Conferences



Copyright © 2009 NARPM®  
National Association of Residential Property Managers

80

---

---

---

---

---

---

---

---


Performance Reviews & Compensation Structures

• Reimbursement for employee expenses:

- Mileage
- Gas/Oil Changes
- Home internet connection

• Tools:

- Cell Phone, Camera
- Lap Top, iPad, Tablet
- Flashlight, Tape Measure, Clipboard, Hand sanitary wipes
- Maintenance tools



Copyright © 2009 NARPM®  
National Association of Residential Property Managers

81

---

---

---

---

---

---

---

---



## Performance Reviews & Compensation Structures

Planning for your employees:

- Keep employee motivated to do his/her best!
- Measure Compensation Levels
  - Other employees in the company
  - Employees in other companies in similar positions
  - Against performance



Copyright © 2009 NARPM®  
National Association of Residential Property Managers

82

---

---

---

---

---


---

---

---

## Performance Reviews & Compensation Structures

- Determine salary ranges for existing positions:
  - Adjust periodically
    - Economic factors (cost of living changes, inflation)
    - Competitive pressures (profit margins, industry demand)
- Government Regulations:
  - Promotion to Exempt Position
  - Discrimination



Copyright © 2009 NARPM®  
National Association of Residential Property Managers

83

---

---

---

---

---

---

---

---

## Performance Reviews & Compensation Structures

Compensation Philosophy:

- Commitment to the value of an employee
- Provides a framework when negotiating an increases in compensation
- Timing for review of compensation
  - All employees reviewed at same time
  - Reviewed at the anniversary date
- Pay practices MUST be consistent per law



Copyright © 2009 NARPM®  
National Association of Residential Property Managers

84

---

---

---

---

---

---

---


---



Performance Reviews & Compensation Structures

Pay Philosophy example:

- Consider a small company with moderate cash resources
  - Pay a competitive base salary comparable to what is being paid in your market area
  - Offer equity in the company to all employees paid out in bonuses based on profitability
  - Provide basic benefits not available in most small businesses



Copyright © 2009 NARPM®  
National Association of Residential Property Managers

85

---

---

---

---

---

---


---

---

Performance Reviews & Compensation Structures

Tools:

- Payroll
  - Tracking software
    - Full Human Resources
    - Spreadsheet (i.e. Excel)
    - Calendar Reviews (i.e. Outlook)
- Outsource
  - Online payroll systems
  - CPA



Copyright © 2009 NARPM®  
National Association of Residential Property Managers

86

---

---

---

---

---

---

---


---

Performance Reviews & Compensation Structures

Resources:

- BLS (Bureau of Labor Statistics)
  - Datasets
    - Wage/Salary by State
    - Employment levels by State
- Search on Salary Surveys

Knowledge about current compensation and trends results in a better compensation package for your employees



Copyright © 2009 NARPM®  
National Association of Residential Property Managers

87

---

---

---

---

---

---

---

---



## Class Exercise

Brainstorm other types of recognition and rewards the company can do for employees?



---

---

---

---

---

---

---

---

## Legal Issues & Resources

- Hiring Websites
  - <http://smallbusiness.findlaw.com/>
    - Employment law and human resources for small businesses
  - <http://humanresources.about.com/>
  - <http://hr.blr.com/>
    - Human resources employment law topics
  - <http://www.businessgov/business-law/employment/hiring/first-employee.html>
    - Ten steps to hiring your first employee

---

---

---

---

---

---

---

---

## Legal Issues & Resources

- HR Websites
  - <http://www.allbusiness.com/human-resources/careers-job-interview/2976551-1.html>
    - Job interviews
  - <http://www.esrcheck.com/>
    - Employment screening resources
  - <http://www.toolkit.com/tools/index.aspx>
    - Tools, templates, checklist & forms for small business
  - <http://www.allbusiness.com/human-resources/workforce-management-hiring/2976570-1.html>

---

---

---

---

---

---

---

---



## Legal Issues & Resources

Legal termination issues:

- State laws
- Proper documentation
- Method
- Benefits



---

---

---

---

---

---

---

---

## Legal Issues & Resources

Avoid paying unemployment benefits

Terminate employee when written up three times for:

1. violating a law or company policy
2. exhibiting unethical behavior
3. making a mistake that cost the company money
4. inability to learn and follow company procedures



---

---

---

---

---

---

---

---

## Course Summary

- Plan for Business Growth & Expansion
- Create Teamwork & Harmony in the Office
- Identify Supervision, Management & Tracking Methods
- Adapt Effective Performance Reviews & Compensation Structures
- Legal Issues and Resources



---

---

---

---

---

---

---

---



## Personnel Planning & Relations

For Office Managers and CEO's

### Reference Books

The E-Myth Revised by Michael Gerber

First, Break All The Rules by Marcus Buckingham  
and Curt Coffman

The Five Dysfunctions of a Team by Patrick Lencioni

Good To Great by Jim Collins

Seeing Systems by Barry Oshry



---

---

---

---

---

---

---



Name \_\_\_\_\_ Date \_\_\_\_\_

Position \_\_\_\_\_

**Answer questions on a scale of 1 (low) – 5 (high)**

**One being strongly disagrees to five which is strongly agrees**

1. Do I know what is expected of me at work? \_\_\_\_
2. Do I have the materials and equipment I need to do my work right? \_\_\_\_
3. At work, do I have the opportunity to do what I do best everyday? \_\_\_\_
4. In the last seven days, have I received recognition or praise for doing good work? \_\_\_\_
5. Does my supervisor, or someone at work, seem to care about me as a person? \_\_\_\_
6. Is there someone at work who encourages my development? \_\_\_\_
7. At work, do my opinions count? \_\_\_\_
8. Does the mission/purpose of my company make me feel my job is important? \_\_\_\_
9. Are my co-workers committed to doing quality work? \_\_\_\_
10. Do I have a best friend at work? \_\_\_\_
11. In the last six months, has someone at work talked with me about my progress? \_\_\_\_
12. This last year, have I had opportunities at work to learn and grow? \_\_\_\_



## Test Employee's Retention Probability Evaluate the Manager's Abilities

# of 1 _____ answers	Average score for 1. _____ 7. _____
2 _____	2. _____ 8. _____
3 _____	3. _____ 9. _____
4 _____	4. _____ 10. _____
5 _____	5. _____ 11. _____
	6. _____ 12. _____

# of people with scores 12-35 \_\_\_\_\_ Scores 36-47 \_\_\_\_\_ Scores 48-60 \_\_\_\_\_  
(low) (med) (high)

Overall average score \_\_\_\_\_

Research proves the higher the score, the greater the chance of retaining the employee.  
Consequently, the lower the score, the greater the chance of losing the employee.

### What a Strong, Vibrant Workplace Looks Like

The questions represent the core elements needed to attract, focus and keep the most talented employees.

The scores give insight to the manager's ability. If the company gets all 5s, the Manager:

- Knows how to reconcile responsibilities that appear contradictory
- Sets expectations while treating each person different
- Makes each person feel he/she is using talents while being challenged to grow
- Cares about and praises each person
- Terminates a person cared about and praises

From the book First, Break All The Rules by Marcus Buckingham and Curt Coffman



## The Five Dysfunctions Team Assessment

It is important to evaluate each statement honestly and without over-thinking your answers. Use the scale below to indicate how each statement applies to your team.

1. Rarely
2. Sometimes
3. Usually

\_\_\_\_ 1. Team members are passionate and unguarded in their discussion of issues.

\_\_\_\_ 2. Team members call out one another's deficiencies or unproductive behaviors.

\_\_\_\_ 3. Team members know what their peers are working on and how they contribute to the collective good of the team.

\_\_\_\_ 4. Team members quickly and genuinely apologize to one another when they say or do something inappropriate or possibly damaging to the team.

\_\_\_\_ 5. Team members willingly make sacrifices such as budget, turf, head count in their departments or areas of expertise for the good of the team.

\_\_\_\_ 6. Team members openly admit their weaknesses and mistakes.

\_\_\_\_ 7. Team members are compelling, and not boring.

\_\_\_\_ 8. Team members leave meetings confident that their peers are completely committed to the decisions that were agreed on, even if there was initial disagreement.

\_\_\_\_ 9. Morale is significantly affected by the failure to achieve team goals.

\_\_\_\_ 10. During team meetings, the most important and difficult issues are put on the table to be resolved.

\_\_\_\_ 11. Team members are deeply concerned about the prospect of letting down their peers.

\_\_\_\_ 12. Team members know about one another's personal lives and are comfortable talking about them.

\_\_\_\_ 13. Team members end discussions with clear and specific resolutions and calls to action.

\_\_\_\_ 14. Team members challenge one another about their plans and approaches.



\_\_\_\_ 15. Team members are slow to seek credit for their own contributions, but quick to point out those of others.

## Scoring

<b>Dysfunction 1:</b>	<b>Absence of Trust</b>	<b>Total Score</b> _____
Statement 4	_____	
Statement 6	_____	
Statement 12	_____	
<b>Dysfunction 2:</b>	<b>Fear of Conflict</b>	<b>Total Score</b> _____
Statement 1	_____	
Statement 7	_____	
Statement 10	_____	
<b>Dysfunction 3:</b>	<b>Lack of Commitment</b>	<b>Total Score</b> _____
Statement 3	_____	
Statement 8	_____	
Statement 13	_____	
<b>Dysfunction 4:</b>	<b>Avoiding Accountability</b>	<b>Total Score</b> _____
Statement 2	_____	
Statement 11	_____	
Statement 14	_____	
<b>Dysfunction 5:</b>	<b>Inattention to Results</b>	<b>Total Score</b> _____
Statement 5	_____	
Statement 9	_____	
Statement 15	_____	

**A score of 3 – 5** is probably an indication that the dysfunction needs to be addressed.

**A score of 6 – 7** indicates that the dysfunction could be a problem

**A score of 8 – 9** is a probable indication that the dysfunction is not a problem for your team.

**\* Regardless of your scores, it is important to keep in mind that every team needs constant work, because without it, even the best teams deviate towards dysfunction.**



## **Personnel Planning and Relations: Advanced**

### **General**

- Course objective should be better defined
- Reformat key points into objectives
- There is a lot of reliance on books and not as much on specific knowledge. Are there intellectual property issues to consider?
- Wordy slides
- Need graphics/items of interest
- Misspellings

### **Plan for Business Growth and Expansion**

- More life-like portrayals of the technician, the manager and entrepreneur
- Group exercises on who is which one of the three personalities
- The organization of this section needs to be focused. It goes from people before items, to leadership styles, back to people (generations).
- The generations. Update needed (matures aren't really in the workforce and Millennials are)
- Break out structure into a separate section or divide it more from the personal or psychological side
- Update structure images – again use of multi-media form or Prezi, etc.

### **Creating Teamwork and Harmony in the Office**

- Could incorporate trust/teamwork exercises

### **Supervising, Managing and, Tracking Methods**

- Manager vs. Leader personifications needed
- The material does not accurately reflect the section or the section does not reflect the materials

### **Performance Reviews and Compensation Structures**

- Check/update resources



Personnel Planning And Relations For Office Managers and CEOs			
Learning Unit Title	Learning Objectives	Teaching Techniques	Estimated Time
Plan for Business Growth and Expansion	<ul style="list-style-type: none"> <li>Characterize the traits of the technician, the manager, and the entrepreneur</li> <li>Identify the challenges that each of the personalities encounters</li> <li>Begin to determine which role you fit into within your organization</li> </ul>	Live Lectures and PowerPoint Handouts	45 minutes
Business Needs	<ul style="list-style-type: none"> <li>Detail the disciplines needed for a business</li> <li>List what traits the "right" person has</li> <li>Identify the characteristics of a Level 5 leader</li> <li>Apply The Hedgehog Concept</li> <li>Outline how "brutal facts" should be addressed</li> </ul>	Live Lectures and PowerPoint Handouts	45 minutes
Generations in the Workplace	<ul style="list-style-type: none"> <li>Identify the general characteristics of Matures, Boomers, Generations Xers, and Millennials</li> <li>List the years associated with the generational classifications</li> <li>Explain ways in which the different generations can work together at various tasks</li> </ul>	Live Lectures and PowerPoint Handouts	90 minutes
Growth and Structure	<ul style="list-style-type: none"> <li>Analyze your company's needs and various structures</li> <li>List the items that usually signal growth</li> <li>Detail the necessities of a growth plan</li> </ul>	Live Lectures and PowerPoint Handouts	90 minutes
Teamwork and Harmony	<ul style="list-style-type: none"> <li>Distinguish between a dysfunctional and healthy team</li> <li>List the components that make a healthy team</li> <li>Analyze the health of your team</li> </ul>	Live Lectures and PowerPoint Handouts	30 minutes
Managers and Leaders	<ul style="list-style-type: none"> <li>Define what makes a great manager</li> <li>Differentiate between the activities of a manager and a leader</li> <li>Identify the downfall of too much or too little control</li> <li>List the types of system blindness that exist</li> </ul>	Live Lectures and PowerPoint Handouts	30 minutes
Talent	<ul style="list-style-type: none"> <li>List the categories of talent into which employees can be placed</li> <li>Define striving, thinking, and relating talent</li> <li>Outline interviewing strategies for matching the right talent with the position</li> <li>Detail what talented employees need from their companies and their managers</li> </ul>	Live Lectures and PowerPoint Handouts	90 minutes
Performance Reviews and Compensation	<ul style="list-style-type: none"> <li>List the reasons reviews are important</li> <li>Identify items that should be included in reviews</li> <li>Detail ways to compensate employees based on that review</li> <li>Outline considerations that need to be made when rewarding employees</li> </ul>	Live Lectures and PowerPoint Handouts	90 minutes

**Total clock hours: 510 minutes**



# Personnel Planning and Relations II

For Office Managers and CEO's

## Instructor Test Questions & Answers

1. The business owner is a combination of:?

- A. The Leader, the Manager and the Technician
- B. An HR person, ~~accountant~~ Accountant and the ~~P~~property manager
- C. A Technician, Manager and Entrepreneur
- D. The Entrepreneur, Financial analyzer and ~~M~~marketing ~~C~~consultant

2. The Technician is:?

- A. The ~~L~~leasing ~~a~~Agent and ~~p~~Property ~~m~~Manager
- B. The visionary
- C. The pragmatist
- D. ~~Likes to be in~~ in control of the work flow and loves to get things done

3. The Manager is:?

- A. A planner ~~who,~~ likes order and predictability
- B. The energy behind every human activity
- C. The doer
- D. Someone who lives in the future

4. The Entrepreneur is:?

- A. Someone who lives in the past
- B. Clings to the status quo
- C. Lives in the future and is the catalyst for change
- D. The doer

5. True or False: A growth challenge for the Technician is that he/she does not like putting systems ahead of people.

- A. True
- B. False

6. True or False: A growth challenge for the Manager is to be able to effectively ~~is defining~~define how many ~~t~~Technicians he/she can supervise and how many subordinate managers he/she can organize into a productive effort.

- A. True
- B. False

7. Which is a growth challenge for the Entrepreneurial?

- A. Things aren't suppose to be dreamed about; ~~i~~ they are suppose to get done



- B. Defining how many managers he/she can engage in pursuit of his/her vision
  - C. Putting operational systems ahead of people
  - D. ~~Resists~~ Resisting change
8. What does a business need from its staff?
- A. Disciplined people, disciplined thought, and disciplined action
  - B. A technician, a manager and an entrepreneurial
  - C. A leader, a manager and employees with clearly defined job descriptions
  - D. An ~~o~~Organizational ~~c~~Chart
9. Which comes first as the business grows?
- A. ~~WHAT~~What
  - B. VISION
  - C. ~~WHO~~Who
  - D. None of the above
10. Level 5 Leaders:?
- A. Have the right people in the right seat on the bus
  - B. Acknowledge and respect the different definitions of “self” in the workplace
  - C. Do what ~~you~~they are deeply passionate about
  - D. Have disciplined people, disciplined thought and disciplined action
11. A way to confront the brutal facts is:?
- A. Have an open door policy
  - B. Find the person to blame for all mistakes
  - C. Use email to communicate problems
  - D. Lead with questions, not answers
12. What makes up the Hedgehog Concept?
- A. Confronting the brutal facts and making a series of good decisions
  - B. A culture of discipline
  - C. Defining what you are deeply passionate about, best in the world at, and determining what drives your economic engine
  - D. Leading with questions, not answers
13. What is a culture of discipline?
- A. Holding everyone accountable and attention to results
  - B. Having a culture around the idea of freedom and responsibility, within the framework of a system
  - C. ~~Having a~~An environment led by a Level 5 ~~Leader~~ Leader-within the company
  - D. Understanding of what one needs from their job



Course and content need to be updated on generations (Matures aren't really in the workplace anymore, but these exam notes will assume the update is not needed)

14. The four generations in the workplace are?

- A. The World War I Babies, Post World War II Babies, Post Vietnam Babies and Pre 9/11 Generation
- B. The Post War Generation, the 70's Generation, the Pre Technology Generation, and the 21<sup>st</sup> Century Generation
- C. The Matures, the Boomers, the Generation Xers and the Millenials (Generation Y)
- D. The Gray Haired Generation, the Pre Technology Generation, the Computer Generation, Lifetime Changes Generation

15. Which is true for the Matures?

- A. ~~They a~~Are loyal to employer and expects same in return
- B. ~~They w~~Wants open communication regardless of position, title or tenure
- C. ~~They i~~Invest their loyalty in a person, not the company
- D. ~~They d~~Dominates the workforce

16. Which is true for the Boomers?

- A. ~~They e~~Enjoys flextime to work on own schedule
- B. ~~They have s~~Seen more changes in their lifetime
- C. ~~They s~~Seek out those who can help them reach their goals
- D. ~~They B~~believes relationship building is important and teamwork is critical for success

17. Which is true for Generation Xers?

- A. ~~They w~~Wants personal fulfillment from a job
- B. ~~They b~~Believes promotions, raises, and recognition should come from tenure
- ~~C. They r~~Respects production over tenure
- D. ~~Has~~They have a solid, strong work ethic measured by hours worked, not productivity

18. Which is true for Generation Y?

- A. ~~They v~~Value control of their time
- B. ~~They n~~Need positive reinforcement from a boss
- C. ~~They p~~Poses superb interpersonal skills
- D. ~~They d~~Dominate the workforce

19. True or False: Accepting that younger generations will follow those they admire rather than ~~have a~~haveing a long term loyalty for their organization is necessary when working in a multigenerational workforce.

- A. True
- B. False



20. When does a business need to hire more help?

- A. When you are wWorking too long or too hard
- B. When is is nNot growing
- C. Both A and B All of the above (just for consistency)
- D. None of the above

21. Which are the components of effective teamwork?

- A. Disciplined people, disciplined thought, disciplined action
- B. Doing what you are deeply passionate about, the best in the world at, and following your economic engines
- C. The Technician, the Manager, and the Entrepreneur
- D. Trust, healthy conflict, commitment, accountability, and attention to results

22. Which describes what great mManagers do?

- A. They make friends easily
- B. They are visionaries, strategic thinkers and activators
- C. They focuses on people's strengths, letting others be more of who he/she is
- D. They do things right

23. Which is true when there is too much control exercised over others?

- A. Less initiative, creativity and willingness to accept delegation
- B. The business thrives
- C. There is effective teamwork
- D. There is a culture of discipline

24. Which is true of too little supervision?

- A. There is a lot of flexibility
- B. Liability and risk of lawsuit
- C. Everyone likes the office manager
- D. There are few errors and costly mistakes

25. True or False: People have system blindness?

- A. True
- B. False

26. True or False: Talent has nothing to do with the who, what and why of a person?

- A. True
- B. False

27. What does the a mManager need to give the employee?

- A. Time off when there is a family emergency
- B. Recognition and praise once every seven days for his/her work



- C. A raise every year
- D. The opportunity to define his/her job description

The answers and options need to be confirmed

**28. What does the Manager need to do during an employee review?**

- A. Point out his/her weaknesses and develop a plan to over-come them
- B. Ignore his/her talents
- C. Give time for the employee to openly discuss his/her concerns
- D. Do all of the talking

**29. Which is a type of indirect compensation?**

- A. Educational classes
- B. Transportation reimbursements
- C. Bonuses
- D. Referral fees

**30. True or False: An example of a business's pay philosophy would be to provide basic benefits not available in most small businesses.**

- A. True
- B. False

### Personnel Planning and Relations Test Answers

- |       |       |
|-------|-------|
| 1. C  | 21. D |
| 2. D  | 22. C |
| 3. A  | 23. A |
| 4. C  | 24. B |
| 5. A  | 25. A |
| 6. A  | 26. B |
| 7. B  | 28. C |
| 8. A  | 29. A |
| 9. C  | 30. A |
| 10. D |       |
| 11. D |       |
| 12. C |       |



- 13. B
- 14. C
- 15. A
- 16. D
- 17. C
- 18. B
- 19. A
- 20. C



NEW TAB





# Risk Management Essentials

## Student Outline



Phone: 800-782-3452  
Fax: 866-466-2776  
E-mail: [info@narpm.org](mailto:info@narpm.org)  
**[www.narpm.org](http://www.narpm.org)**



National Association of Residential Property Managers



## National Association of Residential Property Managers

### Essentials Of Risk Management

4/1/2011

Slide 1



Copyright © 2011 NARPM®

---

---

---

---

---

---

---

---

### Disclaimer

- NARPM® cannot represent the law or ordinances where you live or work.
- Any mention of fees or commissions is only to clarify the discussion with examples.
- Please refer to the NARPM® Disclaimer statement included in your binder.

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

### Today's Schedule

Hours  
Breaks  
Lunch  
Exam

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Disclaimer

*Due to time limitations, this course will not review in depth the following subjects – maintenance, marketing, personnel practices, office operations, and risk management. However, it will touch on these subjects as necessary. There are other RMP® and MPM® courses available, which cover these subjects in depth, and you are urged to take them.*

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Introductions

- Your Name
- Length of time as NARPM® member
- Company Name, Location, your Position
- Number of Properties/Units
- Type of Properties

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Course Objective

To Identify and Control the Risks  
Associated with Residential  
Property Management

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



### Key Points to Cover in Class

- Sources of Risk
- Approaches to Risk
- Agency – a Relationship of Trust
- Fair Housing
- Minimizing and Controlling Risk

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---


---

---

### Items to Consider?

- Probability of occurrence
- Frequency of occurrence
- Maximum potential loss
- Potential number of incidents
- Average probable loss
- Expected aggregate annual losses

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---


---

---

---

### Sources of Risk

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---



## Sources of Risk

Methods of identifying exposures

- Review relationships
- Careful surveys of properties
- Policies and procedures
- Jobs and job descriptions
- Financial statements
- Flowcharts
- Workplace & equipment survey

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Sources of Risk

- Owners
- Tenants
- Third parties
- Prospects
- Employees
- Vendors
- Government

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Sources of Risk

Exposure - owners

- Misrepresentation
- Agency violations
- Negligence in maintaining property
- Negligence in screening/leasing
- Negligence in giving advice

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---



## Sources of Risk

### Exposure – owners (cont)

- Negligence in returning deposits
- Negligence in inspecting property
- Negligence in making payments
- Negligence regarding loss of rent
- Cancellation of management

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Sources of Risk

### Exposure – Owners (Cont)

- MISHANDLING/EMPLOYEE THEFT OF FUNDS
- FAILURE TO FOLLOW INSTRUCTIONS
- FAILURE TO FOLLOW ALL LAWS
- POSSIBLE DRUG FORFEITURE OF PROPERTY

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Sources of Risk

### Exposure – Tenants

- MISREPRESENTATION
- PREMISES LIABILITY
- LIABILITY WHEN SHOWING
- LIABILITY TO THIRD PARTIES
- INJURY/DEATH
- SECURITY DEPOSIT DISPUTES
- EVICTIONS
- HABITABILITY ISSUES

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---



## Sources of Risk

### Exposure – tenants (cont)

- Fair housing
- Defective equipment
- Fire hazards
- Improperly done work
- Sexual harassment
- Third parties and guests
- Megan's law
- Environmental hazards
- Drugs – meth labs

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Sources of Risk

### Exposure - environmental

- Lead
- Asbestos
- Urea formaldehyde foam insulation
- Radon
- Gas/oil/chemical spills/dumping –pesticides
- Mold

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Sources of Risk

### Exposure – property specific hazards

- Security related
  - Door locks
  - Window locks
  - Key control
  - Failure to secure property
  - Negligence in allowing access

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Sources of Risk

Exposure - maintenance

- Negligent work
- Defective work
- Work without permits
- Work not done on timely basis
- Municipal inspection –
- Vendors –

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Sources of Risk

Exposure - employment

- Injuries on job or premises
- Discrimination
- Wrongful discharge
- Sexual harassment
- Security related
- Fair housing related risks - workers compensation issues –

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Sources of Risk

Unauthorized practice of law

- Contracts
- Giving legal advice
- Duty to recommend getting advise

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Sources of Risk

Fair credit reporting act

- Disclosure to consumers
- Requirements of adverse action
- Civil liability for noncompliance
- Fair and accurate credit transactions act

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Sources of Risk

Service member's civil relief act

- Replaces and supplements the soldiers and sailors relief act
- Lease termination
- Eviction

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Approaches to Risk

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---



## Approaches to risk

- RISK MANAGEMENT THEORY
  - Examine areas of exposure
  - Develop program to minimize risk
  - How to avoid risk
  - How to transfer risk
  - How to reduce risk
  - How to accept risk

4/1/2011



Copyright © 2009 INARPM®

---

---

---

---

---

---

---

---

## Approaches to Risk

1. Identify exposures and what leads us to court
2. Analyze probability of the event
3. Decide solutions

4/1/2011



Copyright © 2009 INARPM®

---

---

---

---

---

---

---

---

## Approaches to Risk

- Employee training
- Document everything
- Proper contracts
- Continuing education, updating
- Screen your business relationships
- Monitor performance
- Regular computer backups

4/1/2011



Copyright © 2009 INARPM®

---

---

---

---

---

---

---

---



## Approaches to Risk

- AVOID The Risk
- ACCEPT THE RISK
  - PARTIAL RETENTION
  - PASSIVE RETENTION
  - Self Insure

4/1/2011



Copyright © 2009 INARPM®

---

---

---

---

---

---

---

## Approaches to Risk

- Reduce The Effect of Risk
- TRANSFER IT
  - Non-insurance transfer - Insurance

4/1/2011



Copyright © 2009 INARPM®

---

---

---

---

---

---

---

## Approaches to Risk

- Protect corporate assets and earnings
- Don't risk more than you can afford to lose
- Don't risk a lot for a little
- Consider the odds

4/1/2011



Copyright © 2009 INARPM®

---

---

---

---

---

---

---



## APPROACHES TO RISK

- Decide on Technique to Use for Each Risk Identified
- Decide to Keep Some Risks
- Analyze Financial Statements
- Implement your risk management plan
- Continue Monitoring

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Agency A Relationship of Trust

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Agency – a Relationship of Trust

- Types of agents
- Creation of agency authority granted
- Agency duties
- Termination of agency
- Dual agency
- Violation of agency duties

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---



## Agency – a Relationship of Trust

- Loyalty
- Obedience
- Disclosure
- Confidentiality
- Duty to represent principal with standard of care and diligence prevailing

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Agency – a Relationship of Trust

- Closer relationship with tenant
- Failing to inspect property
- Failing to follow instructions

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Agency – a Relationship of Trust

- Putting own interests first
- Involving owner in litigation
- Failure to account for funds
- Negligent damage to property

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Agency – a Relationship of Trust

- Negligent tenant screening
- Negligent deposit refund
- Lack of care and diligence
- Under pricing the property
- Revealing confidences
- Failure to maintain property
- Negligence with prospects

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Agency – a Relationship of Trust

- Liability for damages/loss
- Return of all fees received
- Rescission of contract
- Can be required to make principal whole

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Fair Housing

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Fair Housing

- FEDERAL
  - Race
  - Color
  - Religion
  - National origin
  - Sex
  - Handicap
  - Familial Status

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Fair Housing

- STATE OR LOCAL
  - Age
  - Marital Status
  - Gender
  - Sexual orientation
  - Source of income
  - Occupation

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Fair Housing

- Discriminating actions:
- Refusing to rent
  - Refusing to negotiate
  - Statement or advertising indicating limitation
  - Making housing unavailable
  - Deny a dwelling
  - Different terms, conditions or privileges

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Fair Housing

Discriminating actions (cont):

- Differences in availability
- Differences in professional service
- Differences in qualifying information
- Using racial remarks

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Fair Housing

Discriminating actions (cont)

- Provide different services
- Falsely deny availability
- Deny access to MLS or NARPM
- Discriminatory termination
- Failure to display equal housing opportunity poster

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Fair Housing

FAIR HOUSING Considerations:

- Residential Criteria
- rejection criteria
- handling complaints
- Violation Consequences

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---



## Fair Housing

- Use objective criteria
  - Exceptions set precedents
- Have systematic procedures
  - Availability
  - Terms and conditions
  - Application process
- Keep good records
- Use a professional application

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Fair Housing

- Develop reasonable occupancy standards
- Offer variety of choices
- Let prospect set limits
- Be consistent
- Apply written qualification criteria
- Ask same questions of everyone

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Fair Housing

- Display the equal housing opportunity poster
- Document staff training
- Use hold harmless/indemnification clauses
- Consider insurance

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Fair Housing

### Rejection criteria:

- Poor credit record
- Insufficient income
- Involvement in a lawsuit
- Poor landlord references
- Criminal history
- Inability or refusal to meet your reasonable terms
- Incomplete application
- Pets

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Fair Housing

### Violation consequences:

- Actual damages
- Injunctive or equitable relief
- Civil penalties to \$50,000- first violation - \$10,000
- Reasonable attorney fees and costs
- Punitive damages with no legal limit

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Minimizing and Controlling Risk

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## MINIMIZING & CONTROLLING RISK

### Maintenance & inspections

- Written maintenance requests
- Documenting phone requests
- Documenting responses
- Emergency repairs
- In-house maintenance staff

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## MINIMIZING & CONTROLLING RISK

### Maintenance & inspections (cont)

- Preventative maintenance survey
- Periodic surveys for safety
- Reporting systems
- Follow-up systems
- Neglected repairs

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## MINIMIZING & CONTROLLING RISK

### Maintenance & inspections (cont)

- Sewer line cleaning
- Furnace/ac cleaning & maintenance
- Sprinklers winterization
- Pool winterization
- Fireplace chimney cleaning
- Bathroom, kitchen caulking
- Door stops

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---



## MINIMIZING & CONTROLLING RISK

### Maintenance & inspections (cont)

- Smoke detectors & alarm systems
- Tenants performing repairs
- Owners performing repairs
- Disaster planning

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## MINIMIZING & CONTROLLING RISK

- KEY CONTROL
- SECURITY PROCEDURES
- SECURITY DEPOSITS
- EVICTIONS AND ABANDONMENT

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## MINIMIZING & CONTROLLING RISK

- How are keys secured?
- System for coding
- Who has access?
- Check out and return procedures
- Record of checkouts
- Use of master keys
- Lock changing procedures

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---



## MINIMIZING & CONTROLLING RISK

- CHECK STATE/local LAWS
- Lock repair/replacement requests
- Check window and door locks
- Always change locks between occupants
- Deadbolt locks (not double cylinder)
- Patio door locks

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## MINIMIZING & CONTROLLING RISK

- Lock testing and inspection
- Garage door opener codes
- Entrance and exterior lights
- Visibility around entrances
- Peepholes

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## MINIMIZING & CONTROLLING RISK

- Know your state laws
- Use an earnest money agreement on application
- Provide security deposit information to tenants
- Use damage claim forms
- Use move-in, move-out checklists

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---



## MINIMIZING & CONTROLLING RISK

Evictions and abandonment:

- Self-help evictions illegal
- Follow legal procedures for your state
- Avoid charges of retaliation
- Handling abandoned property
- Has the tenant really vacated?

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## MINIMIZING & CONTROLLING RISK

Abandonment:

- Rent unpaid?
- Utilities disconnected?
- Food or clothing remain?
- Question neighbors
- Attempt to contact tenants
- Mitigate damages

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## MINIMIZING & CONTROLLING RISK

Death of tenant:

- Release tenant's property only to authorized person
- Require evidence of authority
- Secure or store if necessary
- Attempt to re-lease property
- Make a claim against estate for unpaid charges
- Require death certificate

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---



## MINIMIZING & CONTROLLING RISK

- Check every municipality in which you manage
  - Are inspections required?
  - Is a rental permit or license required?
  - Are annual or biannual renewals required?
  - Potential liability for failure to comply

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## MINIMIZING & CONTROLLING RISK

### Office risk:

- Develop safety procedures
- Take threats seriously
- Handle complaints before situation becomes inflamed
- Follow personal safety guidelines when showing properties
- Disasters

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## SUMMARY REVIEW

- Sources of Risk
- Approaches to Risk
- Agency – a Relationship of Trust
- Fair Housing
- Minimizing and Controlling Risk

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## RESOURCES

- NARPM
- NAR
- IREM
- Insurance companies
- State/Local trade ASSOCIATIONS
- Attorney
- State licensing board

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Other NARPM® Designation Classes

- Habitability Standards and Maintenance
- Marketing
- Tenancy
- Operating a Maintenance Company
- Owner/Client Relations
- Personnel Procedures Essentials
- Personnel Procedures Advanced
- Risk Management Essentials
- Risk Management Advanced

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## PUBLICATIONS

- Professional apartment manager
- Fair housing coach  
Brownstone Publishers 1-800-643-8095 [www.brownstone.com](http://www.brownstone.com)
- Landlord tenant law bulletin  
Quinlan Publishing 617-542-0048 [www.quinlan.com](http://www.quinlan.com)
- EPA – A brief guide to mold, moisture, and your home  
[www.epa.gov/iaq/molds/moldguide.html](http://www.epa.gov/iaq/molds/moldguide.html)
- Megan's law [www.megans-law.net/](http://www.megans-law.net/)

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



THANK YOU FOR ATTENDING

NOW IT'S TIME FOR...  
THE EXAM

PLEASE COMPLETE THE  
EVALUATION FORMS.

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Essentials of Risk Management

### General

- Images needed to add interest
- Wordy slides
- Reformat key points to objectives/outline
- Better formulate class activity in intro
- Much more detail needed in instructor notes
- Objectives needed in section

### Sources of Risk

- The sources of risk are listed and then exposures for each are listed. The terminology seems off-putting. The instructor notes indicate to ask the class for examples of each exposure, but not to let them get off-topic. It would be best to provide an (on-topic) example and then solicit the class (soliciting the class is great, but in this instance it's basically asking the class to provide the content)
- The exposures do not seem to have an order other than being listed under a source. There are subsets.
- Entire slides are used for FACTA and SMCRA when other sources are listed with each other. I'm not sure these subjects merit the attention or other subjects merit less attention

### Approaches to Risk

- The actual steps to risk management are listed under approaches to risk and it seems unorganized.
- Tools for minimizing risk are being referred to as approaches throughout

### Agency: A Relationship of Trust

- First slide is treated as objectives, but not worded as such
- Just lists with no instructor notes/organization throughout

### Fair Housing

- There again are many lists with no reasons or organization
- Update/check penalties for fair housing violations



## **Minimizing and Controlling Risks**

- Remove question marks from slides and place indication to ask class in notes
- Should have examples (even from class) on state laws on locks, etc.



Outline for Essentials of Risk Management			
Learning Unit Title	Learning Objectives	Teaching Techniques	Estimated Time
Risk and Owners	<ul style="list-style-type: none"> <li>Identify the risks associated with owners that property managers face.</li> <li>List the areas in which negligence can be a property manager's downfall.</li> <li>Determine whether rules of agency and misrepresentation apply and what the impacts are.</li> <li>Outline the importance of properly handling owners' money and property.</li> </ul>	Live Lectures and PowerPoint Handouts	45 minutes
Risk and Tenants	<ul style="list-style-type: none"> <li>List the risks that can come from sources related to tenants</li> <li>Define premise liability and connect how it relates to neglect</li> <li>Outline the considerations that need to be made concerning evictions</li> <li>Discuss how maintenance staff can impact your risks</li> <li>Outline the considerations for tenants facing sexual harassment</li> <li>Identify the environmental hazards with which property managers are faced</li> </ul>	Live Lectures and PowerPoint Handouts	40 minutes
Other Sources of Risk	<ul style="list-style-type: none"> <li>List the risks involving employees and contractors</li> <li>Detail suggestions to increase safety in the workplace</li> <li>Outline areas where discrimination can occur in the workplace</li> <li>Analyze how the Fair Credit Reporting and Servicemembers Civil Relief acts may affect a property management</li> </ul>	Live Lectures and PowerPoint Handouts	60 minutes
Approaches to Risk	<ul style="list-style-type: none"> <li>List the ways to determine from which sources your risks come</li> <li>Outline risk avoidance, transfer, and exposure</li> <li>Analyze how business structures influence risk</li> </ul>	Live Lectures and PowerPoint Handouts	30 minutes



	<ul style="list-style-type: none"> <li>• Determine how insurance applies to risk</li> <li>• Differentiate between partial and passive retention</li> </ul>			
Agency Relationships	<ul style="list-style-type: none"> <li>• List the different types of agents and their roles in a transaction</li> <li>• Analyze breaches in fiduciary duties</li> <li>• Identify a dual agent and a designated agent and the differences between them</li> <li>• Outline how fiduciary duties could be compromised by dual and designated agency</li> <li>• Describe the duties that an agent owes to a client</li> </ul>	Live Lectures and PowerPoint Handouts	30 minutes	
Fair Housing	<ul style="list-style-type: none"> <li>• List the protected classes under the federal Fair Housing Act</li> <li>• Identify the protected classes that are part of fair housing regulations at the state level</li> <li>• Differentiate between an accommodation and modification</li> <li>• Define who is included among familial status protections</li> <li>• Detail the actions that constitute discrimination</li> <li>• Recall the penalties for fair housing violations</li> <li>• Begin to identify the steps you can take to reduce risks</li> </ul>	Live Lectures and PowerPoint Handouts	30 minutes	
Preventing Complaints	<ul style="list-style-type: none"> <li>• Understand what policies and procedures should be in place to prevent claims</li> <li>• Be able to outline the necessary steps to take when screening a tenant or prospect</li> <li>• Comprehend the documentation needed when preparing to evict a tenant</li> </ul>	Live Lectures and PowerPoint Handouts	20 minutes	
Minimizing and Controlling Risks	<ul style="list-style-type: none"> <li>• Outline how documentation reduces your risks</li> <li>• Define preventative maintenance</li> <li>• List considerations for fire safety and security precautions</li> <li>• Detail ways in which keys can be kept secure</li> </ul>	Live lectures and PowerPoint Handouts	45 minutes	



	<ul style="list-style-type: none"><li>• Determine what items need to be considered with abandonment, eviction, and the death of a tenant</li></ul>		
--	--	--	--

**Total clock hours: 300 minutes**



**Appropriateness of T/F Format**

**RISK MANAGEMENT ESSENTIALS EXAM**

Formatted: Left

1. **True or False:** A fundamental rule of risk management is to transfer or avoid all risk.  
☐ True      ☐ False      ANS: False
2. **True or False:** In identifying risks, business relationships are important to examine and analyze.  
☐ True      ☐ False      ANS: True
3. **True or False:** The Fair and Accurate Credit Transaction Act of 2003 was added to the Federal Credit Reporting Act to help with identity theft.  
☐ True      ☐ False      ANS: True
4. **True or False:** Property managers should consider purchasing EDP Floater insurance.  
☐ True      ☐ False      ANS: True
5. **True or False:** Courts consistently recognize exculpatory clauses in management agreements and apply them to the benefit of the property manager.  
☐ True      ☐ False      ANS: False
6. **True or False:** Passive retention of ~~Risks~~ risks occurs because of ignorance of the hazards involved and of the legal principles that apply.  
☐ True      ☐ False      ANS: True
7. **True or False:** Dismissing an employee for stealing can present a significant risk to a company.  
☐ True      ☐ False      ANS: True
8. **True or False:** The ways to minimize risk factors is to decide whether to avoid it, transfer it, reduce it or accept it.  
☐ True      ☐ False      ANS: True
9. **True or False:** Property managers always operate as the sole and exclusive agent of the owner of the property.  
☐ True      ☐ False      ANS: False
10. **True or False:** Tort is a term that covers "intentional torts" such as battery or defamation, and torts for negligence.  
☐ True      ☐ False      ANS: True
11. **True or False:** When a prospective tenant accuses you of illegal discrimination because you rejected their application, it is not proper to review their credit report



with them to demonstrate that your decision was truly based on their bad credit.

☐ True ☐ False ANS: True

12. **True or False:** Federal law covers sexual orientation as a protected class under the Fair Housing Amendment of 1988.

☐ True ☐ False ANS: False

13. **True or False:** Binding arbitration is a better choice for contractual dispute settlement than mediation because it takes the place of going to court while mediation may not be resolved and courtroom litigation may still be necessary.

☐ True ☐ False ANS: True

14. **True or False:** In a fair housing case, the company will not be found in violation if the illegal act was committed by an employee and the owner had no knowledge of the behavior and did not condone it.

☐ True ☐ False ANS: False

15. In analyzing the probability of an event to determine risk, the following should be considered:

- ☐ A. How likely is the event to occur?
- ☐ B. How often will it occur?
- ☐ C. What is the largest possible loss which is likely to occur?
- ☐ D. All of the above

16. **True or False:** Refusing to negotiate can be viewed as a discriminating action.

☐ True ☐ False ANS: True

17. **True or False:** Property managers should always use double cylinder deadbolts.

☐ True ☐ False ANS: False

18. Discriminatory actions include:

- ☐ A. Refusing to rent
- ☐ B. ~~Difference~~ **Having differences** in qualifying information
- ☐ C. ~~F~~ailure to display equal housing opportunity poster
- ☐ D. All of the above – D

19. **True or False:** Fair housing violations consequences can be civil penalties up to \$50,000

☐ True ☐ False ANS: True

20. **True or False:** Garage door opener codes do not need to be changed between tenants.

☐ True ☐ False ANS: False

21. **True or False:** Professional property managers should always use a professional application.

☐ True ☐ False ANS: True



22. True or False: When a death of a tenant occurs and their family requests access to remove his or her personal belongings the property managers should require evidence of authority.  
☐ True ☐ False      ANS: True
23. True or False: Denying access to MLS or NARPM is not a discriminatory action.  
☐ True ☐ False      ANS: False
24. True or False: National origin is not one of the seven federally recognized classes protected by fair housing legislation.  
☐ True ☐ False      ANS: False
25. True or False: It is never a good idea to document staff meetings.  
☐ True ☐ False      ANS: False
26. True or False: State ~~& and~~ local fair housing laws are more restrictive than federal fair housing laws.  
☐ True ☐ False      ANS: True
27. Rejection criteria that violate fair housing ~~would be:~~ include:  
☐ A. Criminal history  
☐ B. Service animals  
☐ C. Sufficient income  
☐ D. Completed application
28. True or False: Property managers should use the owner of the property to perform maintenance as this will reduce the managers liability.  
☐ True ☐ False      ANS: False
29. True or False: Move in/move out checklist should be performed to minimize risk.  
☐ True ☐ False      ANS: True
30. True or False: Property managers should request a copy of a death certificate when a tenant dies.  
☐ True ☐ False      ANS: True



NEW TAB





# Risk Management Advanced Student Outline



Phone: 800-782-3452  
Fax: 866-466-2776  
E-mail: [info@narpm.org](mailto:info@narpm.org)  
**[www.narpm.org](http://www.narpm.org)**



National Association of Residential Property Managers



## Risk Management for Business Managers and CEO's

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Disclaimer

- NARPM® cannot represent the law or ordinances where you live or work.
- Any mention of fees or commissions is only to clarify the discussion with examples.
- Please refer to the NARPM® Disclaimer statement included in your binder.

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Today's Schedule

Hours  
Breaks  
Lunch  
Exam

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Disclaimer

*Due to time limitations, this course will not review in depth the following subjects – maintenance, marketing, personnel practices, office operations, and risk management. However, it will touch on these subjects as necessary. There are other designation courses available, which cover these subjects in depth, and you are urged to take them.*

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Introductions

- Your Name
- Length of time as NARPM® member
- Company Name, Location, your Position
- Number of Properties/Units
- Type of Properties

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Course Objective

To Provide Managers and CEO's With  
Advanced Tools and Theory of Risk  
Management

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Key Points to cover in class

- Insurance
- Liability/Torts/Negligence
- Company Policies and Procedures
- Anti-Trust
- Preparing for Court

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## YOUR APPROACH to RISK MANAGEMENT

- Avoid The Risk
- Accept The Risk
- Reduce The Effect of Risk
- Transfer The Risk

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

Insurance

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---



## Insurance

- INSURANCE
  - Types of Insurance
  - Assessment of insurance
  - Purchasing Insurance
  - Handling Claims

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Insurance

- SELF INSURANCE
- CO-INSURANCE
- PROPERTY INSURANCE
- LIABILITY INSURANCE
- UMBRELLA LIABILITY
- FIDUCIARY LIABILITY
- WORKER'S COMPENSATION

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Insurance

- THEFT AND FIDELITY BONDS
- MOTOR VEHICLE
- ERRORS AND OMISSIONS
- RENTERS INSURANCE
- PACKAGE POLICIES
- INFLATION RIDERS
- OTHER COVERAGES

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---



## Insurance

- FIRE INSURANCE & ENDORSEMENTS
- FLOOD, EARTHQUAKE, WATER
- GLASS, BOILER, SPRINKLER
- ACCOUNTS RECEIVABLE
- VALUABLE PAPERS
- RENTAL VALUE
- Electronic Data Processing (EDP) FLOATER

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Insurance

- LEGAL LIABILITY
- DWELLING PROPERTY ALL RISK
- CONTRACTUAL LIABILITY
- MEDICAL PAYMENTS
- PERSONAL INJURY

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Insurance

### Claim Processes:

- NOTIFY INSURANCE COMPANY
- PROTECT FROM FURTHER DAMAGE
- SECURE DAMAGED AREA
- SEPARATE DAMAGED & UNDAMAGED
- INVENTORY THE LOSS
- SUBMIT PROOF OF LOSS
- PROCEDURES FOR DISPUTES

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Insurance

Periodically RE-EVALUATE  
INSURANCE Coverage

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Liability/Torts/Negligence

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Liability/Torts/Negligence

- How liability arises
- How to avoid liability

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---



## Liability/Torts/Negligence

### Tort Liability:

- ANY CIVIL WRONG EXCEPT BREACH OF CONTRACT
- THREE ELEMENTS OF A TORT
  - LEGAL OBLIGATION OWED TO ANOTHER
  - THIS OBLIGATION WAS BREACHED
  - SOME TYPE OF HARM OR INJURY WAS SUFFERED
- THREE BASIC GOALS
  - COMPENSATE INDIVIDUAL WHO SUFFERED
  - FORCE WRONGDOER TO BE RESPONSIBLE FOR COSTS
  - PREVENT FUTURE LOSS OR INJURY

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Liability/Torts/Negligence

### TORT LIABILITY (Cont):

- INTENTIONAL TORT
- NEGLIGENT TORT
- STRICT LIABILITY
- PROXIMATE CAUSE
- DAMAGES
- ATTRACTIVE NUISANCE
- PREMISES LIABILITY
- IMPLIED WARRANTY OF HABITABILITY
- VICARIOUS LIABILITY

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Liability/Torts/Negligence

### Documentation Systems when going to court:

- PROPERTY SURVEYS
- PHOTOGRAPHY AND VIDEO
- DOCUMENTING CONVERSATIONS
- RECORDS - STAFF TRAINING
- FILE AND COPY PROCEDURES
- POLICIES AND PROCEDURES

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Liability/Torts/Negligence

### Checklists:

- NEW PROPERTY
- LEASING
- PROPERTY TURNOVER
- PROPERTY TERMINATION
- MAINTENANCE CALLS
- PROPERTY SURVEY
- NEW EMPLOYEE

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Company Policies & Procedures

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Company Policies and Procedures

### Exposure-Business Related:

- OFFICE BUILDING OWNED
- FURNITURE, FIXTURES, EQUIPMENT
- COMPUTERS, SOFTWARE, DATA
- IMPORTANT PAPERS
- LIABILITY FOR ACTS OF EMPLOYEES
- NON-OWNED AUTO LIABILITY
- THIRD PARTY PREMISES LIABILITY

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---



## Company Policies and Procedures

Exposure-Business Related (cont):

- LOSS OF BUSINESS INCOME
- EMPLOYEE THEFT
- BURGLARY OR ROBBERY
- PERSONAL INJURY TO SELF OR STAFF
- COMMINGLING OF FUNDS
- FEDERAL REPORTING REQUIREMENTS
- RISK OF ATTACK

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Company Policies and Procedures

- Systems
- Service
- Structure
- Record Keeping
- Trust Accounting
- P & P Manual
- Employee Manual

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Company Policies and Procedures

Systems:

- MISSION STATEMENT
- HAVE A FORMAL COMPLAINT PROCEDURE
- ADDRESS PROBLEMS QUICKLY
- RISK REVERSAL
- QUARTERLY CALLING
- NEWSLETTERS/BIRTHDAY CARDS

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Company Policy & Procedures

### Service:

- STARTS WITH ETHICS
- BE CUSTOMER SERVICE ORIENTED
- LEAD STAFF TO QUALITY SERVICE
- EXCEED CLIENT AND CUSTOMER EXPECTATIONS - WOW EFFECT
- USE EMPATHY IN DEALINGS
- USE INTEGRITY IN YOUR DEALINGS
- BE PREPARED TO TERMINATE RELATIONSHIPS

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Company Policies and Procedures

### Service (Cont)

- BE WILLING TO
  - MAKE ADJUSTMENTS
  - GIVE REFUNDS when appropriate
  - MAKE CASH SETTLEMENTS

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Company Policies and Procedures

### Structure:

- SOLE PROPRIETORSHIP, PARTNERSHIP
- CORPORATION
- LIMITED LIABILITY COMPANY
- LIMITED PARTNERSHIP
- ALSO CONSIDER YOUR OWN RENTALS AND MAINTENANCE CO.

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Company Policies and Procedures

Record Keeping for your company:

- PROPERLY DRAWN ARTICLES
- DETAILED BYLAWS
- ANNUAL MEETINGS AND MINUTES
- ANNUAL STATE REPORT/RENEWAL
- PROPER AUTHORITY FOR ACTIONS
- TRUE SEPARATION OF FINANCES
- CONDUCT/ACTIONS CAN MAKE YOU LIABLE

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Company Policies and Procedures

Trust Accounting:

- COMPLY WITH STATE REQUIREMENTS
- ACCOUNT FOR EACH OWNER'S FUNDS SEPARATELY
- DON'T COVER ONE WITH ANOTHER
- KEEP COMPANY FUNDS SEPARATE
- KEEP FUNDS FOR YOUR OWN PROPERTIES SEPARATE
- KEEP BROKERAGE FUNDS SEPARATE
- DEPOSIT MONIES PROMPTLY

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Company Policies and Procedures

P&P Manual:

- CRITERIA FOR RENTAL QUALIFICATION
- PROCEDURES FOR TENANT SCREENING
- HANDLING CREDIT REPORTS
- PROCEDURES FOR REJECTION
- HANDLING FUNDS
- ACCESS TO PROPERTIES

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Company Policies and Procedures

Employee Manual:

- EMPLOYMENT POLICIES
- EMPLOYMENT-AT-WILL
- RULES REGARDING CONDUCT
- SAFETY/INJURY PROCEDURES
- HARASSMENT PROCEDURES
- DISCIPLINARY PROCEDURES
- TERMINATION PROCEDURES

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Contracts

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## CONTRACTS & AGREEMENTS

- STRONG CONTRACTS CAN BE DETERRENTS TO LITIGATION
- MANY COURTS LOOK NEGATIVELY AT EXCULPATORY CLAUSES
- CONTRACTS TEND TO BE CONSTRUED AGAINST DRAFTER
- LEGAL COUNSEL SHOULD REVIEW, NOT CREATE
- MUST BE CONSTANTLY UPDATED

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---



## Contracts

- Management
- Lease
- Vendor

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Contracts

### Management:

- DEFINE COMPANY AS AGENT
- EXCLUSIVE AGREEMENT
- DESCRIPTION OF TERM
- DEFINE SPECIFIC AUTHORITY
  - LEASING AND RELATED ACTIVITIES
  - TENANT CHARGES & DISPOSITION
  - REPAIRS AND MAINTENANCE
  - HOW RENTS ARE COLLECTED
  - HANDLING OF SECURITY DEPOSITS

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Contracts

### Management (Cont):

- COLLECTION OF CHECKS
- LIMIT AGENT DUTY TO ADVANCE FUNDS FOR OWNER & INDEMNIFICATION
- HOLD HARMLESS & INDEMNIFICATION
  - DAMAGES OR INJURIES - THIRD PARTIES
  - INCLUDE LEGAL FEES AND DEFENSE
  - FAIR HOUSING ACTIONS AND DEFENSE
  - OFTEN BROADLY DRAWN, BUT NOT A SUBSTITUTE FOR INSURANCE

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Contracts

### Management (Cont):

- COVER INSURANCE
  - REQUIRE FROM OWNERS
  - COMPANY AS ADDITIONAL INSURED
  - MINIMUM AMOUNTS & COVERAGES
  - RIGHT TO CHARGE OWNER FOR WORKER'S COMP ASSESSED
  - RIGHT TO PAY & KEEP CURRENT IF OWNER DOES NOT

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Contracts

### Management (Cont):

- MANAGER LIABILITY LIMITED
- ADVANCEMENT OF FUNDS FOR OWNER PAYMENTS
- CANCELLATION OR TERMINATION
- SUCCESSORS AND ASSIGNS
- AGENCY DISCLOSURE
- ARBITRATION
- MONETARY DISCLOSURES
- RESPONSIBILITY FOR REPORTING

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Contracts

### Management (Cont):

- INFORMATION GATHERING
- DETAILED FOLLOW-UP SYSTEM
  - RECURRING MAINTENANCE
  - INTERIM PROPERTY SURVEYS
  - DOING SPECIAL WORK FOR OWNER
  - MISSING ITEMS
  - MUNICIPAL LICENSING/INSPECTIONS
  - FILING ON OWNER'S BEHALF

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Contracts

### Management (Cont):

- OWNER'S DISCLOSURE
- CONDITION REPORT TO OWNER
- TAX CHANGE FORMS
- CLEANING CHECKLIST
- OWNER TO COMPLY WITH FAIR HOUSING

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Contracts

### Lease:

- ITEMS INCLUDED WITH LEASE
- POSSIBLE INABILITY TO DELIVER
- ORDER OF PAYMENT APPLICATION
- SECURITY DEPOSIT INTEREST
- USE OF PREMISES
- MAINTENANCE AND REPAIRS
- ALTERATIONS TO PROPERTY

4/1/2011



Copyright © 2009 NARPM®

• AS IS CLAUSE

---

---

---

---

---

---

---

---

## Contracts

### Lease (Cont):

- LOCKS AND SECURITY
- SMOKE DETECTORS
- IMPROPER HOLD OVER
- MOVEOUT Process
- THIRD PARTY DAMAGE
- DAMAGE causing UNINHABITABILITY
- HOLD HARMLESS CLAUSE
- INSURANCE

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## Contracts

### Lease (Cont):

- ACCESS AND INSPECTION
- EARLY TERMINATION
- TERMINATION OF MANAGEMENT AGENCY
- EMINENT DOMAIN
- MORTGAGE AND SUBORDINATION
- PETS
- Tenant FEES

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Contracts

### Lease (Cont):

- SMOKE DETECTOR AGREEMENT
- Crime Free Addendum
- CARBON MONOXIDE DETECTOR
- LEAD BASED PAINT ADDENDUM
- LEASE CLOSING STATEMENT
- COMMENCEMENT CHECKLIST
- AGENCY DISCLOSURES
- DEFECT DISCLOSURE & ACKNOWLEDGMENT
- MOLD ADDENDUM

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Contracts

### Vendor:

- PROPER LICENSING
- ADEQUATE LIABILITY/bonding INSURANCE
- WORKERS COMP INSURANCE
- HOLD HARMLESS CLAUSE
- EXPENSE AUTHORIZATION LIMIT
- PROPERTY SECURITY
- OTHER WORK FOR CLIENTS
- WORK AND MATERIALS STANDARDS
- EXPECTATIONS WHILE WITH TENANTS
- Vendor Agreement

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---



## Anti-Trust

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Anti-Trust

### Problem Areas:

- FIXING MANAGEMENT OR OTHER FEES
- TERRITORIAL AGREEMENTS
- COERCION TO RAISE FEES
- GROUP BOYCOTTS
- TYING AGREEMENTS ,CONSPIRACY OR CONSTRUED CONSPIRACY
- EVERY ASSOCIATION IS VULNERABLE

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

## Anti-Trust

### Problem Areas (Cont):

- ONGOING STAFF EDUCATION
- NO FEE OR POLICY DISCUSSIONS WITH COMPETITORS
- AVOID STOCK PHRASES RE: FEES
- PROHIBIT DISPARAGING REMARKS
- USE FORMS WITH BLANKS FOR FEES
- REFUSE TO CONDONE IMPROPER DISCUSSIONS

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---



## All Rise Here Comes The Judge

### DEALING WITH LEGAL ACTIONS

- COMPLAINT HANDLING PROCEDURES
- COMMUNICATIONS
- BUILDING YOUR CASE
- COURTS AND ATTORNEYS
- GOVERNMENT AGENCIES
- MEDIATION
- ARBITRATION

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Federal Laws

- ANTI-TRUST
- FAIR HOUSING
- AMERICANS WITH DISABILITIES ACT
- MEGHAN'S LAW
- LEAD BASED PAINT
- PRIVACY ACT
- FAIR CREDIT REPORTING ACT
- FAIR AND ACCURATE CREDIT TRANSACTION ACT (Identity Theft)

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## SUMMARY

- Insurance
- Liability/Torts/Negligence
- Company Policies and Procedures
- Anti-Trust
- Preparing for Court

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



## RESOURCES

- NARPM
- NAR
- IREM
- INSURANCE COMPANIES
- State/Local trade ASSOCIATIONS
- ATTORNEY
- STATE LICENSING BOARD

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## Other NARPM® Designation Classes

- Habitability Standards and Maintenance
- Marketing
- Tenancy
- Operating a Maintenance Company
- Owner/Client Relations
- Personnel Procedures Essentials
- Personnel Procedures Advanced
- Risk Management Essentials
- Risk Management Advanced

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---

## PUBLICATIONS

- PROFESSIONAL APARTMENT MANAGER
- FAIR HOUSING COACH  
Brownstone Publishers 1-800-643-8095 [www.brownstone.com](http://www.brownstone.com)
- LANDLORD TENANT LAW BULLETIN  
Quinlan Publishing 617-542-0048 [www.quinlan.com](http://www.quinlan.com)
- EPA – A BRIEF GUIDE TO MOLD, MOISTURE, AND YOUR HOME  
[www.epa.gov/iaq/molds/moldguide.html](http://www.epa.gov/iaq/molds/moldguide.html)
- MEGAN'S LAW [www.megans-law.net/](http://www.megans-law.net/)

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---

---



THANK YOU FOR ATTENDING

NOW IT'S TIME FOR...

THE EXAM

PLEASE COMPLETE THE  
EVALUATION FORMS.

4/1/2011



Copyright © 2009 NARPM®

---

---

---

---

---

---

---



## **Risk Management Scenario**

Mr. and Mrs. Goldman came into the office of Real Estate Management, Inc., with their three children, Joe, Jack, and Sam and their large dog named Vicious. They were seeking information on rental properties that the company might have available. Noticing that there was no one at the front desk, they rang the service bell. After a number of attempts to get some attention, they were finally approached by agent, Barry Black. Mr. Black quickly apologized for the inconvenience of their wait and asked how he could be of assistance.

The Goldman's shared the fact that they were looking for a 4 bedroom, 3 bath home that would be within close walking distance to the elementary school and the local mosque and synagogue. Mr. Black identified a number of properties on the company's rental list that he felt the Goldman's might be interested in. Mr. Goldman asked, "What's the crime like in the areas that the homes are located in?" Barry replied, "We've never had any problem that I know of."

Satisfied with his answer, the Goldman's asked if they could see a couple of the houses on his list. Mr. Black acknowledged that he was the only agent in the office and he needed to stay at the office to cover the front desk. However, if they were willing to leave a copy of their driver's license and a deposit, he'd be happy to release the keys to them so that they could go look at them themselves. Receiving the required information, he reached into the cupboard behind the front desk and gave them the keys along with the required rental application with attached qualifying criteria should they decide that they wanted to rent one of the properties that they looked at.

### **Moving on with the story.....**

Mr. and Mrs. Goldman drove back to Real Estate Management, Inc. to return the keys and hand in their application for one of the house that they previewed. They had settled on the home on Sumner St. in the Mountain High Homeowners Association. It was a one story style home that they liked because, with Sam's disability, it would be easier for him to move around. They also liked the fact that there was a swimming pool in the back yard.

Mr. Black reviewed the application before handing it in for processing. He noticed that the Goldman's were new to the area and that Mr. Goldman had only been at this job 2 months. Mrs. Goldman didn't work outside the home. One other item of concern on the application was the dog named Vicious. The home allowed for pets but he wanted to let them know that Real Estate Management, Inc., did not allow certain identified "dangerous dogs". Mr. Goldman stated that Vicious was Sam's service animal.

### **Story progresses.....**

Barry Black didn't have time to attend the Goldman's move-in to conduct their property survey (condition report) so after signing all the lease paperwork and collecting the



necessary funds, he gave them the form along with the keys and told them to have the survey form (condition report) back in the office within 3 days.

Moving day proved to be very hectic for the Goldman's. This resulted in losing and/or forgetting to fill out their survey form (condition report). When Mr. Black called about it, they said that they were still working on it. He said, "Well, just get it to me as soon as possible."

### **Moving on in the story.....**

At about the time that the lease was ready to expire, Mr. Goldman received a job transfer from his company. He contacted Mr. Black to give him his notice of intent to vacate. Barry thanked them for the "heads up" and told Mr. Goldman that he foresaw no problems with the move-out as he had never heard from the Goldman's the entire year that they had occupied the house and that he was sure that they took real good care of the property. In the meantime, he would send them a copy of their original survey form (condition report) so that they would know the condition that he expected the house to be in upon their vacating it.

### **No Survey form (condition report).....**

Mr. Black, along with the property owner, Samantha Sue Happy, did a walk through of the property as soon as it was vacant. The heater in the pool was broken, pet urine saturated the carpet throughout the entire house, chips where in the bathroom tub, one of the bedrooms had stains in the ceiling from a roof leak, and the yard looked like it hadn't been attended to since before the tenants moved in. When all of this was brought to the attention of the tenant, Mr. and Mrs. Goldman, they simply stated, "It was like that when we moved in." Mr. Black and Ms. Happy knew that not to be the case however, without the original survey form (condition report) and no property pictures; this was going to be tough to prove to the tenant.

### **Work Study:**

1. Identify those areas in the scenario where the Management Company, Agent, or Owner is at risk.
2. Define improvements and/or solutions where risk could be avoided, retained, controlled or transferred.
3. Share a situation in your professional property management career that either saved you from the courtroom or helped you to survive a courtroom experience,



## **Risk Management Advanced**

### **General**

- Reconfigure key points to outline
- Add objectives to sections
- Slides are wordy
- Some typos on slides

### **Insurance**

- Add insurance case studies and class activities

### **Liability, Torts and Negligence**

- Add checklist examples
- Add case studies and class activities

### **Company Policies and Procedures**

- More explanation needed in some instructor notes (some are very detailed)

### **Contracts**

- Visual examples needed for sections/clauses
- Break up management contract and lease into subsections

### **Federal laws**

- Need instructor notes on some of them



Outline for Risk Management: Advanced				
Learning Unit Title	Learning Objectives	Teaching Techniques	Estimated Time	
Insurance	<ul style="list-style-type: none"> <li>List the types of insurance beneficial to property managers</li> <li>Identify policies that may fit into your risk management plan</li> <li>Assess the role of insurance in your business</li> <li>Prepare to make informed decisions on insurance purchases</li> <li>Identify the assessments that need to be made when reviewing your policies</li> <li>List the beneficial steps involved with handling claims</li> </ul>	Live Lectures and PowerPoint Handouts	60 minutes	
Liability, Torts, and Negligence	<ul style="list-style-type: none"> <li>Define what constitutes tort</li> <li>Analyze how negligence affects liability</li> <li>Identify the documentation systems that need to be in place when preparing for court</li> <li>Explain how checklists can reduce the chance of negligence</li> </ul>	Live Lectures and PowerPoint Handouts	20 minutes	
Policies and Procedures	<ul style="list-style-type: none"> <li>List the risks associated with being in business</li> <li>Identify the tools available within your business to reduce risk</li> <li>Outline office systems, procedures, and policies that need to be in place to help manage the inevitable risks</li> <li>Analyze the way in which service can reduce risk</li> </ul>	Live Lectures and PowerPoint Handouts	20 minutes	
Structure	<ul style="list-style-type: none"> <li>List the various types of business structures</li> <li>Detail which structures protect the personal assets of individuals</li> <li>Outline the general process of organizing a business under the various structures</li> </ul>	Live Lectures and PowerPoint Handouts	20 minutes	
Contracts and Agreements	<ul style="list-style-type: none"> <li>Identify the components that should be included in a property management agreement.</li> <li>Outline the risks associated with contracts that are worded too strongly, or those that</li> </ul>	Live Lectures and PowerPoint Handouts	90 minutes	



	<p>include exculpatory clauses.</p> <ul style="list-style-type: none"> <li>Analyze the reasons behind receiving the needed authority from an owner.</li> <li>List the protections that a property manager should make certain are included for him- or herself in a property management agreement.</li> <li>Detail the disclosures that are necessary in a property management agreement.</li> <li>Outline the considerations that need to be made concerning leases and risk management</li> <li>List the disclosures that are commonly found in leases, and be familiar with those required in the area in which you manage</li> <li>Identify the risk associated with decisions regarding pets</li> <li>Discuss how vendors can play a part in the risks you face</li> </ul>		
Anti-Trust	<ul style="list-style-type: none"> <li>Outline the history of federal anti-trust law</li> <li>Detail price fixing, territorial agreements, boycotts and tying arrangements</li> <li>List the items that can help you minimize the risks posed by anti-trust allegations</li> <li>Analyze the differences between litigation, mediation, and arbitration</li> </ul>	Live Lectures and PowerPoint Handouts	30 minutes
Federal Law	<ul style="list-style-type: none"> <li>Outline steps that can protect a property manager from fair housing violations</li> <li>Detail lead-based paint requirements and exemptions</li> <li>List the requirements of Megan's Law and the Americans with Disabilities Act</li> <li>Define the Fair Credit Reporting Act and the Fair and Accurate Credit Transactions Act</li> </ul>	Live Lectures and PowerPoint Handouts	60 minutes

**Total clock hours: 300 minutes**



Risk Management Advanced  
Final Exam

- 1) The four approaches one can ~~take use~~ to handle risk are:
  - a) Avoidance, Control, Manipulate, Reduce
  - b) Transfer, Avoidance, Control, Acceptance
  - c) Avoidance, Acceptance, Reduce, Transfer
  - d) Control, Reduce, Manipulate, Acceptancei) Answer: C
  
- 2) In analyzing the probability of an event to determine risk, the following should be considered.
  - a) How likely is the event to occur?
  - b) How often will it occur?
  - c) What is the largest possible loss which is likely to result?
  - d) A, B, and C~~e) A and B~~  
i) Answer: D
  
- 3) Criminal penalties will not result from:
  - a) Misrepresentation
  - b) License law violation
  - c) Conspiracy to charge a minimum management fee
  - d) Fraud~~e) None of the above~~  
i) Answer: A
  
- 4) Liability ~~i~~nsurance covers:
  - a) Property involving a third party claim
  - b) Bodily injury involving a third party claim
  - c) Both a and b
  - d) Neither a nor bi) Answer: C
  
- 5) Coverage for failing to act prudently as a trustee to any employee benefit plans is called:
  - a) Liability ~~i~~nsurance
  - b) Fiduciary ~~i~~nsurance
  - c) Umbrella ~~i~~nsurance
  - d) Theft ~~and~~ ~~&~~ ~~f~~idelity ~~i~~nsurancei) Answer: B
  
- 6) Failure to perform as promised in your contract can be covered by:
  - a) Professional ~~i~~nsurance
  - b) Umbrella ~~i~~nsurance
  - c) Errors and ~~o~~missions ~~i~~nsurance
  - d) ~~C and A~~ Professional liability and errors and omissions insurance~~e) C and B~~



~~f) None of the above~~

i) Answer: D

7) \_\_\_\_\_ covers those employees who may get hurt on the job.

i) ~~Answer: a.~~ Workers ~~c~~Compensation

ii) B. Errors and omissions insurance

iii) C. Umbrella liability insurance

iv) D. None of there

ii) Ans. A

Formatted

8) Which of the following is not one of the steps for processing a claim?:

a) Secure the damaged area

b) Call the insurance company after you have all the details organized

c) Inventory the loss

d) Submit proof of loss

~~e) Take lots of pictures~~

i) Answer: B

9) \_\_\_\_\_ law is a body of law that addresses and provides remedies for any civil wrongs not arising out of contractual obligations.

~~Answer: a. Agency~~

b. Tort

c. Case

d. Statutory

Formatted: Indent: Left: 0.75", No bullets or numbering

ii) Ans. B

Formatted: No bullets or numbering

10) Which of the following is not a basic goal of the law of torts:

a) To compensate individuals who have suffered loss of injury because of another

b) To force wrongdoers to be responsible for their acts

c) To prevent future loss or injury

~~d) B and C only~~

~~e) d) None of the above~~

i) Answer: ~~E~~d

11) True or False: Negligent torts are not deliberate, but arise when someone fails to act as a reasonable person to someone he/she owes a duty to, resulting in an injury.

a) True

b) False

i) Answer: A

12) Which of the following would most likely not be considered an attractive nuisance?

a) Swimming ~~p~~Pool

b) New ~~c~~Carpet and ~~p~~Paint

c) Play ~~y~~Yard

d) Wood ~~p~~Pile



~~e) Abandoned car or appliances~~

i) Answer: B

13) True or False: When we offer up a residence for lease, there is an implied warranty that the premises is habitable.

a) True

b) False

i) Answer: A

14) Under the theory of \_\_\_\_\_, a landlord can be liable for a loss or injury resulting from a dangerous condition allowed to exist, even though no direct blame, fault or negligence is involved.

a) Strict ~~L~~iability

b) Proximate ~~C~~ause

c) Attractive ~~N~~uisance

d) Vicarious ~~L~~iability

i) Answer: A

15) When preparing for court, good documentation systems will help to defend your case. Name three such systems. Which of the following would not be included in good documentation systems?:

16) A. Property surveys

17) B. Photos

18) C. Legal connections

19) D. Policies and procedures manual

~~a) \_\_\_\_\_~~

~~b) \_\_\_\_\_~~

~~c) \_\_\_\_\_~~

~~i) Answer: Property surveys (condition reports), photos, videos, documentation of conversations, records of staff training, policies and procedures manual.~~

i) Ans. C

~~16) 20) A well-written pPolicy and pProcedures manual will include all but one of the following~~

~~a) Good ~~C~~ustomer ~~S~~ervice procedures~~

~~b) Company ~~S~~tructure~~

~~c) Record-~~k~~eeping ~~p~~rocedures~~

~~d) Bank ~~a~~ccount ~~i~~nformation and ~~P~~asswordspasswords~~

~~e) ~~T~~rust ~~A~~ccounting ~~P~~rocesses~~

~~i) Answer: D~~

~~17) 21) True or False: Showing empathy in dealing with customers and clients is the same as showing sympathy.~~

~~a) True~~



b) False

i) Answer: False, empathy just means that you have compassion and understanding of their situation. Sympathy generally means that you are in agreement and support their situation.

18)22) How you structure your company can help to minimize your risk. Which of the following may put ownership at the greatest risk:

- a) Sole ~~p~~Proprietorship and ~~p~~Partnership
  - b) Corporation
  - c) Limited ~~l~~iability ~~c~~Corporation
  - d) Limited ~~p~~Partnership
- i) Answer: A

19)23) One would include the following when setting up their company structure:

- a) Detailed ~~B~~ylaws~~bylaws~~
  - b) Properly ~~d~~rawn ~~a~~Articles
  - c) Annual ~~a~~Meetings and ~~m~~Minutes
  - d) All of the ~~a~~Above
  - e) ~~None of the Above~~
- i) Answer: D

20)24) \_\_\_\_\_ is the one area where a lot of companies find themselves in trouble with their ~~s~~State ~~l~~icensing ~~d~~Departments.

- a) Employee ~~i~~ssues
  - b) Trust ~~a~~ccounting
  - c) Hazardous ~~m~~aterials
  - d) Internal Revenue Service
- i) Answer: B

21)25) If you manage some of your own rental properties, keeping separate records is important. To ~~e~~nsure good accounting practices and avoid state license law problems you should never:

- a) Use the same software to keep the financial records
  - b) Deposit rents from your properties in the same bank account as your clients' properties
  - c) Keep your operating funds in a separate bank
  - d) ~~B and C only~~
  - e) ~~d~~All of the above
- i) Answer: B

22)26) Employee ~~m~~anuals set the standard of expectations for all employees. Which of these should not be included in that manual?~~All of the following but one should be included in that~~ manual:

- a) Rules Regarding Conduct
  - b) Safety/Injury Procedures
  - c) Listing Presentation Procedures
  - d) Disciplinary Procedures
  - e) ~~Harassment Policies~~
- i) Answer: C



23)27) As an employer, you may be legally liable if one of your employees:

- a) Sexually harasses a subordinate
- b) Has an auto accident on the way to a showing, injuring another driver/passenger
- c) Steals a clients' fur coat from a house she is showing

~~d) A and B only~~

~~e) A and C only~~

~~h)d) D. All of the above~~

i) Answer: F

24)28) Property Management companies use \_\_\_\_\_ in their contracts to protect them from liability.

- a) Terms and ~~c~~Conditions
- b) Agency ~~d~~Disclosure
- c) Property ~~a~~Addresses
- d) Hold ~~h~~Harmless and ~~i~~Indemnification ~~c~~Clauses

i) Answer: D

25)29) True or False: The ~~p~~Property ~~m~~Management ~~a~~Agreement should limit the agent's responsibility to advance funds to the owner when owner's balances can not pay all the bills at a property.

- a) True
- b) False

i) Answer: A

26)30) Which of the following would be included in a ~~l~~Lease ~~a~~Agreement?

- a) Use of the premises clause
- ~~b) Order of payment application~~
- ~~c) Maintenance and Repairs clause~~
- ~~b)d)~~
- ~~e)e) C. Amount of the management fee the owner pays~~
- ~~d) Maintenance and Repairs clause~~
- ~~e) A, B and D only~~
- f) ~~D. All of the above~~

~~i) Answer: E Ans. D~~

27)31) True or False: The ~~p~~Property ~~m~~Management ~~a~~Agreement is the only contract that should contain a ~~h~~Hold ~~h~~Harmless ~~c~~Clause.

- a) True
- b) False

i) Answer: False, the Lease Agreement and the Vendor Agreement should also have a Hold Harmless clause in it

28)32) To minimize risk when ~~v~~Vendors ~~or~~~~c~~Contractors are working on your properties, a property



management company should have signed agreements with their ~~v~~Vendors ~~or~~/~~c~~Contractors.

Which of the following should not be included in that agreement?

- a) Liability ~~i~~nsurance ~~r~~Requirements
  - b) Licensing ~~r~~Requirements
  - c) Vendor's/~~c~~Contractor's ~~e~~Employee ~~w~~Age/~~s~~Salary information
  - d) Property ~~s~~ecurity ~~i~~nformation
- i) Answer: C

~~29~~33) The Sherman Anti-Trust Act preserves free competition. Some problem areas that may arise are:

- a) Coercion to set rates/fees
- b) Group ~~b~~Boycotts
- c) Conspiracy or ~~c~~Construed ~~c~~Conspiracy
- ~~d) Territorial Agreements~~
- ~~e)~~d) All of the above

i) Answer: ~~d~~E

~~30~~34) Maximum penalties for violating the Sherman Anti-Trust Act can be:

- a) Up to \$1 million, ~~3~~10 years in jail, or both
  - b) Up to \$5 million or 5 years in jail
  - c) Up to \$100,000 with no jail time
  - d) Up to \$2 million with 3 years jail time
- i) Answer: A



NEW TAB





# Tenancy Student Outline




Phone: 800-782-3452  
Fax: 866-466-2776  
E-mail: [info@narpm.org](mailto:info@narpm.org)  
**[www.narpm.org](http://www.narpm.org)**




National Association of Residential Property Managers





National Association of Residential Property Managers

## Residential Tenancy

Copyright © 2009  RMP® Tenancy

---

---

---

---


---

---

---

### Disclaimer

- NARPM® cannot represent the law or ordinances where you live or work.
- Any mention of fees or commissions is only to clarify the discussion with examples.
- Please refer to the NARPM® Disclaimer statement included in your binder.

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---


### Today's Schedule

Hours

Breaks

Lunch

Exam

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---



## Disclosure

*Due to time limitations, this course will not review in depth the following subjects – maintenance, marketing, personnel practices, office operations, and risk management. However, it will touch on these subjects as necessary. There are NARPM® courses available, which cover these subjects in depth, and you are urged to take them.*

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Course Objective

Describe managing the residential tenancy cycle.

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Outline the Tenancy Cycle

- Procuring the Tenant
- Tenant Screening
- Executing the Lease
- Occupancy Period
- Move out Procedures
- After the Tenancy

Copyright © 2009  RMP® Tenancy

---

---

---

---

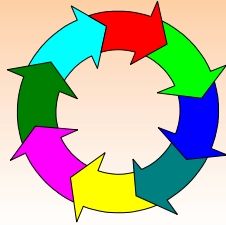
---

---

---



## A Continuing Tenancy Cycle



Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Procuring the Tenant

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Why People Become Tenants

- Renters by necessity
  - Students, young people, new to area
  - Stay in area too short to justify (3 years to recoup purchase costs)
  - Limitations to property purchase
- Renters by choice
  - Empty nesters
  - Becoming familiar with area
  - Don't want ownership hassles
  - Quality of life

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---



## Laws Affecting Tenancy

- Federal
- State
- Local
- Case
- Other

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Laws Affecting Tenancy

- Federal
  - Fair Housing [www.fairhousing.com](http://www.fairhousing.com)
  - HUD - Housing & Urban Dev.
    - » [www.hud.gov/index.html](http://www.hud.gov/index.html)
    - » [www.hud.gov/dileg.cfm](http://www.hud.gov/dileg.cfm)
  - Service Members Civil Relief Act
  - Megan's Law
  - Lead Based Paint
  - EPA - Environmental Protection Agency



Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Laws Affecting Tenancy

- State
  - Fair Housing
  - Landlord/Tenant Law
  - Security Deposits
  - Trust Accounts

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---



## Laws Affecting Tenancy

- Local
  - Fair Housing
  - Rent Control
  - Code Enforcement
  - Health Department
  - Other

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Laws Affecting Tenancy

- Case Law
- Other
  - Community Associations
  - NAR and NARPM Codes of Ethics
  - Organizations

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Organizations



- NARPM® \* [WWW.NARPM.ORG](http://WWW.NARPM.ORG)
- \*National Association of Residential Property Managers
- IREM \* [WWW.IREM.ORG](http://WWW.IREM.ORG)
- \* Institute of Real Estate Management \*Affiliate of NAR
- NAR \* [WWW.ONEREALTORPLACE.COM](http://WWW.ONEREALTORPLACE.COM)
- \* National Association of Realtors
- BOMA \* [WWW.BOMA.ORG](http://WWW.BOMA.ORG)
- \* Building Owners and Managers Association
- REEA\* [WWW.REEA.ORG](http://WWW.REEA.ORG)
- \* Real Estate Educators Association
- NAA \* [WWW.NAAHQ.ORG](http://WWW.NAAHQ.ORG)
- \* National Apartment Association
  - \* Has local and state chapters throughout the country

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---



## Procuring The Tenant

- Economic Conditions affect ability to procure tenants
  - National
  - State
  - Local

*Supply and demand determines competition and market conditions*

---

---

---

---

---

---

---

## Procuring The Tenant

- Have uniform policies
- Have written agreements
- Comply with Fair Housing

---

---

---

---

---

---

---

## Procuring The Tenant

### Uniform policies for property owner

- Support “habitability standards”
- Disclosures
- Smoking/No-Smoking
- Pets/No-pets
- Term of Tenancy (month-to-month, 6 month, etc.)
- Other

---

---

---

---

---

---

---



## Procuring The Tenant

- Advertising
  - Describe the property, not the person/applicant you want as tenant
- Showing
  - Establish procedure for showing vacant property
  - Establish procedure for showing occupied property
  - Make available to all
  - Determine if you will rent “sight unseen”

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Procuring The Tenant

### Vacancy standards

- Filling a vacancy is a
  - PRIORITY
- Filling a vacancy
  - PROPERLY IS A HIGHER PRIORITY
- Take the “Preventative medicine” approach
  - PROPER QUALIFYING

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Procuring The Tenant

### Qualifying

- Comply with any Agency disclosures ASAP
- Have same procedures for all applicants
- Distinguish, don’t discriminate

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---



## Procuring The Tenant

### Office posters



- Have easily identifiable in office
- Be aware of “other” language requirements
- Displaying is NOT a sign of previous Fair Housing violation

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Procuring The Tenant

### Forms

- Property information form
- Showing form
- Application forms
- Receipts
- Credit policy/Application Instruction forms
- Marketing - Property Flyers
- Other

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Procuring The Tenant

- Disclosures
  - Lead
  - Megan's Law
  - Environmental
  - Other
- Refund policy
  - Refundable vs. non-refundable

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---



## Procuring The Tenant

- Funds acceptable prior to tenancy
- Move-in monies - Cash/Certified Funds/Personal Check
- Only processing or credit fees?
- Rent and/or deposit with application?

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Procuring The Tenant

- Schedule advance showings
- Open House at specified time/staggered viewings
- Individual appointments
- Pre-screening requirements
- E-mail, fax-on-demand or download from web
- Other

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Procuring The Tenant

- Local innovative housing alternatives
- HUD/PHA Section 8 programs
- Corporate rentals
- Other

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---



## Procuring The Tenant

### Establishing Rent

- Based on market/area rents
- Rent control/limit control ordinance
- Last month's rent



Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Procuring The Tenant

- Age of responsible tenant for lease and payment
  - Minimum age for state
  - Emancipated juvenile/married/military
  - Seniors/conservators/trustees
- Number of Property Occupants

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Procuring The Tenant

- Disabled/handicapped prospects
- Daycare-Interim Housing-Group Homes
- Employees as residents/tenants
- Vendors as residents/tenants
- Military – Active, Reserve, Guard
- Co-signors/Guarantors
- Subletting & Assignment of tenancy rights
- Insurance requirements

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---



## Procuring The Tenant

### Listing Forms to be used

- Company Vacancy lists
- Company web site listings
- National rental websites
  - Rentalhomepros.com
  - HomeRentals.net
  - Rentals.com
  - RentConnection.com
  - Craigslist
  - Yahoo Classifieds
- Virtual tour sites

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

---

## Procuring The Tenant

### Other Media to use

- Newspaper and print publications
- Signage \* onsite information
- Networking
- Electronic \*
  - web
  - fax-on-demand
  - broadcast fax
- Other

Copyright © 2009  RMP® Tenancy

---

---

---

---

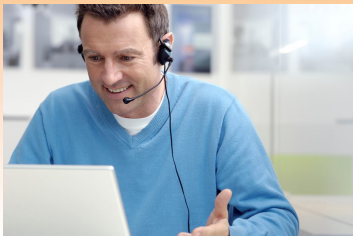
---

---

---

---

## Tenant Screening



Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

---



## Be Consistent



Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Tenant Screening

Tenant screening is the approval process conducted by the landlord/property manager to find qualified tenants.

The tenant is approved/denied after the property manager investigates and reviews all of the applicant's required information comparing it to the standard criteria for tenancy.

The criteria is the basics for "qualifying" or "eliminating" prospective tenants prior to renting the property.

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Tenant Screening

### Qualifying Criteria

- Screening Policies
- Restrictions
- Income
- Credit History
- Criminal Background Report
- Rental or Ownership History

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---



## Tenant Screening

\* \* \* \* \*

### Qualifying Criteria Group Exercise

\* \* \* \* \*

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Tenant Screening

### Screening Policies

- Processing Fees
  - May be limited by state legislation
  - Area trends and competition
  - Apply towards move-in requirements?
- Length of time to process application
- Standards for credit and criminal Information
- Charging additional deposits
- Requiring co-signer, guarantor
- Notification of acceptance or denial

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Tenant Screening

### Rental Restrictions

- Smoking
- Vehicles/boats/trailers/work vehicles/motorcycles
- Community Associations
- Planned Unit Developments
- Cooperatives
- The Property
- Number of Occupants
- Company Policies

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---



## Tenant Screening

### Rental Restrictions

#### Pets

- Check property owner's insurance restrictions
- Suitable for Property - public/private restrictions
- Additional Deposit or Non-Refundable Fee
- Other

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Tenant Screening

### Parts of the Rental Application

- Agency Disclosure
- Screening Criteria
- Terms for Tenancy
- Names, Addresses, SSN, DOB, ID
- Number of Occupants/Pets/Vehicles?
- Rental/Mortgage/Owner History
- Income, Employment

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Tenant Screening

### Parts of the Rental Application

- Smoking?
- Additional deposit(s) required
- Co-signor or guarantor required
- Personal References
- Authorization to investigate credit, criminal and rental/ownership history
- Signatures of all applicants 18 & over
- Separate applications for each adult even if married (required in most states)

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---



## Tenant Screening

### Processing the Application

- Follow office policy/procedures manual (Office Operations course)
- Do not refuse any application
- Review all disclosures with applicants
- Avoid personal opinions or remarks
- Train all office staff

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Tenant Screening

### Processing the Application

Review application carefully

- Check for missing information
- Meets all requirements
- Have proper documentation
- Verify identification
- Review signatures with ID
- Look for “Red Flags” that signal risks
- *Don't be afraid to request additional information!*

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Tenant Screening

**VERIFY ID CAREFULLY!!!!**

### Acceptable Forms of Identification

- § Driver's license with photo
- § State issued ID with photo
- § Passport
- § Employer issued ID

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---



## Tenant Screening

### Processing the Application

- Written Income Verification
  - Employment pay stubs
  - W-2's or 1099's
  - Latest tax return
  - Investment Account Statements
  - Letter of hire/employment agreement or offer
  - Other?

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Tenant Screening

### Processing the Application

#### Verifying Self-employed Income

- Current 1099 tax form
- Federal Income Tax Returns for last 2 years
- Reliable Balance Sheet, YTD Income Statement
  - Verified by CPA
  - Signed by CFO
- Bank Statements
- Other?

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Tenant Screening

### Processing the Application

- Verifying Other Income
  - Retirement, 401K, IRA
  - Trust, Investment Accounts
  - Social Security
  - Disability
  - Welfare
  - Other?

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---



## Tenant Screening

### Processing the Application

- Verbal Verification of Income
  - Ask for PERSONNEL or HUMAN RESOURCES
  - Verify details of employment
    - Full time or part time
    - Length of employment
    - Compensation
    - Other

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Tenant Screening

### Processing the Application

- Credit Reports
  - Know the credit reporting laws
  - Learn to read credit reports accurately
  - Cross-reference data to the application
  - Look for inconsistencies
    - Match the social security numbers
    - Match names
    - Compare addresses
    - Review employment information

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Tenant Screening

### Processing the Application

- Criminal background Reports
  - Know the reporting laws
  - Learn how to read the report accurately
  - Report includes arrest date, charges, court decision, and status
  - Juvenile records are not reported
  - Misdemeanor verses felony convictions
  - Sex offenders

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---



## Tenant Screening

### Processing the Application

- Interviewing Current/Current Landlords
  - Be clear about who you are, why you are calling and what information you need.
  - Develop a list of open-ended questions
  - Be Consistent
  - Use a form to document answers
  - Do not give commentary
  - Listen for indirect information "Red Flags"

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

---

## Tenant Screening

### Processing the Application

- Questions for Landlords
  - Verify address leased and length of tenancy
  - Verify number of occupants in property
  - Question pets and smoking in property
  - Ask number of delinquent rent and NSF payments
  - Inquire about condition of property
  - Ask about complaints from neighbors
  - Ask if he / she would you rent to applicant again
  - Other?

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

---

## Tenant Screening

### Processing the Application

- If Applicant Owns Home
  - Ask for documentation of ownership
  - Check county/city records
  - [WWW.DOMANIA.COM](http://WWW.DOMANIA.COM) (paid service)
  - Check resident telephone number
  - [WWW.REVERSEPHONEDIRECTORY.COM](http://WWW.REVERSEPHONEDIRECTORY.COM) (paid service)
  - If property is listed for sale, verify condition and sale-ability with real estate agent
  - Inspect and/or drive by property, if possible
  - Other?

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

---



## Tenant Screening

### Traits of Fraudulent Applications

- Applicant does not have a photo I.D.
- Applicant has name of known personality  
Example - Brad Pitt
- Names do not match on reports
- Different, invalid social security numbers
- Age verses date of birth do not match
- Addresses are all P.O. Boxes
- Area code does not match address

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

---

## Tenant Screening

### Traits of Fraudulent Applications

- There is no credit file
- Credit references are all closed out
- Credit **ALERT** on report
- Job title misspelled
- Salary doesn't match position and/or length of employment
- Years employed does not match age

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

---

## Tenant Screening

### Traits of Fraudulent Applications

- Relatives are employers
- Employer answers phone "Hello"
- Employer appears phony
- Relatives are landlords
- Landlord cannot answer questions
- Landlord gives different information
- Other fraudulent landlord traits?

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

---



## Tenant Screening

### Traits of Fraudulent Applications

- Information is false
- Applicant delays screening process or does not cooperate with providing information
- Applicant *very* anxious to move in
- Applicant wants to do property improvements or repairs
- Information appears to be deleted, scratched out or White Out is used.

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Tenant Screening

### Approving the Rental Application

- Notify applicant as quickly as possible
- Make clear any immediate requirements
  - Deposits required
  - Co-signer required
- Document acceptance
- Notify property owner
- Follow up on final move-in details

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Tenant Screening

### Charging Deposits

- Amount often regulated state/locally
- Refundable verses non-refundable
- Increased deposits due to poor credit/ animals/smokers
- Damage bond insurance
- Other

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---



## Tenant Screening

### Charging Non-Refundable Fees

Conditions often regulated by state law

- Not refundable
- Income for owner
- Should it be disbursed immediately or held until the end of tenancy?

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Tenant Screening

### Denying the Rental Application

- Notify the applicant
  - By telephone, e-mail, fax
  - Do it quickly
  - Use proper denial letter if based on credit report
- Notify the owner
- Identify and notify back up applicants

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Tenant Screening

### Denying the Rental Application

- Identify the areas that caused the denial i.e., credit, landlord references, income
- Refer to written policies
- Refer to credit bureau/screening company used for reports
- Listen to all objections if offered
- Repeat decision calmly, respectfully and firmly

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---



## Executing the Lease



Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

---

## Executing The Lease

- The property manager has followed their screening policies using proper care in selecting the tenant.
- It is now time to enter into a contract to establish the tenancy. It is also the time to build a working relationship with the new resident.

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

---

## Executing The Lease

- Executing the lease agreement obligates the tenant to its terms and conditions and the property manager to perform all landlord duties ethically and legally.

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

---



## Executing The Lease

- Abide by government regulations and ordinances
- Give full disclosures
- Include appropriate detail
- Be specific in instruction
- Be clear and concise

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Executing The Lease

### Law of Agency

- Disclose name/address of owner(s)
- Disclose relationship of owner with management company
- Disclose relationship of tenant with management company
- Disclose property owner real estate license if required by law
- Disclose who licensee represents

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Executing The Lease

### Disclosure Requirements

- Credit bureaus/screening company used
- Lead based paint  
[WWW.EPA/GOV/OPPTINTR/LEAD/LEADPDFE.PDF](http://WWW.EPA/GOV/OPPTINTR/LEAD/LEADPDFE.PDF)
- Smoke detectors
- Asbestos
- Radon
- Death - Natural/Unnatural
- Unusual conditions
- State/Area specific
- Other?

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---



## Executing The Lease

### Rental/Lease Term

- Month to Month
  - One month period
  - Renews automatically unless terminated
- Lease
  - Beginning and ending date
  - Automatically converts to month-to-month
  - Hold-over clause
  - Lease options
  - Requirements for Lease Renewal
  - Language requirement according to law

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

---

## Executing the Lease

### Lease Contents

- Owner / landlord names
- Tenant / occupants
- Property address / legal description
- Term
- Rent
- Deposit(s) / non-refundable fees
- Other items chargeable to tenant

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

---

## Executing the Lease

### Lease Contents

- Utilities requirements
  - Area trends
  - Included/Not included in rent
  - Utility payments expected for shared utilities
  - Lien potential for property owner
  - Other

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

---



## Executing the Lease

### Lease Contents

- Insurance requirements
  - Tenant content and liability coverage
  - Liability coverage for daycare/group homes
  - OSHA requirements for home business
  - Water filled furniture
  - Pet
  - Livestock
  - Hot tub and pool
  - Other?

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Executing the Lease

### Lease Contents

- Tenant obligations
- Addendums
  - Smoking
  - Pet
  - Smoke alarm
  - Lead based paint
  - Water filled furniture
  - Property maintenance instructions
  - Other?

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Executing the Lease

????????????  
??? Lease Clauses ???  
??? Group Activity ???  
????????????

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---



## Executing the Lease

### Lease Contents

- Property Condition Move-in Report
  - May be regulated by state law
  - Performed together with tenant and manager
    - Pros ?
    - Cons ?
  - Performed separately by tenant and manager
    - Pros ?
    - Cons ?
- Signatures

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

---

## Executing the Lease

### Reviewing & Finalizing Lease

- Obtain signatures of all parties before giving tenant possession of property
- Obtain all initials and dates for any physical changes written on lease
- Provide copy of lease and attachments
- Obtain all funds according to policies
  - Take only certified funds or cash \* personal check as company policy dictates

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

---

## Occupancy Period



Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

---



## Occupancy Period

The tenant(s) have been procured, screened, moved in and now you will find out the measure of success from your preparations.

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Occupancy Period

### After Move-In Actions

- Change locks (may be legally required)
- Remove sign, lockbox
- Stop advertising
- Follow up on maintenance
- Input new tenant contact information in data system, i.e. email/phone numbers
- File tenant documents
- Insure utility transfer

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Occupancy Period

### Types of Communications for New Resident

- Move-in gift
- Welcome letter
- Welcome package
  - Payment coupons/envelopes/labels
  - Insurance information
  - Maintenance information
- Resident Handbook
- Other?

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---



## Occupancy Period

### Communications During Tenancy

- Verbal
  - Follow up with written documentation
  - E-mail confirmation
- Written
  - Document all pending major problems
  - Document management policies
  - Seasonal messages
  - Newsletters

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Occupancy Period

### Resolving Tenant Disputes

- Don't ignore a complaint
- Remain respectful and calm
- It's not personal, about winning, losing or blame
- Listen, acknowledge tenant's position
- State the facts and stay focused on the issue
- Be willing to compromise
- Apologize if wrong or made a mistake
- Do what you promise

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Occupancy Period

### General Condition - Outside

- Watering
- Yard care
- Snow Removal
- Field/acreage maintenance
- Pool
- Other

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---



## Occupancy Period

### General condition – inside

- Check required detectors
  - Smoke
  - Carbon Monoxide
  - Radon
- Secure water heater brace
- Walk through the rooms to see they are clean and well maintained
- Check anywhere there is water for damage
- Confirm scheduled repairs are completed
- Other?

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Occupancy Period

### Habitability

- HVAC
- Plumbing
- Electrical
- Physical structure, basement, roof, walls
- Security
- Other?

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Occupancy Period

### Maintenance (RMP® Habitability and Maintenance)

- Work Order Procedures
  - Normal Service Requests
  - Accessibility
  - Animals
  - Minor Children
- Emergency
- Disaster
- Policy on Tenant Repairs

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---



## Occupancy Period

### Maintenance (Cont)

- Proper Notices
- Tenants Meet Vendors
- Key For Vendor
- Property Key Box
- Other?

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Occupancy Period

### Rent Collection

- Due dates
- Grace Period
- Late/Delinquent Rent
- Non-sufficient funds
- Late Notices
  - Proper service
  - Timely service

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Occupancy Period

### Tenant Violations

- Unauthorized tenant/occupant/pet
- Disturbance
- Unauthorized activity at property
- Illegal activity at property
- Property damage
- Outstanding rents, fees, utilities
- Inoperable vehicle(s)
- Others?

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---



## Occupancy Period

!!!!!!!!!!!!!!  
Tenant Violations  
Group Activity  
!!!!!!!!!!!!!!

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

---

## Occupancy Period

### Property Surveys/Inspections

- Drive-by inspections
- Owner requested inspections
- Lease mandated inspections
- Insurance mandated inspections
- Sales mandated inspections
- Housing Authority Inspections
- Other?

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

---

## Occupancy Period

### Types of Notices

- Notice to Terminate Tenancy – no fault
- Pay Rent or Vacate
- Lease Violations
- Statutory Compliance Notices
- Notice Of Intent To Enter Property
- Other?

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

---



## Occupancy Period

### Potential Legal Issues

- Abandonment
- Eviction
- Property Inhabitable/Tenancy Terminated
- Dangerous Animal
- Foreclosure
- Bankruptcy
- Criminal Activity/Conviction
- Death

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

---

## Occupancy Period

### Owner Decides to Sell Property

- Have a sales clause in the lease
- Identify the Selling Agent
- Work with Realtor/listing agent
- Notice required to show the property
- Rent consideration to the tenant

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

---

## Occupancy Period

### Notice to Terminate Tenancy

- Tenant gives notice to terminate
- Owner, agent gives notice to terminate
- Terminating a month to month tenancy
- Terminating at end of lease term
- Terminating prior to end of lease term (breaking the lease)

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

---




## Occupancy Period

Foreclosure

- Immediate termination of tenancy
- Refund prepaid rent, deposits
- Government action to protect tenant

Copyright © 2009



RMP® Tenancy

---

---

---

---

---

---

---

## Move Out Procedures



Copyright © 2009



RMP® Tenancy

---

---

---

---

---


---

---

## Move Out Procedures

The relationship that you have built with the tenants during their tenancy, should enable their move out to be accomplished smoothly.

Copyright © 2009



RMP® Tenancy

---

---

---

---

---

---

---



## Move Out Procedures

### Notification Follow-up

- Confirm with tenant
- E-Mail tenant move out procedures
- Notify owner
- Begin marketing property
  - Sign
  - Keybox
  - Advertising

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Move Out Procedures

### Request for Tenant Reference

- Tenant did/did not give proper notice
- Tenant leaving before end of term
- How much do you reveal?
  - Move-in / move-out dates
  - Payment history
  - Condition of property
  - Other?
- What are your obligations verses liabilities?

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Move Out Procedures

### Eviction

- Uncontested
- Contested
  - Unlawful Detainer
  - Delaying tactics
  - Claims of tenancy
- Mediation

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---



## Move Out Procedures

### Types of Terminations to Avoid

- Retaliatory eviction
- Constructive Eviction (Habitability issues)
- Abandonment

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## Move Out Procedures

### Taking Possession of the Property

- Perform Move-out Inspection
- Returning Keys
- Notifying Utilities
- Taking Photos /video
- Arranging for cleaning and repairs
- Updating property condition

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## After The Tenancy



Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---



## After the Tenancy

Your tenant has vacated the property and it is now time for you to close the 'Tenancy Cycle', by getting the home ready for procuring your client's next tenant .

---

---

---

---

---

---

---

## After the Tenancy

### Having a Vacant Property

- Inspect property with owner
- Maintenance inspection
- Documenting condition
- Arranging for major improvements
- Track time limit for returning security deposit
  - Legal time limit varies from state to state

---

---

---

---

---

---

---

## After the Tenancy

### Deposit Refund Accounting

- Know your state/local laws
- Assimilate all information
- Itemize all deductions
- Document deductions
- Review normal wear and tear
- Interest calculation if applicable
- Other?

---

---

---

---

---

---

---



## After the Tenancy

### Problems Following Move Out

- Damages
- Money disputes
  - Owner
  - Tenant
- Disposition of personal property according to state law (abandonment, eviction)
  - Garage sale value
  - Waiting period
  - Public sale

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

## After the Tenancy

### Collections

- Money judgments
- Small claims actions
- Wage garnishments
- Attachment of property
- Turn over to Collection Agency
- Credit Reporting Bureau
- Guido
- Other?

Copyright © 2009  RMP® Tenancy

---

---

---

---

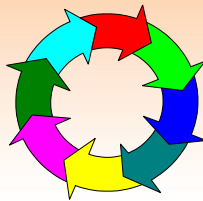
---

---

---

## Tenancy Cycle Completed!

- Procuring the Tenant
- Tenant Screening
- Executing the Lease
- Occupancy Period
- Move out Procedures
- After the Tenancy



Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---



# The End

Please fill out  
your evaluation forms

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---

*Thank you for attending our class*

**Other NARPM® courses:**

Office Operations

Habitability and Maintenance

Marketing

Dates and location listed on [www.NARPM.ORG](http://www.NARPM.ORG)

Copyright © 2009  RMP® Tenancy

---

---

---

---

---

---

---



## Proposed Changes for Tenancy Course

### General

- If kept as a PowerPoint, change the template (since this uses the tenancy cycle, a Prezi format may be better in terms of a visual aid)
- Adhere to the tenancy cycle throughout in terms of structure (include steps in arrows of cycle and visually cue those steps throughout presentation)
- Spelling and grammar throughout in instructor notes and slides themselves.
- Change course objective to something more meaningful
- Objectives for each step of the cycle/presentation
- Remove other? from slides throughout (and provide some answers in the notes sections throughout)
- More planned group activities throughout
- Bullet points that are on the slides are awkward in many instances

### Procuring the tenant

- Update why people become tenants to cover those impacted by foreclosure (video story potential)
- Separate renters by choice/renters by necessity screen
- Laws effecting tenancy separate jurisdictions and include laws
- Add religion to protected classes
- Add notes to SCRA
- Megan's Law belongs with state laws based on federal directive
- Update lead-based paint with 2010 changes
- Reformulate EPA mentions on notes – the examples are dated
- State law examples in fair housing regurgitates federal law instead of actually providing new laws (i.e., income, sexual orientation)
- Local laws: notes mention push on code enforcement, but no mention of what that push is or what those laws are (smoke detector, locks, etc.)
- In case law and "other" law section, examples are needed in the instructor notes (case law not defined)
- Web sites for organizations need to be checked and updated
- Economic conditions need to be drawn out in instructor notes and layers of factors need to be broken out on slides
- Some procuring vs. screening slides appear to be mixed or disorganized.
- Discrimination is brought up throughout procuring and screening when it really should have been covered more thoroughly under fair housing in the law section.
- Procuring the tenant (forms); there is no explanation of what those forms are and why they are needed (for example, receipts)



- Pre-screening techniques are included and should be separated into their own slides for structure-sake
- Establishing Rent in Procuring the Tenant section needs to be moved to economic conditions. Rent control on that same slide should be in local laws' section
- Procuring the tenant: Slide involving number of occupants needs a resource/student handout for HUD guidelines (referenced in notes, but should be more). Same slide continues to ask questions in instructor notes, but provides no direction
- Procuring the tenant slide – on different types of tenants mentions handicapped (already addressed) and then just lists a number of possible tenants with questions – again no direction; nothing definitive. For example, same slide mentions renters insurance and notes indicate, “Are you going to require renters’ insurance? Does your state require tenants have insurance?” I don’t really think anything is formulated in that way.
- Procuring the tenants --- listing forms to be used – awkward wording (is it really forums and addresses places to list property). Following slide uses other media to use. It may be a sub-set of procuring and may be more appropriate to place closer to pricing the property.

## Screening the Tenant

- Be consistent slide (it’s just an image on a slide, which is fine. But it is the only one of its kind in the presentation)
- Break up actual first informational slide (screening vs. qualifying or eliminating)– wordiness of slides needs to be addressed throughout.
- Sample qualifying criteria need to be included
- Visual cues on parts and processes of applications (currently just a list)
- Mention of Red Flags made before Red Flags are defined and articulated
- Verbal income verification is mentioned, but no direction given (several instances of this throughout)
- Sample credit/ criminal background reports should be visual cues as opposed to just listing things to look at on reports (it mentions make sure you know how to read one, but really doesn’t provide guidance)
- Denying rental application – mentions proper letter, but no example (example needed)
- More linkage to policies and screening benchmarks needed throughout

## Executing the Lease

- Planned group activity for executing the lease – a walk-through, etc.
- No rationale given for disclosures
- Parts of a lease should be illustrated (not just listed)

## Occupancy Period

- First slide mentioned Code of Ethics, but really the standard applies to procurement as well, so I’m not sure why it is located here
- More of a theme needs to be drawn with successful screenings lead to successful occupancies



- Communications mentioned, prior to mention of policies on communication (for example written vs. verbal maintenance requests)
- Foreclosure needs to be updated with requirements under Protecting Tenants at Foreclosure Act

### **Move Out Procedures**

- Needs better-defined eviction modes/legalities. I would wager that this is not that understood among property managers. A lawyer will handle it, but shouldn't the property manager at least know how he thinks an issue should be dealt with?

### **After the Tenancy**

- Slide on tenancy cycle completed – if it's a cycle, is it really completed? I would rephrase and make part of the structure



Outline for Tenancy			
Learning Unit Title	Learning Objectives	Teaching Techniques	Estimated Time
Procuring the Tenant	<ul style="list-style-type: none"> <li>• Distinguish "renters by necessity" from "renters by choice"</li> <li>• Outline case, local, state and federal laws affecting tenancy</li> <li>• Identify the economic conditions that impact procuring tenants</li> <li>• Explain the best practices for advertising for tenants</li> <li>• Understand the ways in which rental price should be established</li> </ul>	Live Lectures and PowerPoint Handouts	45 minutes
Tenancy Needs	<ul style="list-style-type: none"> <li>• Have uniform policies</li> <li>• Identify proper written agreements</li> <li>• Comply with Fair Housing</li> </ul>	Live Lectures and PowerPoint Handouts	45 minutes
Tenant Screening	<ul style="list-style-type: none"> <li>• Identify the ways in which potential tenants can be screened for qualifications</li> <li>• Outline the restrictions that can be placed on tenants</li> <li>• Understand the sections and questions found on rental applications</li> <li>• List the "Red Flags" that may be found on a rental application</li> <li>• Outline the steps for processing a rental application</li> <li>• Identify the ways in which a rental application can be approved or denied</li> </ul>	Live Lectures and PowerPoint Handouts	60 minutes
Executing the Lease	<ul style="list-style-type: none"> <li>• Identify the components of a lease</li> <li>• Determine the necessary parts of a lease</li> <li>• Review leases for adequacy</li> </ul>	Live Lectures and PowerPoint Handouts	30 minutes
Occupancy	<ul style="list-style-type: none"> <li>• Identify potential legal issues</li> <li>• List forms of mediation and resolution</li> <li>• Outline foreclosure requirements as they relate to tenants</li> </ul>	Live Lectures and PowerPoint Handouts	60 minutes
Move Out Procedures	<ul style="list-style-type: none"> <li>• Determine proper move-out procedures</li> <li>• List the steps of following up</li> <li>• Determining the best way to take possession</li> </ul>	Live Lectures and PowerPoint Handouts	30 minutes



After the Tenancy	<ul style="list-style-type: none"> <li>• Identify wear and tear in a rental</li> <li>• Refunding the deposit</li> <li>• Securing a vacant building</li> </ul>	Live Lectures and PowerPoint Handouts	30 minutes	

**Total clock hours: 300 minutes**



## Tenancy Exam

1. All of the following are "~~r~~Renters by ~~n~~Necessity" except:
  - a. Young people first starting out
  - b. Empty-~~n~~esters
  - c. Students
  - d. Those in the area for short period of timeAnswer: B
2. Which of the following are not included in the federal part of the 7 Federally protected classes of ~~f~~Fair ~~h~~Housing:
  - a. Familial Status, Sex, Race
  - b. Handicap, Race, National Origin
  - c. Familial Status, Race, Color
  - d. Source of Income, Race, GenderAnswer: D
3. The ~~f~~Federal ~~a~~Act that allows a tenant to break his or her ~~their~~ lease when called up to active military duty is called:
  - a. Civil Service Relief Act
  - b. Military Clause Act
  - c. Servicemembers Civil Relief Act
  - d. Military Relief ActAnswer: C
4. True or False: Oftentimes, ~~the~~ local laws are more restrictive as they relate to ~~f~~Fair ~~h~~Housing ~~than the s~~State and ~~f~~Federal ~~laws are:~~
  - a. True
  - b. FalseAnswer: True

- ~~5. All but one of the following is an example of laws affecting tenancy:~~  
~~a. Law of Gravity~~  
~~b. Case law~~  
~~c. Community Associations~~  
~~d. NARPM Code of Ethics~~  
Answer: ~~A Question with the law of gravity as the answer seems unprofessional. The questions may want to gauge the level at which a law originated and its likely impact~~

- Possible replacement:  
~~5. All of the following could impact how a landlord procures a tenant, except:~~  
~~a. City ordinance on occupancy levels~~  
~~b. Decision of a judge from a landlord-tenant dispute a year earlier~~  
~~c. State discussions surrounding raising the minimum wage~~  
~~d. NARPM Code of Ethics~~

Ans. C

- ~~6. Economic conditions that may affect your ability to procure the tenant must be looked at:~~  
~~a. Nationally~~

**Formatted:** Numbered + Level: 1 +  
Numbering Style: 1, 2, 3, ... + Start at: 1 +  
Alignment: Left + Aligned at: 0.25" + Tab  
after: 0.75" + Indent at: 0.75"

**Formatted:** Numbered + Level: 2 +  
Numbering Style: a, b, c, ... + Start at: 1 +  
Alignment: Left + Aligned at: 0.75" + Tab  
after: 1" + Indent at: 1"



~~b. Statewide~~  
~~c. Locally~~  
~~d. All of the above~~  
Answer: ~~D~~  
Awkwardly worded

Possible replacement:

6. Landlord Joe is looking at economic conditions that may impact his ability to draw tenants. He would want to consider:
- a. Whether cuts will be made to the nearby military base
  - b. A software manufacturer relocating its headquarters nearby
  - c. State income tax breaks for those earning less than \$100,000 annually
  - d. All of these

Ans. D

7. True or False: "Great property for the single professional" and "Perfect location for that married couple who want to be close to the city." are examples of ~~good~~ words/phrases you want to put into your advertising:

- a. True
- b. False

Answer: False

8. Some offices opt to \_\_\_\_\_ the prospective tenant before actually showing the property:
- a. Check out
  - b. Pre-screen
  - c. Qualify
  - d. Pre-examine

Answer: B

9. Which of the following is ~~not~~ NOT a way to get a comparable market analysis in order to establish a rental amount for your property?

- a. Rental Home Professionals This may be construed as favoritism toward a partner. May want to change to Multiple listing service
- b. Your own portfolio
- c. Your friend who has a similar property in another part of town
- d. Your competitors

Answer: C

10. In most cases, according to HUD guidelines, a \_\_\_\_\_ limit is reasonable:

- a. Two-persons-per-bedroom
- b. One-person-per-bedroom
- c. Two-persons-per-bedroom plus one
- d. 6 person per household

Answer: A

11. Which of the following would not be a company screening policy?

- a. Charging screening fees
- b. Standard qualified criteria
- c. Paying referral fees
- d. Requiring a co-signer

**Formatted:** Indent: Left: 0"

**Formatted:** Numbered + Level: 1 +  
Numbering Style: 1, 2, 3, ... + Start at: 1 +  
Alignment: Left + Aligned at: 0.25" + Tab  
after: 0.75" + Indent at: 0.75"

**Formatted:** Numbered + Level: 2 +  
Numbering Style: a, b, c, ... + Start at: 1 +  
Alignment: Left + Aligned at: 0.75" + Tab  
after: 1" + Indent at: 1"



Answer: C

12. Which of the following ~~is found~~ should be included on the rental application?
- a. Terms for tenancy
  - b. Number of occupants
  - c. Income
  - d. All of the above

Answer: D

13. True or False: It is not necessary to train all of the office staff on processing applications because the property manager is the only one who interacts with the applicant.
- a. True
  - b. False

Answer: B

14. Which of the following is not an acceptable form of identification?
- a. Passport
  - b. State-issued ID with photo
  - c. Voter registration card (depending on the state, this could also be a state issued photo ID). Possible replacements: Library card or Trade association membership card
  - d. Employer-issued ID

Answer: C

15. Which of the following is an acceptable income verification document?
- a. Bank deposit receipts
  - b. Current employer pay stubs
  - c. Hand-written note from employer
  - d. Three-year-old tax return

Answer: B

16. When investigating landlord history, it is best to \_\_\_\_\_.
- a. Ask the landlord yes or no questions
  - b. Ask spontaneous questions
  - c. Contact only the current landlord ~~only~~
  - d. None of the above

Answer: D

17. True or False: Discovering false information on the application should be reason for concern even if the applicant's credit ~~and~~ criminal background reports, and landlord history are okay.
- a. True
  - b. False

Answer: A

18. True or False: To avoid any legal liability, the property manager should not give an applicant the reason for denying his or her application.
- a. True
  - b. False

Answer: B



This may vary based on location

19. ~~All of the following are required disclosures except?~~

- ~~a. Where to send the rent~~
  - ~~b. Lead-based paint~~
  - ~~c. Name and phone number of credit reporting agency~~
  - ~~d. Agency representation~~
- Answer: ~~A~~

Possible replacement:

19. Tina, a property manager, would have to inform the prospective tenants:

- a. The name of the person who owns the property management company
- b. Whether the unit falls under federal lead-based paint guidelines
- c. Of the name and number of the credit reporting agency if they prospects were denied
- d. Any agency disclosures required by her state

ans. A

20. The lease agreement includes which of the following?

- a. Rent and deposit amounts
- b. Term of tenancy
- c. Move-in inspection report
- d. a and b

Answer: D

21. Which of the following should not be included in a ~~w~~elcome ~~p~~Package?

- a. Welcome letter
- b. Payment coupons/envelopes/labels
- c. Blank work orders
- d. Owner contact information

Answer: D

22. Which of the following can affect the habitability of a home? (depending on the nature of the plumbing issue, this could be incorrect)

- a. Plumbing (possible change to: The size of the front yard)
- b. Smoke/carbon monoxide/radon detectors.
- c. Appliances
- d. Cleanliness

Answer: A

23. Which of the following could result in a ~~b~~Breach of the ~~Lease~~lease?

- a. Disturbances
- b. Pets
- c. Maintenance
- d. All the above

Answer: D

24. Which is not an example of a potential ~~l~~Legal ~~p~~Problem?

- a. Deferred maintenance
- b. Dangerous animals



- c. Foreclosure
- d. None of the above

Answer: D

25. Which of the following is not an example of a notice?

- a. Notice to Quit or Pay
- b. Notice of Non Renewal
- c. Notice of Foreclosure
- d. None of the Above

Answer: D

26. In regards to ~~f~~Foreclosures, once the property has been foreclosed upon, who do you represent? (I'm not sure this is adequately covered in the current content. Recommendation is to include with additional information on Protecting Tenants at Foreclosure Act)

- a. The owner
- b. The tenant
- c. The realtor that has the listing from the mortgage company
- d. None of the above

Answer: D

27. In ~~f~~Foreclosure proceedings, you have obligations to the ~~t~~Tenant.

- a. True
- b. False

Answer: True (If nothing else you have a moral obligation) (again, additional information may be included)

28. Which of the following is not a type of eviction?

- a. Retaliatory
- b. Constructive (~~h~~Habitability).
- c. Abandonment.
- d. Default.

Answer: C

29. After the tenant has vacated the property, which of the following does not have to be accomplished?

- a. A full make--ready
- ~~b. Notify the next of kin~~ Providing a positive reference for the tenant
- ~~c. Deposit accounting~~
- ~~d. Calculate interest (if required by your state indicating this causes it to be an obvious correct answer)~~ Determining normal wear and tear

Answer: B

30. In regard to collection actions, who do you least want to turn your claims over to for collection action?

- a. Guido (reword):
- b. The credit reporting agencies
- c. A collection agency



d. The legal system  
Answer: A