

## **Evaluations and Maintenance Expectations**

As your Real Property Management (RPM) Stellar Property Manager (PM), we have a contractual fiduciary responsibility to the property owner to perform all agreed-upon services in the management agreement, including maintenance and property evaluations. These services help protect property owners from legal liabilities and keep residents safe and comfortable.

### **Rent Ready and Curb Appeal**

Rent-ready properties are those that have been thoroughly cleaned, repaired and are ready to move into. Much has been said in our industry with regard to “broom swept” properties. Remember, many residents will only keep a home in as good a condition as they received it; if they move in and the carpets are not clean, the walls not touched up, and the home is dirty or in disrepair, they will not have any incentive to keep the home in good condition. A good guidepost for what rent ready is to ask yourself, “Would I move into the property today and keep it up?” Rent-ready properties have curb appeal and appear tidy, inviting, and appealing even from a distance. Putting time and effort into a property’s cosmetics will improve curb appeal and help ensure that the property:

- Rents more quickly
- Yields the highest rent
- Attracts the best residents

When residents move into a property, they are moving into their home, not “just a house.” To keep residents happy and motivated to pay rent on time, ensure that you maintain their home in good condition and that you are responsive to repair requests.

We will ensure the properties are managed effectively via periodic evaluations and look at them with “fresh eyes” to see what a perspective resident would see. Keep debris cleaned up and landscape fresh. Common items to keep in mind are the sidewalks, front entryways, doorways and windows of the home. It is also a great idea to keep any planter area’s free of weeds and debris.

### **Managing Expectations**

It is important to manage expectations up front with clear and concise communications early in the relationship. Your RPM Stellar PM will provide competitive estimates and work with vendors to make repairs within a reasonable timeframe. You will receive Real Property Management invoices, not vendor invoices to prevent confusion down the road. Below are additional responsibilities your Property Manager will fulfill:

- Discuss the initial walk through procedure with the owner to help make the home rent-ready with the **Property Information Sheet**.
- Let the owner know which repairs are “typically” requested from new residents.
- Provide an “Owner’s Manual” and “Wear and Tear” Criteria.
- For new residents: Provide a resident handbook to outline resident responsibilities with regard to maintenance and upkeep of the property.

- Discuss with the residents that you work for the owner and explain the maintenance process with them so that they understand your company does not make decisions regarding upgrade or major replacement

The residents and management consent to a rental agreement that implies a warranty of habitability, a promise that the property is suitable for living. However, wear and tear conditions begin immediately after any building's construction, so individual components may fail and, in turn, cause damage to other components. Regular maintenance is necessary to address these issues while they are still minor. Routine maintenance is the most effective strategy for providing well-functioning properties and reducing owners' long-term operating costs.

### **Strategies**

Ultimately, we want to create a pleasant and safe living environment for the residents who, in turn, will treat their new home with respect and care, thus protecting the Owner's investment.

Another strategy to help prevent property management issues related to maintenance is to avoid:

- Properties with poor curb appeal
- Homes with existing safety concerns
- "As is" homes that obviously need necessary repairs
- Homes that are unable to achieve rent-ready condition

### **Resident Move-In Maintenance**

Moving into a new home often begins with an initial "honeymoon period." However, within a few days of moving into their rental home, new residents may report minor problems such as:

- Dripping faucet
- Rattling heater
- Slowly flushing toilet
- Mold growth in a basement window

To help alleviate repair shock, anticipate these additional services. Budgeting for additional funds to solve the new residents' small repair requests may be considered.

### **"As Is" Strategy**

A good strategy may be renting the property "As Is." This "As Is" stipulation should be an actual part of the application and the lease agreement. Even with an "As Is" clause, new residents may still present you with a list of repairs shortly after move in. Quickly distinguish a "repair request list" (**Resident move in evaluation form**) from a "statement of condition" (no need to perform repairs, just noted facts) from the residents. If the statement of condition does not align with your Move-In Evaluation, then we will ensure we document all property conditions with reports, photos, and signatures.

## **Resident Expectations**

The way residents treat the home will greatly affect the amount of time and resources required to keep the property in good repair. To make property management smoother for all parties, residents will be provided a resident handbook that includes a firm list of resident requirements. Resident requirements include:

- Keeping premises clean and sanitary
- Disposing of garbage and refuse in an approved manner
- Complying with all lease terms, building, housing, and health codes
- Not destroying, defacing, damaging, impairing, altering or removing any part of the premises or property

With proper notice, residents must allow the landlord to enter to assess the property. In the lease and at the lease signing, we will inform residents that we will conduct Property Evaluations and will document and photograph the properties condition, and will share this information with the owner.

## **Resident Misconceptions**

On occasion, residents may have misconceptions about what may be a covered expense or emergency repair. Clearly explain what is, and what is not, a covered repair or routine maintenance.

The following are common resident misconceptions and reasons why these misunderstandings may arise:

- The resident's previous apartment community fixed every repair without asking any questions
- The resident experienced different property manager policies at the last home they rented
- The resident assumes that state and local laws are the same as those in other states where they have lived
- The resident misinterprets what really affects their personal health and safety

## **Types of Maintenance**

Performing maintenance on properties under management may be performed in house or contracted with maintenance Vendors, who are certified and insured. Different types of maintenance require different responses. Follow this model for prioritizing maintenance in your Real Property Management Stellar office.

- Start-up
- Routine/Preventive
- Emergency
- Rehabilitative

## **Start-Up Maintenance**

Start-up maintenance is a top priority as it essential to get a home on the market as quickly as possible. Begin start-up maintenance with a complete initial New Client Property Review Checklist, which should cover everything from leaky pipes to dead batteries in the smoke detectors. After the Property Evaluation, advise the owner of any required start-up maintenance, and secure an agreement for repair completion. Follow up with communication and with photos, and answer any questions your owner may have.

## **Escrow Funds**

To cover repairs and immediately meet residents' needs, owners are encouraged to set aside an amount of up to 1 to 1.5 times the property's monthly rent rate. Having available cash to complete timely repairs helps increase resident retention and motivates residents to take care of the home.

## **Maintenance Limits**

To streamline your maintenance practices, your RPM Stellar PM will establish a maintenance limit. The maintenance limit is a specified dollar amount that, when achieved, requires the owner's preauthorization before work can begin. This dollar amount applies per maintenance job request. A communication will be delivered to the owner within 24 hours to advise you of the nature of the repair or replacement and the cost if available.

An owner may refuse to set up a maintenance reserve account, called a "portfolio minimum," which will require a maintenance liability waiver.

## **Ongoing Routine Maintenance**

Ongoing routine maintenance includes seasonal upkeep, winterization, summer readiness, periodic property evaluations, and general maintenance. Periodic Property Reviews are also a good source of information for Owner's and Residents alike. They may be conducted with photos (or even a video) and comments and/or suggestions for the property on an annual, bi-annual or in the case of multi-family housing on a quarterly basis. Fees for this type of service average \$100 per report.

## **Emergency Maintenance**

No one likes to consider the possibility of a failed furnace or air conditioner, evictions, resident-caused damage, personal injuries, natural disasters, and other emergencies because they can be financially and emotionally disruptive. However, proper planning and financial preparation can help make any situation tolerable for owners and residents. Emergency requests will be resolved with urgency and responsiveness both during and after hours. All emergency repairs will be addressed as soon as possible and documented to protect the owner and resident.

## **Keys and Lockboxes**

All keys will be properly organized and secured at the RPM Stellar office. Another practice is to leave a lockbox at each property with an agreement stating the resident is

to make the box available with a key whenever maintenance is necessary. This way there is no need to “check” out a key only a code to the lock box that the resident is responsible for placing a key in and placing on the door each time a work order is issued and the resident will not be present.

### **Rehabilitative Maintenance**

Rehabilitative maintenance is defined as a repair required to correct code violations, make repairs or replacements after an unexpected disaster or emergency, upgrade the facilities, or to address safety and health hazards. Often, these are significant home repairs requiring immediate attention. Common items needing repair include roof repair, foundation repair, plumbing, electrical, sewer systems, or HVAC repairs. This can include new windows and additional insulation to help the home be more energy efficient.

Oversight, and scheduling of these types of projects are outside the scope of most management agreements and should be negotiated separately on a time and materials basis.