

1. Risk – how much liability is this going to create?

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2. Profit – how much profit is this going to create?

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2. Profit – how much profit is this going to create?

3. Ease – how much difficulty is this going to create?

1. Risk

2. Profit

3. Ease

Goal = Balance

Marc Cunningham is not licensed to practice law. Any information provided in this presentation, whether verbal or written is provided for example purposes only and is not legal advice. An attorney should be consulted before relying on any information herein.

8 Owner Management Agreement Issues

Q1: How much contact should my owner have with my tenant?

Q1: How much contact should my owner have with my tenant?

A: NONE!

Management Agreement Clause #1

Owner agrees to have no contact with Tenant(s). Furthermore, Owner agrees and understands that if Owner has any contact with Tenant(s) in person, by mail, by phone, by e-mail, or otherwise;....

Management Agreement Clause #1
...in the event of a legal dispute which results in litigation, the owner may have to testify in person in any legal proceeding.

Who should approve the applicant:
The Property Manager or the Owner?

Q2: How can I oversee and deal with all of the maintenance headaches effectively?

Q2: How can I oversee and deal with all of the maintenance headaches effectively?

A: Have a maintenance system, and charge for it

Management Agreement Clause #2

Any vendor invoice may be billed to Owner at a rate of cost plus ___%, or at current market rate, as determined by Broker.

Q3: What should I do when my owner asks me to do things outside the scope of my management services?

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A: 1. Define your services

Q3: What should I do when my owner asks me to do things outside the scope of my management services?

A: 1. Define your services
2. Charge for it

Management Agreement Clause #3

Reoccurring inspections, representation at court hearings, depositions, homeowner meetings, property tax assessment appeal hearings, insurance claim related paperwork, city or county building inspections, and other exceptional building, property or resident related events are not covered by the monthly management fee.....

Management Agreement Clause #3

.....Normal property management services also do not include showing property to real estate agents, inspectors, appraisers, or prospective buyers. Should Agent perform services not included in normal property management, a fee of \$____ per hour, with a one hour minimum, may be assessed at Agents discretion.

Q4: What should I do when my owner wants to be called in advance of any repair expenditures?

Q4: What should I do when my owner wants to be called in advance of any repair expenditures?

A: Set expectations

Management Agreement Clause #4

The expense to be incurred for any one item of maintenance; excluding work on hot water heaters, HVAC systems or roof; shall not exceed the sum of \$_____ unless such expense is specifically authorized by Owner,....

Management Agreement Clause #4

.....or is incurred under such circumstance as Agent shall reasonably deem to be necessary. Such repairs shall be made by Agent at Owner's expense without Owners prior approval.

Q5: What should I do if my owner wants "no pets", but the applicant has a "service animal"?

Q5: What should I do if my owner wants “no pets”, but the applicant has a “service animal”?

A: Set expectations

Management Agreement Clause #5

Owner understands that state and federal law govern “service animals” and “emotional support animals”, and those animals are NOT legally considered pets, and therefore pet policies do not apply.

Q6: What should I do if my owner is difficult to deal with, or asks me to do something unethical or illegal?

Q6: What should I do if my owner is difficult to deal with, or asks me to do something unethical or illegal?

A: End the relationship

Management Agreement Clause #6

Agent may terminate this agreement at any time with a written notice to Owner.

Q7: What should be the length of term of the management agreement?

Q7: What should be the length of term of the management agreement?

A: 30 days

Management Agreement Clause #7

This agreement shall commence on _____ and shall automatically renew on a month-to-month term until either party terminates by providing at least 30 days written notice prior to the end of the month to the other party.

Q8: How do I get my owners to agree to changes in my management agreement?

Q8: How do I get my owners to agree to changes in my management agreement?

A: Don't require a signature for changes

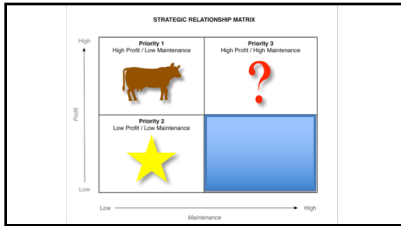
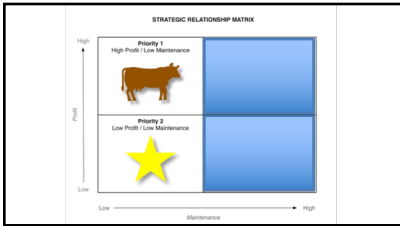
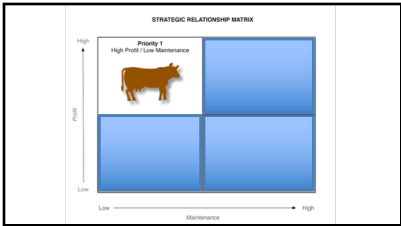
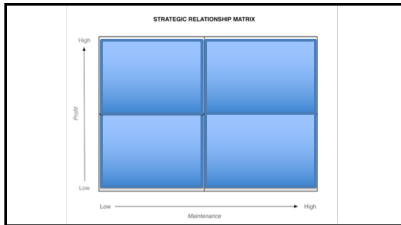
Management Agreement Clause #8

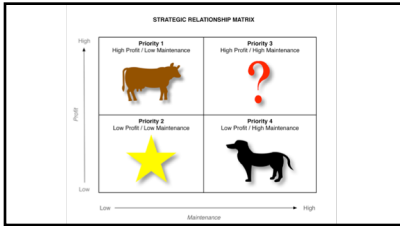
At the expiration of the initial and any subsequent term of this agreement, all terms and conditions are subject to change by Agent, with a 30-day notice to Owner.

Owner Screening

Criteria for Selecting Clients

Use a client-value matrix





Q1: Is this client financially stable?

Q1: Is this client financially stable?
 Q2: Is this client emotionally stable?

Q1: Is this client financially stable?
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 Q3: Is this client realistic in expectations?

Q1: Is this client financially stable?
 Q2: Is this client emotionally stable?
 Q3: Is this client realistic in expectations?
 Q4: Is this client willing to give me control?

How to Handle Owner Disputes

How to Handle Owner Disputes
 The Question to Ask Yourself:
 "Do I want to win,
 or
 do I want the problem to go away?"

Knowing when to fire a client

Question:
 "Knowing now what I know about this client;
 if I could go back in time,
 would I work with them again?"

8 Tenant Lease Agreement Issues

Q1: Should I charge a pet deposit?

Q1: Should I charge a pet deposit?

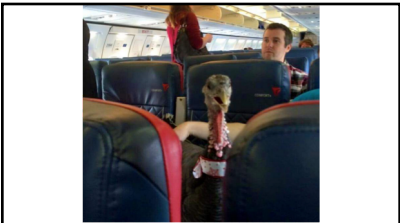
A: Charge an increase in the security deposit, but do not classify it a pet deposit?

Q: When is an animal NOT a pet?

Q: When is an animal NOT a pet?

A: When it is a Service Animal

Service Animals



Service Animals

- Service Animals requests
 - Treat as a reasonable accommodation / modification request
 - 3 criteria test

3 Criteria test for reasonable accommodation / modification

1. There must be a disability

3 Criteria test for reasonable accommodation / modification

1. There must be a disability
2. The accommodation / modification must be necessary to fully enjoy the property

3 Criteria test for reasonable accommodation / modification

1. There must be a disability
2. The accommodation / modification must be necessary to fully enjoy the property
3. The request must be reasonable

True or False

You can charge additional security deposit for a service animal.

True or False

You can charge additional security deposit for a service animal.

FALSE

True or False

A landlord must accept a pet if that pet is registered as a certified 'therapy animal' or certified 'emotional support animal'?

True or False

A landlord must accept a pet if that pet is registered as a certified 'therapy animal' or certified 'emotional support animal'?

FALSE

National Service Animal Registry
[Register Your Animal - List of Disabilities](#)
 NSAR: The most complete, professional service dog registry available. Certify your disability and register your dog as a service animal in minutes. See your...
Emotional Support Animals - National Service Animal Registry
[Register Your Animal - National Service Animal Registry](#)
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List of Disabilities - National Service Animal Registry
[Register Your Animal - National Service Animal Registry](#)
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[Register Your Animal - National Service Animal Registry](#)
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Service Dog Certification - Spotting Fake Certification/Registration/ID
[Register Your Animal - National Service Animal Registry](#)
 NSAR: The most complete, professional service dog registry available. Certify your disability and register your dog as a service animal in minutes. See your...
US Service Animals: Service Animal & Emotional Support Animal
[Register Your Animal - National Service Animal Registry](#)
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Q2: Can I evict my tenant if they always pay late, but never pay the late fee?

Q2: Can I evict my tenant if they always pay late, but never pay the late fee?

A: Yes, as long as you are evicting for outstanding rent; not outstanding late fees

Lease Agreement Clause #2

Monies paid by you shall first be applied to any non-rent obligation due. At our option and without notice, we may apply money received first to your non-rent obligations,

Lease Agreement Clause #2

..... then to rent regardless of notations on checks or money orders and regardless of when the obligations arise.

Q3: What if my tenant refuses to sign a new lease or lease renewal?

Q3: What if my tenant refuses to sign a new lease or lease renewal?

A: Charge a hefty month-to-month rental rate

Lease Agreement Clause #3

If we have not received a signed written notice of intent to vacate from you, and your lease term has expired, you will be on a month-to-month lease term. Your rent will increase by _____ % per month on a month-to-month lease term.

Q4: What if my tenant sneaks in a pet?

Q4: What if my tenant sneaks in a pet?

A: Don't get mad, inspect, consider allowing it

Lease Agreement Clause #4

No pets of any kind are allowed (even temporarily) anywhere on the premises, unless we've so authorized in writing. If we discover a pet on the property you will pay us \$ _____ per day until the pet is removed plus an inspection fee of \$ _____

Q5: What if my tenant wants to add a roommate?

Q5: What if my tenant wants to add a roommate?

A: Consider it, and use a lease assignment form

Q6: How do I deal with marijuana in my rental property?

Q6: How do I deal with marijuana in my rental property?

A: Do not allow it

Lease Agreement Clause #6

Recreational marijuana use is legal in Colorado. However, both Colorado law and federal law give us the right to prohibit it. Marijuana use, possession, and /or growing is prohibited on the property and violators will be evicted.

Q7: What if my tenant is considering suing me?

Q7: What if my tenant is considering suing me?

A: Do not allow them to 'subrogate' their claim to their insurance company

Lease Agreement Clause #7

Unless prohibited by law, Resident waives any insurance subrogation rights or claims against Landlord, Owner, and their insurers.

Q8: Do I have to keep repairing appliances when tenants abuse them?

Q8: Do I have to keep repairing appliances when tenants abuse them?

A: No

Lease Agreement Clause #8

If any appliances cease to function we may or may not repair or replace the appliance at our discretion.

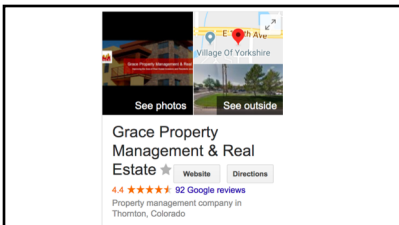
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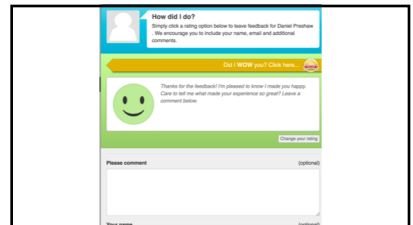
Be a
Principled-Pragmatic

How to improve your
online reputation
& reviews



ASK for an online review

How did I do? 😊 😐 😞



Hello _____,
 I hope you are having a nice week!

You had recently shared some words of thanks with us regarding a maintenance issue that was resolved by our team member, Andrew. Thank you for taking the time to write that email, as compliments like yours are a great source of encouragement to our entire team!

We are currently gathering some testimonials to use in our on-line advertising and I wanted to ask you if you would please enter your comments online for us?

It would mean a lot to us, and especially to Andrew if you would mention him by name with an 5-star online review.

To make it simple, I have pasted below a link that will take you directly to our reviews page on Google. Google will ask you to login to your Google account, and you will then be directed to write the review and rate our service (1-5 Stars). I have also typed below some of the comments that you had made so that you can easily copy and paste if you prefer to do that, rather than having to write something new.

Incentivize your team

Does it really matter:

Does it really matter:

1. Prospects TELL us that is why they are calling

Does it really matter:

1. Prospects TELL us that is why they are calling
2. Clients call our PM's directly because they saw their name in a review

What about negative reviews?

Guidance:

1. DO respond

Guidance:

2. Wait 2 weeks after the post to respond

Guidance:

3. Keep your response short and professional

Guidance:

4. The audience for your response is NOT the offended party

Michael Adkins
10 months ago

Very poor communication. If you want a call within the same day forget about it! Tired over and over to get a hold of Jessica who is the rent manager and for some reason I couldn't get a hold of her and I wouldn't get a call back. Until late charges were imposed, then all of a sudden I get someone coming to my door ready to collect rent and wanting money ASAP! When finally getting in touch with Jessica I'm up trying to get in contact with her and all she says is your responsibility to get a hold of me. How can I, if you don't call back in a timely matter? Jessica sure called once late fees had occurred and didn't even try to work with me on reducing the late fees. In which I would have avoided any late fee if Jessica would have just returned my phone call on the first day, not the next day or two days after I call you.

Response from the owner 7 months ago

I am sorry that you had this bad experience with us. We are required to enforce the late fee process outlined in our lease agreement. We do our best to respond to all calls as quickly as possible and if we didn't respond timely in this instance, I apologize.

Marc Cunningham, President

Grace Property Management & Real Estate
2000 E. 100th Ave, Thornton, CO

4.5 ★★★★★ 68 reviews

Best for: Limited service

Justin Johnson 3 months ago

I rent a house that just had the Management contract took over by Grace Property Management. FIRST they treated my disabled kid not the way that we needed for my kid because they said one was not disabled and that the other disabled someone were able to by the 3rd of every month instead of the 5th that we have been paying on for years.

SECOND they haven't made any effort to help me pay my bills because they still haven't put us in their online payment system yet.

THIRD I haven't had one whole bill message sent to me by mail or email and they expect me to pay when I pay rent with out knowing the amount due!

FOURTH they will not respond to any email for 6 months now and be telling me that sometimes there are no bills get sent out??

These houses with business fees that McDonalds could have received the issues to perform better business but instead they just riggers and lie.

68 reviews

Response from the owner 3 months ago

7/9/18 - Although we try our best to work with all our residents, sometimes we are not successful in making everyone happy. I take all feedback seriously, and I have personally looked into these issues and spoken by phone to the offended resident. I am sorry for any errors or mistakes we have made that have caused undue stress.

Marc Cunningham, President

Michael Adkins

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Marc Cunningham, President

11/9/18 - Update: Tenant was evicted for operating a marijuana grow facility in the property.

Michael Adkins

www.PropertyManagementSystem.org

Marc@RentGrace.com

slides

