

SUCCESSFUL PROPERTY MANAGEMENT PRINCIPALS

Samuel K. Freshman, Chairman - Standard Management Company

1. Screen tenants with a thorough background check and criteria with regards to income, credit, and number of occupants per unit. Having a month or two longer vacancy is a lot less expensive than the cost of having to remove a tenant that is not paying rent or damaging the property. Be careful not to violate government regulations in the process.
2. Broaden your potential Tenant pool by properly advertising, taking advantage of social media, Craigslist, and large employers in the area.
3. Promptly start eviction on tenants not paying rent. Serve default notice within three days of the due date. Contact the Tenant on the day after the default.
4. Pay attention to how Tenants make their income.
5. Do not over borrow as recessions and emergencies occur from time to time. We continuously say "Murphy was an Optimist". Have sufficient reserves to cover emergencies and to get through the recession periods.
6. Know the rules and regulations for evicting tenants, what you can and cannot do in tenant applications and what the tenants and landlords respective rights are where your property is located (they differ from jurisdiction to jurisdiction.)
7. Be sure that you have adequate information on the tenant including a copy of their driver's license, a person or persons to contact in an emergency if something should happen to them on your premises or their work place etc.
8. Have a large enough property to create an adequate website that arranges for tenants to pay their rent online using ACH so that it comes directly from their bank account.
9. Make sure that tenants are required to have renters insurance if there is any damage to their possessions, the unit or matters which can be covered by claim against the landlord, (many of these items would be covered by renters insurance.)
10. Inspect the building frequently usually not less than twice per month. Also make sure that your onsite staff is performing and that the properties are adequately maintained. Also periodically audit the books and records to make sure that all rents are being properly being accounted for and that tenants are not paying by cash.
11. Constantly search for ways to improve the property to bring you a higher positive cash flow return. Today most apartments are purchased in a good neighborhood at 4 to 6% return on total cost. Upgrades which will allow you to raise rents can bring returns as high as 15 to 20%. Therefore money spent on a property you already own when justified can produce a much higher return than monies spent to acquire additional property.
12. Be careful in hiring property staffing, the performance of a property in relation to other properties in the area is almost entirely dependent on the quality of your staff. A wide variance can be found among similar properties in a neighborhood and those having better managers and staff produce higher occupancy, a better appearance, and rents than those having less qualified or motivated staff.
13. Watch operating expenses carefully and charges or of service vendors such as plumbers, electricians, landscape maintenance etc.
14. Look for opportunities to join with other property owners in purchasing large scale items such as insurance, (appliances and maintenance supplies.)