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17 Questions For A Property Manager

1. How long has your property management company been in business?

Many Realtors are starting Property Management companies because home sales are slow. These same firms will likely stop handling property management when the sales market strengthens because they are good at selling, not managing. You want a firm that specializes in Property Management & Leasing and will be around in the long term. Don't fall for the "our office has 20 years *COMBINED* experience". This could mean they have 5 people each with 4 years of experience.

2. How long has the Property Manager you are talking with been doing Property Management?

The Property Management industry has high turnover. Will the property manager you are talking to still be around next year?

3. How many properties do you manage and can I get references from your Owners?

Make sure the firm manages enough properties to know what they are doing but not so many that you become just a number. 'Google' the management company and read the on-line reviews.

4. Where is your office located and in what geographic areas do you manage?

A good Property Management company won't try to manage everywhere. Find a company that specializes in your neighborhood and is close by.

5. Imagine your 'worst case scenario' as an owner and ask the Property Manager how they would handle that situation.

A good Property Manager will be prepared to handle just about any scenario you can imagine, and give you a good explanation of how they will respond.

6. What is your marketing program for my property?

A comprehensive marketing program will use professional signage and extensive Internet advertising. Ask how many web sites will list your property – the more the better. 60% of people looking for rentals go to more than 5 sites, 25% search more than 10 sites.

7. What are your criteria for qualifying applicants?

This can be the most important aspect of leasing. When an individual is interested in renting your property they should complete a rental application. The applicants' income, employment, credit, criminal, eviction, and sexual predator history should be reviewed. This information should be analyzed through a model, helping to insure you get a high quality tenant.

8. Can I review your lease agreement?

Not all lease agreements are created equally. Make sure the lease protects you with specific language that states the tenant may ONLY file legal claims against the Management Company, and not you as the Landlord. See Grace Management lease Paragraph 34 for details.

9. Who takes care of maintenance requests?

The tenant should contact the Management Company directly for any repair problems that arise. After they have spoken to the tenant to confirm the nature of the repair issue and whose responsibility it will be, they should send out the appropriate vendor to make the necessary repairs. If a tenant has caused the damage, they should be back-billed for the cost. If the repair is due to no fault of the tenant, the cost of the repair should be billed to the Owner of the property. Only vendors who meet high standards of quality, timeliness and competitive pricing should be used. There must also be a 24-hour service in the case of maintenance emergencies.

10. What happens if a tenant does not pay rent?

In the event that a tenant does not pay rent the legal eviction process must be followed closely, promptly and carefully. The Management Company should handle all aspects of the eviction process including preparing and serving the appropriate legal notices, appearing in court on behalf of the Owner and if necessary, scheduling and performing a physical eviction with the county sheriff. What are the legal costs associated with this process?

11. What designations do you have? Does the Management Company have?

Both the Property Manager and the Management Company must be licensed with the state of Colorado and should be members of some of the following professional associations:

- * *National Association of Residential Property Managers (NARPM)*
- * *Certified Property Manager (CPM)*
- * *Denver Metro Commercial Association of Realtors (DMCAR)*
- * *Colorado Association of Realtors (CAR)*
- * *National Association of Realtors (NAR)*

12. What do you charge for Management?

This fee varies from company to company.

13. What do you charge for Leasing and who pays for advertising?

This fee varies from company to company.

14. What happens when the tenant moves out?

When a tenant vacates a property the Management Company should immediately complete a move out inspection and handle the security deposit disposition. They should then prepare the unit for a new tenant to move in as quickly as possible.

15. What insurance do you carry and what should I carry?

The Management company should carry at least \$1MM in coverage on both themselves and their vendors. You should carry a Landlords policy that covers you for lost rents in the case of destruction of the premises and liability coverage of \$1MM.

16. How often will you inspect my Property?

Drive by inspections as well as interior walk-through inspections should be performed regularly.

17. Why should I select you for my Management Company?

Select a Management company that meets the above criteria and you feel comfortable with.