
Property Manager System Manual



Purpose Statement:

To improve the lives of real estate investors and residents through property management solutions.

Systems Manual: Property Manager (PM)

KRA's – Key Result Areas:

- * Position Overview / System Manual Overview – p4
- 1. Resident relations – p5
- 2. Owner relations – p9
- 3. Security deposit returns – p12
- 4. Prepare / List new properties for rent –p16
- 5. Assist DA with delinquent rent collection –p21
- 6. Maintenance Coordination –p23

Templates:

1. Residents

- a. GM No Longer Managing
- b. GM Intro for Existing Resident
- c. Non-Renewal Letter
- d. Repair Request Confirmation
- e. Paint Addendum
- f. Security Deposit Dispute Form.docx
- ff. Security Deposit Dispute Form.pdf (.pdf version of 1f)
- g. Security Deposit Dispute Settlement Agreement
- h. Lease Renewal Steps

2. Owners

- a. Advertising Notification- EM
- b. M/R Notification - EM
- c. Notification of Change in Assigned PM
- d. Reletting Notification
- e. Vacancy Update-EM
- f. Notice of Mgmt. Termination
- g. Owner Make-Ready Policy
- h. Rules for Owners Visiting Occupied Properties
- i. Google Testimonial Request
- j. Account termination checklist
- k. Owner doing sec dep refund – EM
- l. Sec Dep turned over to owner – checklist
- m. Wear & tear vs damage.doc
- mm. Wear & tear vs damage.pdf (.pdf version of 2m)
- n. Sec Dep return law.pdf

- o. Owner Sec Dep return form
- p. Security Deposit Return Authorization
- q. HOA Information Form
- r. Maintenance Emails
- s. Release of Liability

3. Office Docs

- a. Behavioral Values
- b. Office Policy
- c. Letterhead
- d. Billing Invoices - FOLDER
 - aa. Marketing invoice
 - bb. App fee waived
 - cc. CO detector install
 - dd. Legal invoice
 - ee. Professional Service invoice
 - ff. Water-Sewer invoice
 - gg. Gas-Electric invoice

4. Vacancy / Advertising

- a. Vacancy Template
- b. Advertising Language ideas
- c. Property Information - FOLDER
- d. Make Ready Board
- e. HUD Advertising Guidelines
- f. Fair Housing Word List
- g. What is Rent-Ready
- h. Move-in property info sheet
- i. Pet logo Images- FOLDER

5. Other

- a. PE Sheet – PM
- b. Redirecting Monthly Calendar
- c. Property Management Wisdom
- d. Rental Life Expectancy
- e. Passwords
- f. Furnace Services- FOLDER
- g. Sprinklers.Swamps- FOLDER
- h. Asbestos Renovation Guidelines
- i. Carbon Monoxide Alarm Law- Colorado
- j. Warranty of Habitability Law
- k. Security Deposit Guidance- THS
- l. GM Paint Colors

Position Overview – Property Manager (PM)

The Property Manager will report to the VP of Property Management (VPM).

The Property Manager will be the primary contact point for all Landlords. The property manager shall always represent Grace Management as “Denver’s Premier Property Management Firm” and themselves as one of Denver’s “Premier Property Managers”.

The PM must be able to relate to all types of people and must have critical thinking and decision-making skills; as well as use diplomacy to diffuse and solve any situation that arises.

The PM shall comply with all rules, regulations and commission position statements as defined in the Colorado Real Estate Manual.

System Manual Overview:

The system shall run the business, and the team members shall run the system.

Systems are simply road maps or instructions that allow the Grace Management processes to be repeated and easily duplicated.

Property management done on a large scale is an extremely complex business with many moving parts. In order for Grace Property Management to be successful, it must be consistent.

The purpose of the system manual is to provide a consistent and specific way of doing business, and to ensure that each property, resident, owner, and as much as possible, each situation, are treated the same. Also, the system manual will define HOW Grace Property Management will do property management.

The System Manual will provide each team member with specific KRA's (Key Result Areas) for which they are responsible and a specific measure of success for each KRA, so that each team member always knows whether or not they are succeeding.

Team members should always refer to their specific system manual to determine the answer to a question before bringing that question to the VP of Property Management (VPM).

Any deviation outside of the system must be recognized as an exception to the system. While exceptions are necessary from time to time, each exception is by nature inefficient, and should therefore be avoided.

Each team member shall constantly work to improve the system. One purpose of the monthly Performance/Evaluation meeting with the VP of Property Management (VPM) is to ensure that on-going system improvements are suggested, discussed and implemented.

Variation = Weakness

1- Resident Relations

Measure of Success: Receive 1 written compliment and no complaints per month.

1. Per Grace Management office policy, all calls, e-mails, and any other forms of contact with the Grace Management office must be returned within 24 business hours of the time the original contact was made.
2. All fact-based resident questions should be directed from the resident to the Resident Services Coordinator (RSC). The RSC will be the initial Grace Management (GM) point of contact for all residents.
 - a. Fact-based questions are those questions from residents for which GM already has in place a clear policy on the issue AND no judgment is required. Examples include: questions on roommate transfers, basic resident disputes, basic lease term questions, complaints, and requests for lease paperwork.
 - b. Should a resident become verbally abusive, make the RSC feel threatened in any way, or escalate beyond the control of the RSC, the resident will immediately be directed to the PM.
 - c. E-mail contact shall be the preferred method of contact between resident, PM and RSC. All e-mail communication should always have the property address as the e-mail header.
 - d. The PM should use discretion to decide when an email conversation with a resident needs to stop and should be done by phone. A good rule of thumb is that e-mail should be used to give general information or short fact-based communication. Phone should be used when a lengthy explanation is needed or when an issue is escalating and tempers are rising. Remember that people can interpret incorrect tones and attitude in e-mail that you may not have meant to give. So when in doubt – pick up the phone!
3. If any question, issue or complaint pertains to anything beyond a fact-based resident question or requires input, a decision or a judgment, the resident will be directed to the PM.
 - a. Once a question or issue has been passed to the PM, the PM should follow existing Grace Management office policy to resolve the issue.
 - b. If the PM is not able to adequately resolve the issue, it should be passed to the VP of Operations (VPO).
4. In the case of any reported minor lease violation, a Lease Violation / Complaint Form (template 4e.a. in the RSC system folder) shall be filled out and worked by the RSC.

Major lease violations shall be worked by the PM. In the case of major lease violations, the PM should inspect the property for such violation within 48 hours.

5. For resident questions pertaining to late payments of rent, the contact should be forwarded to the Director of Accounting (DA) and DA shall follow existing GM office policy for collection.
 - a. PM shall review all outstanding resident rent balances at the group meeting each Wed between PM's and the DA. (See KRA 5- Assist DA with Delinquent Rent Collection)
6. When an error is made by Grace Management resulting in a request by a resident for compensation, the PM should ask the resident what they believe would be a fair and equitable solution BEFORE offering any type of compensation payout.
 - a. When appropriate this refund should be at the expense of the property / owner. When this is done the PM should fill out the 'Rent Credit Form' (template 4c) found on the DA system folder and place this form in the in-box of the DA.
The PM is authorized to issue a resident rent credit of any amount without prior approval from the VPM, IF this refund will be at the expense of the property / owner.
 - b. If the error was **NOT** property specific, but rather the result of a Grace Management office error or mistake, then GM will issue a resident rent credit directly.
The PM is authorized to issue a resident rent credit up to \$50 without prior approval from the VPM IF this refund will be at the expense of Grace Management.
When requesting such rent credit; the PM should fill out template 5B (Misc. payment form) found on the DA system folder and submit the form to the VPO for a check to be issued.
7. It is imperative to document in writing anything outside of the ordinary.
 - a. When communicating with a resident by phone and a decision is made through conversation, the PM should follow up with an e-mail (sent through AppFolio) to the resident to confirm in writing the decision made or course of action that is going to be taken.
 - b. All tenant e-mail correspondences should take place through AppFolio so that we have a forever record of all e-mail communication.
8. The PM will work the lease renewal process as follows:
 - a. 90 days before a lease expiration date the RSC will print and distribute to each PM a list of their properties for which lease agreements are expiring.

- b. When it comes to lease renewals and rent increases, the goal is to try and get the rental rate to as close to market rent as possible, but not lose a quality resident over a rent increase unless it cannot be avoided.
- c. The PM should review this list, research appropriate renewal rates, write in the desired renewal rate and return to the RSC within 10 days of receipt so that the RSC can work the lease renewal process. Keep a copy of this for yourself so you can use this to review the renewal when it comes back to you for signing. NOTE- If tenant is not on a GM lease, the PM shall instruct the RSC to prepare a new GM lease agreement.
- d. The PM should use 'Tags' within AppFolio to assist with the lease renewal process and ensure no oversights occur during the lease renewal process. The following tags should be used when necessary and can be added by viewing the Tenant page in AppFolio (Tags section is located to the left of the tenant contact info):
 - aa. See AppFolio Notes
 - bb. Notify Owner- When owner wants involvement in the lease renewal process OR their plans for the property may change (i.e. selling)
 - cc. Below Market Rent
 - dd. Non-Renewal- Used when tenant meets the GM Non-Renewal Policy (template 2d in the RSC system manual)
- e. In researching the current rental rate, the PM may wish to pull a RentRange.com report, use Zillow.com, rentometer.com, zilpy.com, look for comparable properties GM currently manages, or use other online tools.
- f. When determining the renewal rate to be offered the PM should take the following into account:
 - aa. Current rental rate vs what the resident is currently paying
 - bb. Length of time resident has been in the property
 - cc. Length of time since residents last rent increase
 - dd. Quality of resident – late payments history
 - ee. Landlord's objectives – maximize income vs maintaining tenancy
- g. Per the GM lease agreement, all month-to-month tenancies shall result in a minimum rental rate increase of \$200 or 15%, whichever is greater. This is done by the RSC.
- h. When the RSC has completed the lease renewal process, the PM should follow the 'Lease Renewal Steps (template 1h) to review, sign, and complete the lease renewal process.
- i. If the PM will NOT be renewing a resident lease agreement for any reason, they must send the resident a completed notification of non-renewal (template 1c). The PM should also call and e-mail the resident to

ensure they have received the notification and are aware of the non-renewal.

- j. For a list of reasons why GM may NOT want to renew a current resident lease agreement, see RSC template 2d (non-renewal policy).
9. If any prospective or current resident asks for any type of “reasonable accommodation request” or “reasonable modification request”, including service or assistance animals; inform them that they will be contacted by the VPO to complete the processing of their request.
- a. Immediately inform the VPO by e-mail of the specifics of the request and the VPO will work the process while keeping the PM informed.
 - b. The handling of this request and process is very important as it is regulated by HUD. Fair housing laws and guidelines govern both the process and outcome and there are potential legal discrimination issues that must be considered.
10. For resident questions pertaining to lease assignments or subletting, the contact should be forwarded to the Resident Services Coordinator (RSC) and the RSC shall follow existing GM procedures to work the request to completion.
- a. PM should be aware that many GM team members are involved with the lease assignment process; therefore, all attempts should be made to collect the full lease assignment fee.
 - b. PM should understand that per the terms of the tenant(s) lease agreement, tenant(s) does not have the right to Assign or Sublet.
 - b. PM may, at his/her discretion, reduce the \$500 lease assignment fee to \$250 ~~if~~ the request falls within 90-days of the tenant(s) lease expiration.

2- Owner Relations

Measure of Success: Receive no complaints per month.

1. Per Grace Management office policy, all calls, e-mails, and any other forms of contact with the Grace Management office must be returned within 24 business hours of the time the original contact was made.
2. All owner questions should be directed from the owner to the Property Manager (PM). The PM will be the initial Grace Management point of contact for all owners.
 - a. Should an owner become verbally abusive, make the PM feel threatened in any way, or escalate beyond the control of the PM, the owner should be passed to the VPM.
 - b. Should an unhappy or disgruntled owner ever mention or threaten to involve legal counsel, lawyer, attorney, real estate commission, better business bureau, against Grace Management for any reason, the PM must immediately forward the owner to the VPM; who will handle the situation from there.
 - c. E-mail contact shall be the preferred method of contact between owner, and all GM team members. All e-mails should have the property address as the memo line on the e-mail header. However, if an owner prefers phone communication, the PM should be aware of that and communicate in that way.
 - d. When communicating through e-mail, all owner e-mail correspondences should take place through AppFolio so that we have a forever record of all e-mail communication.
 - e. The PM should use discretion to decide when a conversation with an owner needs to stop on e-mail and should be done by phone. A good rule of thumb is that e-mail should be used to give general information or short fact-based communication. Phone should be used when a lengthy explanation is needed or when an issue is escalating and tempers are rising. Remember that people can interpret incorrect tones and attitude in e-mail that you may not have meant to give. So, when in doubt – pick up the phone!
 - f. When communicating with an owner by phone and a decision is made through a conversation, the PM should follow up with an e-mail (through AppFolio) to the owner to confirm in writing the decision made, or course of action that is going to be taken.
 - g. If an owner has a complaint or dispute with Grace Management policy, the PM should refer to the existing 'Residential Management Agreement'

From time to time the PM will perform services for owners or properties that do not fall within the scope of services as defined in the management agreement. For those additional services the PM should bill the property accordingly.

- The PM shall be paid 50% of the profit earned by Grace Management for billings to owners, for these additional services.
- When the PM creates this invoice for professional services, the PM should e-mail the VPM a copy of the billing statement with a request for 50% payment to be made to them for the rendering of these services.
- Per the terms of our existing 'Residential Management Agreement', all non-property management services are to be billed to the property at a rate of \$75 per hour. For Fire restoration, rehabilitation, major repairs or insurance claims, Owner will pay the cost of such repairs plus an oversight fee of 20%.
- When the PM does work outside the scope of normal property management services and is NOT going to bill for this service, the PM should still make up an invoice for the work and write "waived per (your name)" on the invoice and treat the invoice as a paid bill. Doing this will create goodwill from the owner and the owner is more likely to realize we are doing valuable work for them without charge.

Should the PM believe a property management account or owner should be terminated they must first get approval from the VPM before terminating such account.

- Property Management accounts should be reviewed for termination when an owner is determined to be:

3. From time to time the PM will perform services for owners or properties that do not fall within the scope of services as defined in the management agreement. For those additional services the PM should bill the property accordingly.
- a. The PM shall be paid 50% of the profit earned by Grace Management for billings to owners, for these additional services.
 - b. When the PM creates this invoice for professional services, the PM should e-mail the VPM a copy of the billing statement with a request for 50% payment to be made to them for the rendering of these services.
 - c. Per the terms of our existing 'Residential Management Agreement', all non-property management services are to be billed to the property at a rate of \$75 per hour. For Fire restoration, rehabilitation, major repairs or insurance claims, owner will pay the cost of such repairs plus an oversight fee of 20%.
 - d. When the PM does work outside the scope of normal property management services and is NOT going to bill for this service, the PM should still make up an invoice for the work and write "waived per (your name)" on the invoice and treat the invoice as a paid bill. Doing this will create goodwill from the owner and the owner is more likely to realize we are doing valuable work for them without charge.
4. Should the PM believe a property management account or owner should be terminated they must first get approval from the VPM before terminating such account.
- a. Property Management accounts should be reviewed for termination when an owner is determined to be:
 - aa. Financially unstable
 - bb. Emotionally unstable
 - cc. Unrealistic in expectations
 - dd. Unwilling to give up control
 - b. To initiate the termination process, follow the steps on the Account Termination Checklist (template 2J)