



Legislation, learning and lobbyists

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p22 How do you get property owners to love you?

p26 Is it better to rent out furnished or unfurnished properties?

p28 5 ways property managers can improve cyber security



It's time to work on your **business,**
not on your **weekends.**

Automate your property
management tasks.



IN THIS ISSUE February 2024

NARPM® provides resources for residential property management professionals who desire to learn, grow, and build relationships.

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NEW MEMBER REFERRALS • DECEMBER 2023

<u>REFERRING MEMBER</u>	<u>NEW MEMBER</u>	<u>REFERRING MEMBER</u>	<u>NEW MEMBER</u>
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Carla Ferguson	Tosha Carpenter	Sandra Parker	Raymond J. Tatum Jr.
Hana Goodrich, RMP®	Kat Budak	Cindy Rampley, RMP®	Robin Lance
John Liberatos	Clay Rainey	Tim Snelgrove, MPM® RMP®	Jeremy Porter
Robert Locke, MPM® RMP®	Stephen Lincoln Jr.	Megan Titche, RMP®	Fallon Lehrling

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Since 1989, the NARPM® news magazine has been a key focal point for the organization. The *Residential Resource* keeps members up to date on association events and provides valuable industry advice and insight. NARPM® members receive the *Residential Resource* as part of their membership, included in their annual dues.

The *Residential Resource* is published monthly, with occasional combined issues. Submit articles by email as a Word doc to: publications@narpm.org. You will be advised if accepted. Items mailed in for publication cannot be returned. Address changes may be forwarded to NARPM® National. NARPM® reserves the right to edit or refuse all publications for content and selection. Members are encouraged to submit articles for publication. Printed articles help earn members credit toward their designations.

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If you are not a member of NARPM® and wish to receive a yearly subscription to *Residential Resource* for \$49.95 per year (11 issues), please contact info@narpm.org to sign up.

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It is the policy of NARPM® to comply fully with all antitrust laws. The antitrust laws prohibit, among other things, any joint conduct among competitors that could lessen competition in the marketplace. NARPM®'s membership is composed of competitors; they must refrain from discussing competitively sensitive topics, including those related to pricing (such as rates, fees, or costs), individual competitors or specific business transactions, or controlling or allocating markets. NARPM® shall not restrict members' ability to solicit competitors' clients. NARPM® shall not restrict members' ability to advertise for business, provided the advertising is not false, deceptive, or otherwise illegal.

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National Association of Residential Property Managers



FROM THE DESK OF THE Chief Executive Officer

Did you know that this month we've kicked off the new education program that the NARPM® Instructors recommended to make NARPM® viable into the future? You now can take 3-hour education classes taught virtually by the National Instructors at an affordable cost of \$30 for Members and \$40 for nonmembers.

Strategically speaking, NARPM® is poised for change

Welcome to freezing February. These first two months have been very trying with much of the country under snow, while others are experiencing below-normal temperatures.

I fully understand this makes your jobs more difficult. Make sure you look at our Affiliate members to see if they can help you through this trying time: www.NARPM.org/find/affiliate-members. Let them know you are a member of NARPM®! The support of these Affiliate Members is critical to all levels of the organization, and they can help you with your business.

Did you know that this month we've kicked off the new education program that the NARPM® Instructors recommended to make NARPM® viable into the future? You now can take 3-hour education classes taught virtually by the National Instructors at an affordable cost of \$30 for Members and \$40 for nonmembers.

They are also carrying these classes at the same low fee to the National events. Make sure you check out the schedule at www.narpm.org/education/course-schedule/. We are so excited to see the former 6-hour classes redesigned into 3-hour virtual courses with no exams at the end! These classes will also still count towards working on your designations.

NARPM® has an extremely full agenda for the next two years. The Strategic Planning Committee, along with our facilitator, Floricane, has established a very aggressive plan to assist in growing NARPM®. It takes all Members to help in these efforts.

You can review the entire plan at <https://www.narpm.org/docs/about/2024-strategic-plan.pdf>. The plan's outcomes for the next two years will focus on:

Chapter Success: This outcome strengthens and expands the current remote professional program. It will ensure that Chapters have access to tools to engage Members at the local level. The Member Service Committee will work on these initiatives by keeping Members and Chapters the center of their decision-making process.

Designation Elevation: Through this effort the Professional Development Committee will demonstrate the business value of NARPM® designations and find mechanisms to support Members who are actively pursuing designations. They will also work to increase awareness of the importance of the NARPM® designation to those seeking a property manager.

Next PM Generation: NARPM® will find ways to engage younger and new Members and position them for leadership, and will look at developing an internship program and create unique learning opportunities for newer property managers. NARPM® will also investigate forming a young professional's program for younger and newer property managers.

Data and Technology: The Technology Committee will work to develop a set of operational metrics/data to be used by membership in the day-to-day operations of their business.

Marketing and Outreach: Increase awareness of NARPM®'s value proposition to the real estate industry to increase membership. The Marketing Committee will investigate developing and launching an external facing marketing and outreach campaign to build awareness and engagement.

Political Advocacy: Governmental Affairs will work to increase participation in the NARPM® PAC and Advocacy Fund to 40%, strengthening the ability to advocate for policies that benefit the property management industry. By doing this the strategy will be to enhance the visibility and value of NARPM®'s political advocacy efforts to general membership.

As you can see, NARPM® has an aggressive plan that will require a great deal of work by the Committees. We are excited to see the outcome of all these strategies. If you have input, please send me a message to CEO@narpm.org.

Finally, I want to thank Matthew Tringali and the planning committee for the first NARPM® Capitol Summit. It was a great event with lots of networking and masterminding. I feel everyone took back home some great information and enjoyed the visit with the legislature. Put this event in your plans for 2025 as it will continue to grow.

I have to give special thanks for all that each of you do for NARPM® and the support you have given to your organization. NARPM® is a great organization thanks to its members.

Stay safe and warm. Hope to see you at the Broker/Owner Conference & Expo in April!

Gail S. Phillips, CAE
NARPM® Chief Executive Officer



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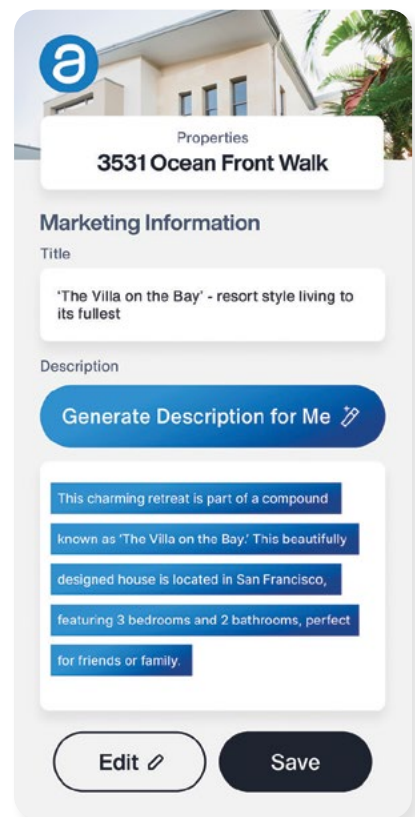
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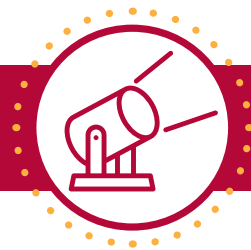
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Tracy Streich, RMP®, Broker/ Owner Conference & Expo Chair



Name: Tracy Steich, RMP®,
Renters Place, Jenks,
Oklahoma

**I've been in property
management since:** 2011

**I became involved with the
NARPM® Broker/Owner
Conference & Expo because:**
Broker/Owner was the first
Conference I attended,
and it really changed how I
managed property. When I

started managing property there were very limited resources, and NARPM® provided me with a venue to educate myself and become a truly professional property manager. Being chairman of this provides me a great opportunity to give back to the NARPM® community.

At the NARPM® Broker/Owner Conference & Expo, people can expect: A great lineup of speakers who will help property managers grow their companies and become more efficient with their current operations.

Something unique about the 2024 NARPM® Broker/Owner Conference & Expo is: David Greene the host of the "Bigger Pockets" podcast. This is our first speaker from "Bigger Pockets," and I think he's a recognizable name that will bring great content to attendees. All of our speakers this year have real estate or related experience. Nothing "motivational," but the entire lineup will motivate you with ideas to improve your property management business and systems.

The thing I'm most excited about at the NARPM® Broker/Owner Conference & Expo is: Seeing fellow property managers from around the country and reconnecting and networking with the property management friends I have made over the past 14 years.

People should attend the NARPM® Broker/Owner Conference & Expo because: This is a Conference put on for property managers by property managers. The content, networking and vendors at this Conference are setting the pace for industry. This is not something you want to skip. One nugget from these three days can change your business and increase profitability. With this lineup there is no way you have only one takeaway!

In my opinion, the greatest challenge facing property management brokers and owners today is: Increasing government mandates. This could be regarding screening, rent control or overall policies that are trending to be more tenant friendly and could impact the profits of property owners and property managers.

I joined NARPM® because: NARPM® is the only group focused on single-family property management. Single-family rentals, the market, the trends...all vary widely from our friends doing multi-family.

NARPM® membership is important to me because: It keeps me networked with property managers around the country and up to date on national legislative issues affecting the industry.

My favorite NARPM® benefits are: Education and networking.

My best advice for those who want to get involved in NARPM® is: Jump in now. I did not know anyone when I started. You can come alone to the Conference. We don't bite!

My favorite pastimes are: Pickleball and golf. 🎾





MEMBERS UNITE IN WASHINGTON, D.C.



Victoria Hecht is the NARPM® Public Relations & Digital Media Director and Residential Resource Editor.

Advocacy and action at the inaugural NARPM® Capitol Summit

Members flocked from north, south, east and west – even from as far away as Hawaii – this month for the first-ever NARPM® Capitol Summit in Washington, D.C.

Attendees connected with legislators, masterminded timely industry issues and learned from industry-relevant speakers during the Feb. 13-15 conference, all with our nation's beautiful capital at the backdrop.

NARPM® 2024 President Melissa Sharone, MPM® RMP®, who traveled from Idaho, considered it a trip well spent, noting, "We definitely felt all the love at the Capitol Summit. It was three days filled with rich education, intimate masterminding, and strong advocating. This is an event that you won't want to miss next year."

Day 1's General Sessions covered much territory, including "HUD Updates" with Doug Rice and Ashley Sheriff, "Service Fees/Junk Fees" with Kim Godsey, the Congressional Management Foundation Presentation with Bradford Fitch, "Pet Screening" with John Bradford, MPM® RMP®, and "Purpose Driven Business" with Lisa Wise, plus attendees networked with NARPM®'s valued Partners and Exhibitors and masterminded on the topics "Navigating the Lead-Based Paint Rules," "All Things Insurance," "Leveraging the Power of AI in PM" and "A Post-Junk-Fee World."

Day 2 – Valentine's Day – featured more great gen-

eral sessions, including an "Impacting Local Policies" panel and "How to Create a Great Mastermind When You Get Home," plus masterminding and networking with NARPM®'s Partners. One attendee enthusiastically observed, "This feels like the first Broker/Owner Retreat." (And you know how popular that event is now!)

On Day 3 Summit-goers rounded out their D.C. visit with an industry update general session featuring NARPM® COO Blake Hegeman, followed by "How to make the most out of the Day on the Hill" with NARPM® Governmental Affairs Directors Tyler Craddock and Troy Garrett before heading to the Capitol. State by state, attendees met during Day on the Hill sit-downs with Senators and Representatives from across the country to share NARPM®'s issues agenda for an impactful end to the Summit.

Stay tuned for information on the 2024 NARPM® Capitol Summit.

"You don't want to miss next year's opportunity to advocate for real change in the rental market and for your business," said NARPM® Government Affairs Director Troy Garrett.

Thank you to all attendees for their NARPM® advocacy efforts! 📷





Maximize Revenue and Trust Account Compliance

We know that property management companies have complex and unique needs. Enterprise Bank & Trust's Property Management team provides tailored financial solutions and integrations that allow you to focus on your management company, not your banking.

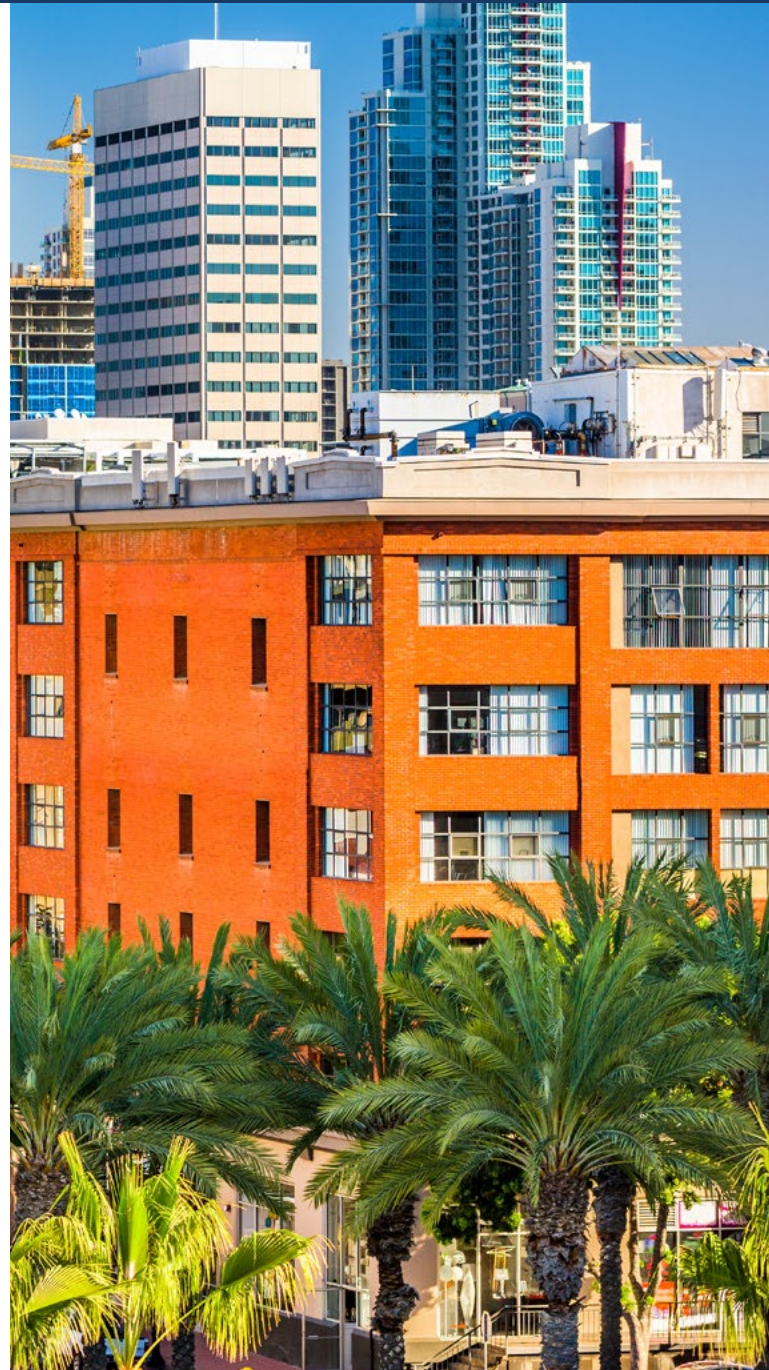
Work with our dedicated servicing team to open your accounts and verify that all of the compliance standards are met to ensure that your clients' and tenants' funds are fully protected.

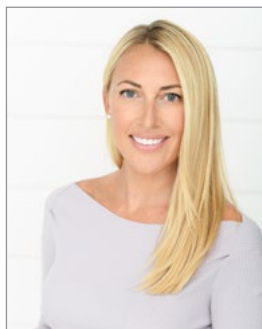


NMLS# 593661



Scan to discover the benefits of **expert** property management banking





Allison DiSarro is Senior Vice President of Specialty Banking at Enterprise Bank & Trust. With more than 15 years of banking experience, she leads property management banking at Enterprise.

How property managers can get the most efficiency from their banking relationship

A dynamic and consultative banking relationship might not be at the top of your priority list for creating and realizing growth for your business. However, there could be reasons to amend the list when you consider the opportunities your banker can offer.

Not all financial services providers understand the unique aspects of property management operations and the associated challenges that are key to success. Those with professionals dedicated to being a proactive partner in safeguarding assets, enhancing efficiency and unlocking potential in this industry can truly provide meaningful improvement.

As resources for property management companies become even more stressed, a banking professional equipped to provide guidance on adhering to complex requirements for maintaining compliance of trust accounts can be critical. This is especially important when considering the need to open, properly vest and manage these accounts to ensure clients' and tenants' funds are fully protected.

EXPECT MORE THAN BASIC TRANSACTIONS FROM YOUR BANK

Market fluctuations continue to challenge property owners, and high-touchpoint and communicative client service provides stability, reliability and consistency regardless of the economic climate. Trust is critical, and a banking team should have a verifiable track record of property management experience.

Any bank can agree to take on a new business relationship, but not all can offer the same safeguards and services.

If a bank does not offer all of the following tools and services, there could be missed opportunities:

- Remote deposit capture
- ACH origination/ NACHA capability
- Online wire transfer
- Payment and fraud filters
- Property Management trust and escrow accounts

The need to streamline operations and adapt to industry changes requires seamless solutions tailored

to specific needs. Banking experts can be a critical component to achieve this, especially for a company seeking to unlock growth through geographic expansion and/or strategic acquisitions.

TAKE ADVANTAGE OF INDUSTRY-SPECIFIC BENEFITS AT YOUR BANK

Property management companies in the current economic climate have put a deserved focus on enhanced efficiency. Using valuable internal manpower to unnecessarily scrutinize transaction logs, invoices and other financial documentation can lead to critical gaps in fraud protection and expose funds to risk.

Even the most minor incident can not only prove costly to the bottom line but also damage a company's reputation and public profile with current and prospective owners or tenants.

Taking this a step further, consider whether your bank provides these seemingly optional benefits:

- Compatibility with common property management software.
- Competitive analysis programs to offset bank fees as well as third-party invoices (such as payment processing, software and third-party bookkeeping).
- Meaningful and established industry partnerships.

While these banking tools and benefits are not required to operate accounts, the tremendous value they bring makes them essential to many property management businesses and their banking relationships.

Property managers should be fully focused on the administration, operation and maintenance of real estate, not complex financial planning and analysis. The right banking partner should oversee improving cash flow oversight, fraud prevention and integration of accounts payable services.

A coordinated and collaborative partnership can keep a property management company competitive in a crowded market and provide a differentiation in services that might not always be seen but will definitely be noticed. 🏠



RMP® Candidate **Spencer Abeyta** works at Colorado Springs' MileStone Real Estate Services, CRMC®, which manages 500 units, primarily single-family homes. His parents own the company, and they are training Spencer and his brother to take over the company in the near future.

Legislation, learning and lobbyists

Since the pandemic, there has been unprecedented home appreciation and year-over-year rental rate increases. These increases, combined with extremely low interest rates, have created a golden opportunity for real estate investors.

However, the increasing rental prices have brought much attention to the rental market and tenant-landlord relationships. There's a movement for increased tenant rights and protections from local and federal governments. Bills are being proposed and passed that impact all aspects of our business, including application fees, rental increases, late fees, security deposits, residential benefit package fees and tenant screenings.

Our business is being hit from all sides by legislation. California, Oregon, and Colorado are on the forefront of new legislation for our industry. These laws are made by people who do not work in our industry, and they do not understand our industry.

Legislation is a double-edged sword for property

understand the laws.

We also learn and get experience at a much quicker rate because we manage for a living and learn from our NARPM® colleagues. In the past few Colorado legislative sessions, financial penalties have been put in place if the landlord does not abide by the changing laws. The penalties can start as a small fine, but they could end up becoming a lawsuit. Independent landlords must analyze the risk versus the reward in owning a rental property and self-managing.

In Colorado, we are seeing the number of independent landlords decrease. We are also seeing the number of rental properties decline because there are plenty of states that are more investor friendly. Right now, there is a unique opportunity to increase your business because it is getting so difficult for self-management.

There are three things that we can do to help our business and our industry.

The PAC helps support and elect candidates who support our industry. The more politicians in place who agree with our line of thinking, the lower the number of negative bills we will have to fight.

managers. The legal changes make running a business more difficult. In Colorado, they have restricted fees that can be charged to a tenant, limited how tenants can be screened and extended the eviction process. Now, owning a rental property has even more challenges along with lower profitability. These changes make business more difficult for everyone, including small independent landlords.

The only benefit I can see out of all the legislative changes is simply job security for the professional property manager. Smaller landlords do not have the resources to hire lawyers and stay up to date on the new laws. Nor do they have the time. Most small landlords have rental properties on the side, and they work a job during the day. Our job is property management, so we can devote time to learn and

Education: You cannot abide by new laws if you do not know they are there. Ignorance is not a valid reason to not abide by a law. The legal landscape changes on a yearly basis. It is our responsibility to educate ourselves on the laws being passed. All of this is public knowledge if you know where to look.

Your local NARPM® Chapter is a great resource. We must share information with fellow NARPM® Members to make sure everyone is operating in compliance. Educating our clients is also very important so they understand the changing laws that you as their property manager must now abide by.

Invest in your business: It is important for us to work on our business instead of just inside our

Continued on next page

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business. We can easily focus on the day to day, but we must take time to step back and look at our businesses. We may have to change processes or procedures to accommodate changes. Make sure you are following any new laws.

Lean on experts and other NARPM® Members for guidance on how to navigate the changing laws. Since the legislation is written by legislators without industry knowledge and understanding, there is often much left to interpretation.

Ten attorneys can have 10 different interpretations of the same law. Meet with your attorney and see how they interpret the new laws. Then determine your risk tolerance in gray areas of the law and adjust policies and procedures accordingly.

Make your voice heard: In Colorado, our legislative session starts in January and ends in May. Over the course of the session, bills are proposed by state Senators and House Representatives. Bills are then assigned to be heard in certain committees. The job of the committee is to listen to people that have an interest in the bill. The committee then votes on the bill. There are three possible outcomes for a bill coming out of a committee. The bill can be stopped or postponed indefinitely. The bill can pass with a majority vote from the committee. Or the bill can pass with amendments.

During this process you can express your opinion. In-person testimony is the best way to get your voice and opinion heard.

Next best is the voice of NARPM® and other property-friendly associations, including the Apartment Association, your state REALTOR® association and even the National Association of REALTORS®.



Lobbyists are important as they have the ear of legislators. A lobbyist will talk to the Senators and House Representatives on your organizations' behalf. The larger and more funded the group, the more politicians will listen. Resources are limited, and you must pick your battles. It's crucial to make donations to state and national organizations that support our industry and encourage your clients to as well.

On the national level the NARPM® PAC takes this a step further. The PAC helps support and elect candidates who support our industry. The more politicians in place who agree with our line of thinking, the lower the number of negative bills we will have to fight.

After all, it is the politicians who propose the bills in the first place. The minimum investment in the NARPM® PAC is \$25, and the more donations, the larger the impact we will have on the national level. I encourage you to find out who is supporting our industry on the state level.

This is our business, and this is how we put food on the table. You must be willing to spend money to preserve your industry. Get involved and find out the best way for you to do that today by talking to other NARPM® Members today. 🗣️

THANK YOU TO OUR 2024 NARPM® PARTNERS



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Up to ~~25%~~ *100%*
of your doors
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each year

Keep your owners happy and your
doors under management with Blanket.
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Property maintenance software that's a win for all your stakeholders

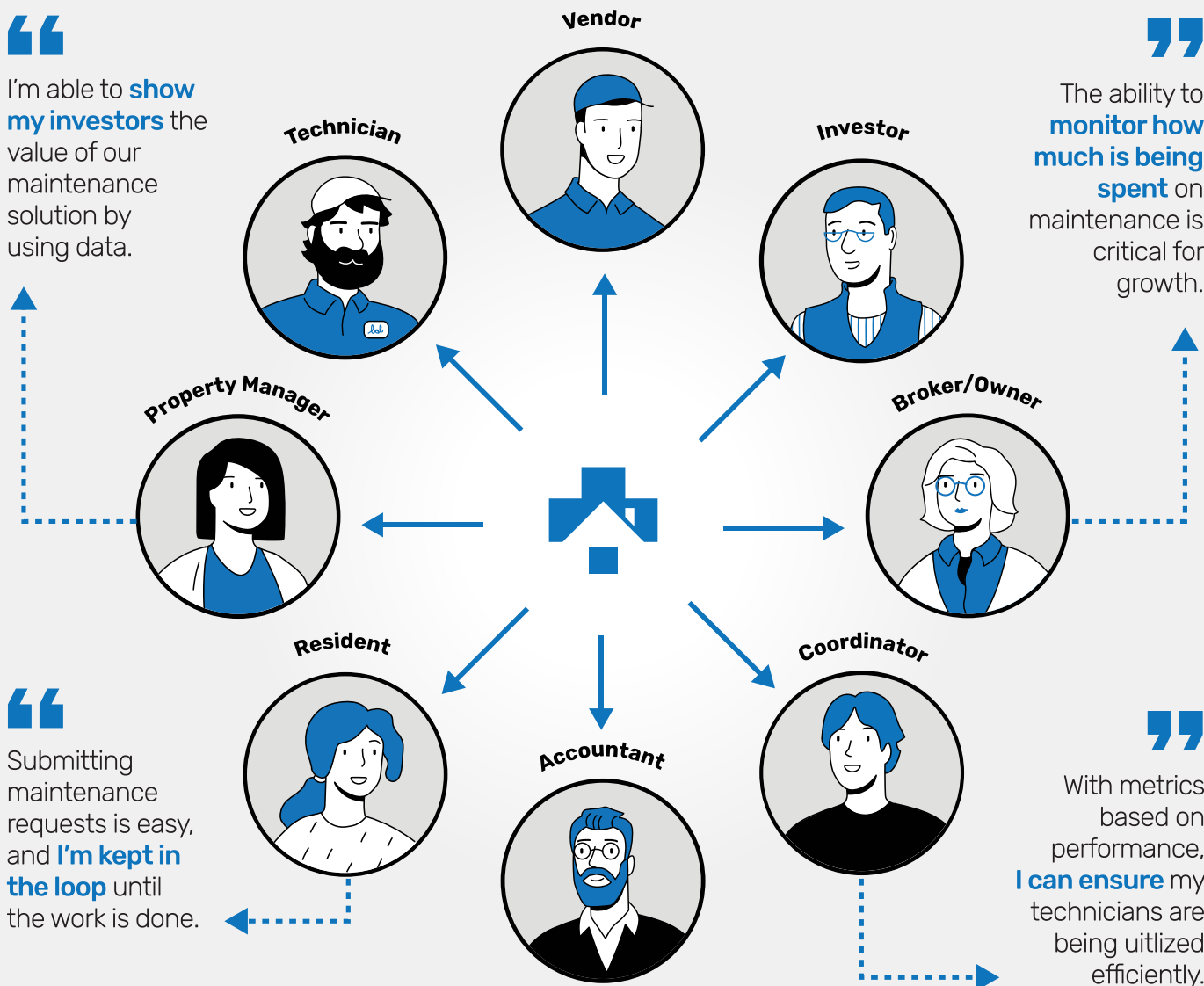
Melding all key players together in one powerful maintenance solution to ensure world-class outcomes for all parties involved.



I'm able to **show my investors** the value of our maintenance solution by using data.



The ability to **monitor how much is being spent** on maintenance is critical for growth.



Submitting maintenance requests is easy, and **I'm kept in the loop** until the work is done.



With metrics based on performance, **I can ensure** my technicians are being utilized efficiently.



Learn how Property Meld can overhaul your maintenance



Tenant Turner

*Transform your
cumbersome
leasing process
with Tenant Turner*

Tenant Turner's premier leasing operations platform works for you 24/7 answering calls, responding to emails, and coordinating showings. Backed by world class customer support that's only a click away.



Track metrics and reduce days on market.



Free your time to work on your business, not in your business.



Offer secure self showings with less risk of rental scams.

DISCUSSION BOARD Hot Topics



WHAT HOT TOPICS ARE PROPERTY MANAGERS CURRENTLY TALKING ABOUT?

NARPM® maintains Discussion Boards in the NARPM® Community for several specialties within the organization. These Discussion Boards enable members to stay in contact and to share questions and concerns as they arise. If you would like to participate in one of these groups, visit community.narpm.org and look for **Communities**. Member login is required. Discussion Boards are only available to NARPM® members.

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Q *One of our owners purchased a fully occupied quad. Unit A and Unit B had verbal arguments when police were called. The arguments started before our management company took over. Both tenants still have time on their leases, and all the terms and clauses on the old leases are incredibly vague. One of the arguments resulted in damage to the common areas; Tenant A said B caused the damage, but Tenant B said it wasn't them. The police report does not identify who caused the damage because the police did not see anything. Discussions between the tenants have resulted in Jerry Springer-like results accusing the other party and vice versa. I would appreciate any insight on how to move forward.*

A *Usually when I "inherit" a new client I try to fix the problem and not look too far back as the damage has been done and needs to be addressed. Are the damages repairable and at a reasonable cost?*

1) For the repairs: I would recommend you contact your insurance broker as well as a contractor to come out and assess the repairs to be made and perhaps covered by the building's insurance.

2) For the lease: I would issue new updated leases to all the properties your company has now taken over as the terms have changed and your company's names and contact need to be reflected.

3) Communication: I would also promote better communication to all your tenants by sending a general email to all your clients that if there are ever any issues that pertain to the functioning of the building to immediately contact your company so they can be addressed.

Promoting promptness in communication and kindness to better maintain the property in good conditions will take you a long way. My 2 cents!

A *(Original poster) The tenant kicked in the neighbor's door two nights in a row; police were at the unit four times in two days. After the second time, we had to provide two options for the tenant: leave peacefully within 30 days or face eviction for damages. We are going to keep the tenant's security vs. going through the insurance company. No need to increase premiums. We would use the tenant's insurance, but I was told they would not cover malicious acts. I had a meeting with our leasing agent about sending out new leases to the building.*

A *How likely do you think the tenant will pay for their damages before they move out? In our experience, discussing damage charges before their move out will only exasperate the situation and slow down their move out. May even lead them to trash the property on their way out.*

Usually, it's better to focus on getting them out as fast as possible and then pursuing damages against them. They may even be ignorant enough to give you their forwarding address, making serving them for money judgment court easier.

A *No easy answers. Tenants always want the landlord to handle their personal issues.*

Do not do this! It will never end and only get worse. We're all adults (supposedly) and should be responsible for our own actions/inactions.

We only try to get involved when a tenant violates the terms of their lease. Everything we tell the complainer to file a police report. Otherwise, we cannot help them. You have a police report, but no ID on the problem tenant.

The best suggestion we have is to speak with both, let them know you are issuing a written warning to each of them and, if they can't play nice, you may evict both of them. Usually, just by speaking with them you can tell which one is the source of most (but not all) the issues, and future complaints will also ID the problem tenant.

Oh, if one of them is causing problems in common areas, you may want to look into a cheap camera to catch them on video.

Remember – everything you read on the Internet is not true. If necessary, seek legal counsel.

See the entire discussion here: <https://community.narpm.org/home>

Tenant conflicts are resulting in property damage and calls to the police.

What do we do?



Bob Preston, MPM® RMP® MBA, is the lead consultant and podcast host for *Property Management Brainstorm*, a business consulting company specializing in guidance for property management companies and PropTech ventures. He was previously the Broker/Owner of North County Property Group, a leading property management company in San Diego, which achieved the CRMC® designation from NARPM®. He further served as the Western Regional Director at Pure Property Management during the company's explosive growth, overseeing operations for 30 branch office locations and over 15,000 doors. Bob can be reached by visiting www.propertymanagementbrainstorm.com or by phone at 858-252-3885.

Still time to hit the ground running for 2024 success

I love the first calendar quarter because it anticipates the coming year ahead and prepares the entire company to charge into the new year. But if you've not yet done any 2024 planning or don't have your goals set, don't fret!

As we settle into February, it's not too late to think about what you want your property management business to achieve in the year ahead. There is still time to hit the ground running in 2024.

Here are my top five recommendations on how to make it happen!

START WITH A STRATEGIC PLAN

Ensuring you have a strategic plan in the new year is critical. Obvious, you say? Perhaps, but you would be surprised how many good companies I interface with who get distracted during the holiday season or with day-to-day operations and don't ever quite get a plan in place.

The plan doesn't need to be fancy, but it should be something you can communicate with teammates. The strategic plan typically includes a forecast and/or a budget if you own a property management business or run a department.

For starters, the essential aspects that will drive the budget and profitability include:

- Door growth
- Attrition rate
- Property management and ancillary fees
- Average revenue per unit
- Headcount and labor costs
- Operating costs

In addition to the forecast and budget to drive your profit and loss, the strategic plan often includes people-oriented strategic objectives. Examples of early-year initiatives that I see with my clients include:

- Cultivate company culture.
- Empower autonomy.
- Promote diversity and inclusion.
- Recognize achievements.

The strategic plan is not just a one-and-done. Tweaking it along the way to adapt to changes will ensure that your forecast and actual are comparable.

CONDUCT AN ORGANIZATIONAL CHECKUP

An organizational checkup helps get a finger on the company's pulse within the work environment. It will help your team understand more about itself in some of the following areas:

- How does your team feel about the business?
- How does the company culture seem?
- Do we have the right people in place?
- Are there issues that need to be addressed?
- Is there an understanding of where the company is headed?

I like what is offered for free on Organizational Checkup (<https://www.eosworldwide.com/eos-tools>), a website sponsored by Entrepreneurial Operating System (EOS). Team members can be invited to a survey with 20 questions that rate your organization on a scale of 1-5. It is beneficial in identifying what areas are lacking within the organization and which aspects have traction.

ACCOUNTABILITY AND GOALS

Each team member should understand their accountability and goals within the company. Defining goals helps your team know what they're working towards. There are lots of models and terms used for setting goals, with a few examples as follows:

- SMART (Specific, Measurable, Achievable, Relevant, and Time-bound) goals
- Key Performance Indicators (KPIs) with measurable outcomes aligning business objectives
- BHAGs (Big, Hairy, Audacious Goals), which pushes limits
- Rocks (EOS model: the "Most Important Things" to accomplish in the next 90 days)

From my perspective, I don't care what you call them. Still, everyone in the organization should have them, and they should be measured monthly, quarterly or over some specific amount of time and reviewed regularly with their supervisor.

KICK-OFF MEETING

I've always liked to host a kick-off meeting every single year. This is a chance for the team to communi-

Continued on next page

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cate and understand what is expected from them to have a great year. It can be as simple as a working lunch for the team or a full-blown offsite, which lasts for multiple days, depending on the size and complexity of your business.

For most property management companies, a two- to three-hour kick-off meeting should suffice and is critical because it helps get everybody on the same page.

A simple agenda that I've used in my career would be something like this:

- What is expected from each of you today?
- Establish a theme for the day or maybe the entire year ahead.
- Review the organizational checkup results.
- Team organization, who does what, accountability chart
- Review last year's results, metrics, accomplishments and disappointments.
- Annual plan and forecast
- Team recognition

THE 15% COST TRIM CHALLENGE

I've intentionally listed this separately from the budget discussion because I see it as a leadership goal to achieve during Q1. Every company I've ever worked with in my consulting business, including mine, has some degree of budget creep over a year.

As such, I recommend challenging the company to trim back 15% at the beginning of each year. This can often be accomplished by eliminating expenses for which the company is being overcharged.

Here are some of the frequent offenders I see with my clients which are easy to identify:

- Productivity apps and software subscribed, but nobody uses
- Internet service fees
- VoIP service on your phone
- IT, accounting, photography, and other professional services
- Office equipment, consumables, and supplies

Can you cut some of these things out? For example, I changed VoIP providers a couple of years ago and immediately saved the company \$300 to \$400 a month. Review a few months of credit card statements to see if recurring monthly charges can be canceled. The idea is to see if you can trim some excess fat, striving for 15% as a challenge.

Hitting the ground running in 2024 will provide a roadmap for success, foster motivation and engagement, enable a productive work environment and position the organization to thrive in the new year. It's never too late! Consider utilizing my five recommendations above to get your property management company revved up and off to a great start! 🏠

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Anne Lackey is the co-founder of HireSmart Virtual Employees (<https://hiresmartvirtualemployees.com/>) and HireSmart Cares (<https://hiresmartcares.org/>). In the past two decades, she and her husband, Mark, have started seven successful businesses. She started as a real estate investor in 2001 and a Broker/Owner in 2005. She worked in various human resources and sales roles in corporate and officially left her last corporate position in 2009. She is a four-time best-selling author, contributor to *Forbes*, staffing coach, recruiter, trainer and consultant.

How do you get property owners to love you?

The first tip is to recognize the keyword in the above headline — “love” — as your entrance into the emotional realm of another person.

Before focusing on financial benefit for yourself, you must commit to seeing through the property owner’s eyes and contemplating their value system. Who is this person? How do they spend their days? What are their primary anxieties?

The person who trusts you with their property has entered into a serious relationship with you. Their emotional life ties directly to your financial welfare. That means you’re in a serious relationship.

What type of relationship are you looking for with your clients? That’s a serious inner question you must answer. You’re looking for love from owners because you want to build more wealth, which is based on relationships. But what relationships will you accept to grow or maintain that portfolio?

THE “BILL” VS. THE “SALLY”

I can’t map out every owner. People vary. But there are two prime types we can all recognize: the “I’m-

But we’re extremely familiar with Bill, and I have some thoughts on how to make Bill love you, too, if you’re managing that kind of relationship.

Bill confuses anxiety with due diligence. His negative emotions about any problem or potential issue represent “being on top of things.” He’s hired you to “be on top of things,” but he can’t let go of his inner pact with anxiety.

Tip one is to recognize the emotional wiring for what it is. Bill is going to stress. That’s his electrical circuit. His anxieties won’t be proportional to the issue at hand. Recognize that most issues are simply sparks flying, and his sparks make him feel alive.

You must cut ties or find a way to make peace with another person’s emotional electrical storm. You will not change this person, no matter how diligent you are.

YOU HAVE TO SET BOUNDARIES

However, you can set boundaries. The way to do this is through routine and consistency. Determine what time you’re willing to give Bill, and make sure

You’re looking for love from owners because you want to build more wealth, which is based on relationships. But what relationships will you accept to grow or maintain that portfolio?

up-in-your-business-about-every-little-thing” owner (let’s call him “Bill”) versus the “please-don’t-bother-me-unless-it’s-a-big-deal” owner (we’ll call her “Sally”).

Oh, if we could only deal with Sally. Wouldn’t life be grand? Maybe you’re the lucky property manager who only deals with her. Or perhaps Bill is all you know. Or maybe you have a mix of Bill and Sally as a property manager.

My husband and I scaled our property management business enough over the years to give every Bill the pink slip. We cut ties with Bill because calming every anxiety of that sort of owner was no longer worth the time.

you give him that time no matter what.

It’s important to anticipate Bill’s concerns and address them proactively. By doing this, you’re easing his anxieties and reinforcing your competence and reliability. For instance, if you know Bill is particularly sensitive about maintenance issues, schedule regular updates. When you identify a potential anxiety before he does and then resolve it before he has a chance to worry, you build rapport with Bill.

Sometimes, educating Bill about the processes and rationale behind certain decisions can alleviate anxieties. Explain why specific steps are taken and how they benefit his property.

We believe a proper expectation exchange as part

Continued on next page

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of the selling process will alleviate most of Bill's concerns. Share with him what he can expect from you regarding communication, reporting, and how the cash flow will work. If you don't get bids, or don't get approval for expenditures under a certain dollar amount, explain that in the very beginning. This way, you can refer to that conversation when things arise.

Bill needs to maintain his belief in his own "due diligence." If you help him secure that feeling, he will fall in love with you.

WHAT SORT OF LOVE WILL YOU ACCEPT?

Ultimately, Bill's obsessiveness is not a version of "love" my husband and I want for ourselves as property managers. We prefer a relationship with Sally. She trusts you to do your job without constant oversight. But this also comes with significant challenges. Remember that Sally's trust is a privilege that can be revoked if she feels neglected or uninformed.

Sally generally has much more going on in her life than Bill. She's a busy person with a long list of worries and wants to keep the property you manage off that list. Understand that if you slip, she'll begin to question your expertise. This is a true danger zone for you. Don't make a fool of Sally for trusting you!

Sally needs regular proof that she's smart for being hands-off and focusing more on other concerns in her life. Your job is to be the manager she needs and then effectively communicate the various wins she earns through her trust in you.

Your relationship with Sally is less about the day-to-day nuts and bolts of maintenance and rent collection and more about asset management. Unlike Bill, who is hyper-focused on all things "now," Sally trusts you until you disappoint her. Her anxieties are more about the property in the future. She holds an asset. How can you help Sally maximize the property for her financial welfare? You're both a property manager and a consultant.

THE BIG-PICTURE HEAVY LIFTING

Sally appreciates big-picture mental work on her behalf. That means you should tailor financial reports to Sally's preferences, focusing on clarity and efficiency. Include summaries of income and expenses, but also incorporate analysis on how the property is performing against the market, insights on cash-flow trends, and recommendations for future financial planning.

These reports should not only inform her of the current financial state but also aid in her understanding of how her property is an



integral part of her broader investment portfolio.


Periodically present her with opportunities for property enhancement that could increase its value or rental income potential. You might suggest property upgrades, energy-efficient improvements, or even explore alternate uses of the property based on market trends.

Regularly update her on any preventative maintenance you're conducting or any potential issues you've identified and resolved. Help her understand all the costs she's avoided since you're on top of things. There is always an expense list, but keep an "avoided cost" list as well.

Most importantly, have regularly scheduled big-picture talks to stay on top of Sally's goals, which may shift over time, and constantly tailor your services to align with Sally's broader aims in life.

THE LOVE MUST GO TWO WAYS

The key to "getting property owners to love you" is to devote yourself to being aware and available to the individual. All owners have some emotional attachments to their property. They want to feel good about how those properties are maintained and what might be gained over time. Be in that emotional space with them. If you do it well and anticipate their needs, they'll love your company. They'll love you.

But you have to love it, too. Don't ever forget that part. Take the steps to make that happen for yourself. My husband and I are so glad we did. If you want to talk more, I'd love it. Just reach out. 

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Samantha Ferreira is a seasoned, successful and versatile professional in the rental payments industry, with a background in conveyancing and IT, and skills in negotiation, analytics, customer service and sales. She is a respected PayProp platform ambassador and trusted expert in the industry. As Head of Client Services at PayProp North America, Samantha is dedicated to creating value for clients and stakeholders while contributing to the growth and success of the property management industry.

Is it better to rent out furnished or unfurnished properties?

Property managers looking for the greatest return on investment for landlords (and a higher management fee) may ask themselves: Is it better to rent out a furnished or unfurnished property?

Before you decide, let's break down the pros and cons of a furnished rental property.

CON: UPFRONT COSTS

Fully furnished rental properties come equipped with essential furnishings, usually including but not necessarily limited to a couch, bed, dresser, and table and chairs.

Furnishing a one-bedroom unit typically costs between \$1,000 and \$5,800, depending on the size of the rooms and the number and quality of the furniture. The good news is that it's possible to fully furnish a rental property without breaking the bank. Better still, property owners may deduct furniture and appliance expenses from their taxes.

PRO: HIGHER RENT

That initial outlay can pay off soon enough when you consider the rental premium that can be charged per month for a furnished unit. That will typically be 15% to 20% but can vary depending on your market. Looking at listings for your area and figuring out the premium for furnished homes will help you work out your furniture budget.

For example, in February, the average rent for an unfurnished one-bedroom apartment in Miami was \$2,709. A 15% increase raises rent to \$3,115.35, and a 20% increase brings it to \$3,250.80. That's a potential extra \$406.35 to \$541.80 a month. Assuming an \$5,000 initial outlay on furniture, the landlord would break even in about nine to 12 months.

CON: INCREASED RISK OF PROPERTY DAMAGE

Furniture will inevitably get scratched up and need maintenance over time, and repairs and replacements can be costly. When offering a furnished property, work out the expected lifespan of the furniture and include the cost of replacement items in your long-term financial planning.

Not all maintenance is your responsibility, though. Widespread landlord-tenant laws state that any end-of-lease damage to the rental property that is not the

result of normal wear and tear must be repaired or paid for by the tenant (most often by using their security deposit). In most states, you can charge a higher security deposit for a furnished rental.

Property managers can further reduce the risk of potential damage by carefully screening for qualified tenants who will take care of the property and the furnishings inside it.

PRO: ENHANCED MARKETABILITY

If you're still debating whether it's better to rent out furnished or unfurnished, a rental property listing will stand out more if it includes appealing photos of the furnished space – the same can be achieved with real or virtual staging.

Visual representation of a well-designed and furnished unit can attract more attention from prospective tenants, which could increase the number of applicants you get and the rent you can sustainably charge.

PRO OR CON: TARGET MARKET

Furnished rentals are particularly appealing to more mobile tenants such as students or individuals relocating for work. Since these tenants typically don't stay in one place for too long, they often prefer the convenience of a ready-to-live-in space.

This type of renter may be in high supply in certain areas, such as university towns. And depending on the season, market demand could be high enough to minimize vacancy periods – or used as a short-term rental outside of the academic year. On the flipside, furnished rentals may not be ideal if you and the landlord are looking for more long-term tenants. Families tend to have their own furniture.

MAKING THE CHOICE

Ultimately, the choice between furnishing rental properties or not depends on the location, market demand, and preferences of the property manager and owner – and hopefully, reading this article puts you one step closer to making the right choice for your business.

Or, you could diversify your portfolio with both furnished and unfurnished rentals and have the best of both worlds! 🏠



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Max Glassburg is a senior marketing writer at Yardi. He is usually found writing for Yardi Breeze and especially enjoys connecting with clients and sharing their successes with the real estate community.

5 ways property managers can improve cyber security

Cyber security is on everyone's mind, and total internet security is vitally important for the safety of your tenants and the success of your business. These days, advanced ransomware is used to hold sensitive data hostage until a ransom is paid to the anonymous hacker.

Luckily, there are simple, proven ways independent rental owners can improve cyber security. Here's how to get started.

IDENTIFY AND REPORT PHISHING SCAMS

According to the FBI, phishing is the most common form of hacking. The government processed over 240,000 complaints in 2020 alone, and these numbers are on the rise. The good news is that you can prevent phishing scams. We'll cover what these scams are, how they work and how to improve cyber security. First, how they work:

Step 1: They draw you in with their subject line. Let's say you or someone on your team gets an email with a compelling, possibly intimidating, subject line. It might be "You owe the IRS money" or "We need to secure your system." This is known as phishing. It's been around about as long as the internet has been in existence, but the malicious software of today is more advanced than ever.

Step 2: They want you to take action. In the email, the scammers will likely ask for something: usernames, passwords, a credit card, your social security number, etc. It might even be a fake promotion for products and brands you recognize.

Sometimes the email will appear to come from an official source. But if you look carefully, there will be little clues, such as an email address you don't recognize, colors that don't look right, formatting or fonts that look different than usual, etc. Anything that seems "off" should give you pause.

In many cases, there is a link or image they want you to click. Never click into the email because there could be "invisible" links. These links may contain virus code that installs ransomware and/or other harmful malware that steals data.

Somewhere in your email client is a menu item that lets you report the email as a phishing attempt. There is usually an option to do this close to where you'd mark

it as spam. As long as you don't give in to what the scammer wants (by clicking in the email), their phishing attempt can't hurt you.

PROVIDE ONGOING SECURITY TRAINING FOR YOUR TEAM

The hardest part of cyber security for independent rental owners is making sure everyone on the team is aware of common deceptions. This is important even if your team is just you and another person.

As a training device, it's even possible to set up "false" phishing emails that go directly to your staff. Mimecast can make these tests for you, and Hook Security offers a free (but tricky) phishing test.

ADD ROLE-BASED PERMISSIONS

The latest cloud-based property management software makes it easy to establish roles for every team member. Maintenance staff, leasing agents, accountants, etc. will only be able to access the information that matters for their job. This protects sensitive tenant data, gives you additional peace of mind and makes it easier to monitor online activity.

LOCK OUT EMPLOYEES WHEN THEY LEAVE

Large corporations have robust human resources departments to take care of onboarding and offboarding. Independent rental owners are often in charge of it themselves. To make the work easier on yourself, keep track of all online access points at your property management business including, but not limited to:

- Email
- Social media
- Credit cards from their accounts
- User logins

CHANGE YOUR PASSWORDS FREQUENTLY

Password safety is an important part of internet security. Make it a habit to change your password every few months. You can even put this into your work calendar as a reminder.

If you think you've been the victim of data theft, file a complaint with IC3 (www.ic3.gov/), the FBI division that investigates cybercrime.



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REGIONAL Communications

CONNECTING THE EXPANDING NARPM® MEMBERSHIP ONE REGION AT A TIME

That's Regional
Vice President



The RVP Bulletin: Southeast Region

NARPM® Northwest Regional Vice President **Katie McNeeley, RMP®**, is the Broker for Jim McNeeley Real Estate and Property Management in Portland, Oregon. She previously served as 2017 President of the NARPM® Greater Portland Chapter, as a Member of the National Member Services Committee and as Ambassador to the Northwest Region. She also served on various ad-hoc committees.

It's with great pleasure that I accepted the role as NARPM®'s Southeast Regional Vice President (RVP) for 2024-2025. I am thrilled at the opportunity to work with this region's Chapter leaders.

A little bit about me: I live in Portland, Oregon, and oversee operations at our family-owned property management and real estate business, Jim McNeeley Real Estate & Property Management Inc. I entered the industry almost directly out of college almost 20 years ago. I've served on various local Chapter Committees and as Chapter President. Over the years, I served on National's Member Services Committee as well as various ad-hoc committees.

Most recently, I served as Ambassador to the Northwest Region for 2020-2021 and RVP for the Northwest Region for the past 18 months. It was an honor to serve in these roles. The people I have met and the relationships I've built along the way helped me improve my skills and provided me with knowledge that I may not otherwise have had. If you

haven't served in a role with your local Chapter or on a National Committee, I encourage you to do so. The value you will see out of the time you put in is incredible.

At the most basic level, the RVP, along with two amazing Ambassadors, is a liaison between local Chapters and the National association. We will bring you news and updates from National and serve as your spokesperson and representative at the National board meetings.

I've been lucky to get to know the amazing 2022-2023 Southeast RVP, DD Lee, over the past couple of years. She is truly an exceptional leader, and I have big shoes to fill! DD has laid the groundwork for us to continue to succeed in the coming years, and she has been a huge asset to your Chapters and Members.

DD was kind to invite me to join you at your regional meetup at October's Annual Convention in Atlanta. I met some of you there and at the leadership

Continued on next page

Northwest: Cyndi D. Moore, MPM® RMP®

Alaska, Washington, Oregon, Idaho, Montana, Wyoming.

Pacific: Jerrold Jay Jensen, RMP®

California.

Pacific Islands: Jerrold Jay Jensen, RMP®

Hawaii.

Southwest: Ben Parham, RMP®

Nevada, Utah, Arizona, Colorado, New Mexico.

Central: Angela Holman, MPM® RMP®

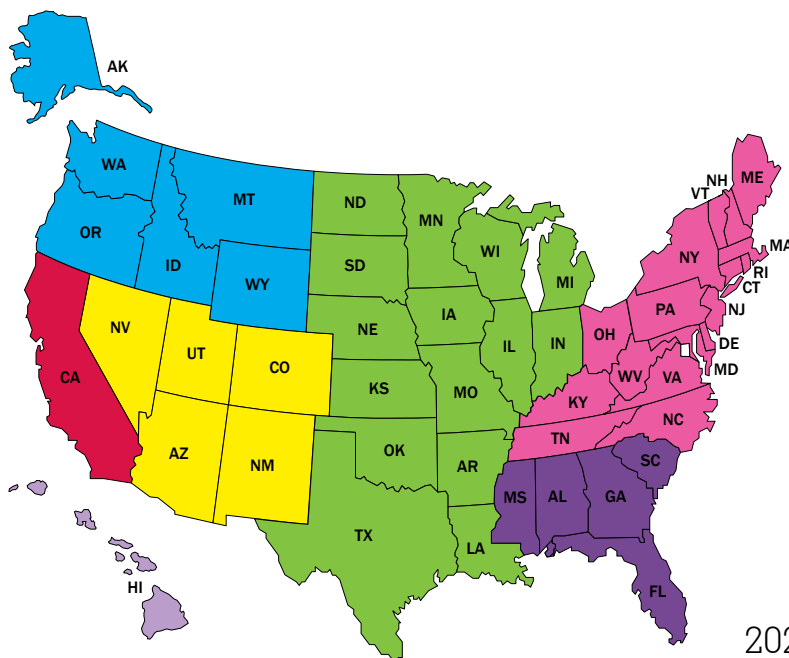
North Dakota, South Dakota, Nebraska, Minnesota, Iowa, Wisconsin, Illinois, Michigan, Indiana, Kansas, Oklahoma, Texas, Missouri, Arkansas, Louisiana.

Atlantic: Steve Pardon, MPM® RMP®

Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, Pennsylvania, New Jersey, Delaware, Maryland, Washington DC, Virginia, North Carolina, Ohio, West Virginia, Kentucky, Tennessee.

Southeast: Katie McNeeley, MPM® RMP®

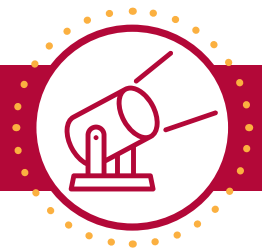
South Carolina, Georgia, Florida, Alabama, Mississippi.



2024

CHAPTER Spotlight

GET TO KNOW THE EXCELLENT NARPM® CHAPTERS ACROSS THE UNITED STATES



Daniel Rothrock, MPM® RMP®, is Broker Associate and Director of Property Management at Eaton Realty LLC in Lithia, Florida, and serves as a NARPM® RVP Ambassador.

Florida State Chapter: Creating a stronger, more connected PM community

NARPM®'s Florida State Chapter is gearing up for a promising future. Jessica Foster, the Chapter's President, and I recently discussed various topics, such as current market dynamics, strategic planning and adding more value for NARPM® Members.

Jessica expressed her enthusiasm for her new role as President and hopes to continue the legacy that both Angela McKee, 2023 President, and myself, the 2022 President, built. She recognized the challenge of juggling her responsibilities at work while leading NARPM® Florida, but she is determined to make a significant impact.

Jessica is committed to reaching out to each Chapter in Florida to ensure they are well-prepared for the challenges and opportunities that this year will bring. She will engage in strategic planning and event coordination to foster growth and engagement.

I proposed organizing an "all-call" event where Presidents and other leaders from various Chapters can share their insights and experiences. This collaborative approach aims to facilitate mutual learning and enhance the effectiveness of each Chapter.

Exciting prospects discussed during the conversation included the potential expansion of NARPM® in the southeastern region of Florida. To bring this idea to fruition, Jessica is working on establishing a networking

group with over 40 members. Adrian Kline is helping by offering her meeting space and serving as a facilitator for the emerging Chapter.

The idea of establishing quarterly regional meetings was discussed to strengthen bonds between Chapters and support their growth. Such meetings could become a valuable resource for all Chapters in formation.

An exciting event to add to your 2024 calendar is the first-ever joint Southern States Conference co-hosted by the Florida State Chapter and the Atlanta Chapter. It's always great when Chapters work together to make something amazing happen.

Dubbed the Southern States Conference with Florida State, it will be held Aug. 26-29 in San Destin, Florida, and will be packed with education, current market data and information, and engaging and interactive activities and networking. Stay tuned!

In summary, NARPM® Florida is focused on strategic planning, collaboration and expansion to serve property management professionals across the state better. With their dedication and vision, NARPM® Florida is poised to create a stronger and more connected property management community in the Sunshine State. 🏠

Continued from previous page

meetup and training. It's exciting to hear what you have planned for your Chapters. Hop on over to the Chapter Spotlight to read a bit about what the awesome Florida State Chapter has in the works. Charleston hosts its annual Oyster Roast in February, and the Atlanta Chapter always has some incredible events up its sleeve.

Don't hesitate to reach out to me and our Ambassadors over the next couple of years. We're here to be a sounding board and to help you use and understand the tools available. Joining me next year are two incredible Ambassadors, whom many of you already know.

Daniel Rothrock continues in this role for 2024, and we are fortunate to have him. He previously served NARPM® as Tampa Bay Chapter President, Florida State Chapter President and 2023 Southeast Region Ambassador. He's a role model and trusted

advisor, and his expertise in local, state, and federal regulation and technical operations has earned him an esteemed reputation.

Angela McKee has been a key player in this industry for over a decade. She served as Education Chair and Communications Chair in her local Chapter, allowing her to build strong business relationships and develop valuable skills. She served as 2023 Florida State Chapter President and built on the momentum that Daniel created the year prior. Have you heard about the conference they held last year? It was the place to be! Angela has a true desire to help others succeed and uses her knowledge and expertise to guide others to do just that.

Daniel, Angela and I look forward to working with you all this year and seeing the amazing events the Southeast Region has to offer! 🏠

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