

HOW TO CHOOSE AN EXPERT PROPERTY MANAGER



THE 16 QUESTIONS YOU SHOULD ASK **BEFORE** YOU HIRE A PROPERTY MANAGER

Find out why these questions are so important!

**PROTECT YOUR INVESTMENT!
IT'S WELL WORTH YOUR TIME.**

Compliments of John Tiner, Jr., G.R.I.
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It's Well Worth Your Time

It is amazing that some people spend more time choosing a kitchen appliance than they spend choosing the person they will entrust to manage their property valued at \$150,000 or (much) more! It is well worth spending the time to pick the right property manager. The fact that you are reading this booklet shows that you're at least a few steps ahead of many property owners.

Using the interviewing questions in this booklet will help you find an expert property manager the first time by keeping you in control. As long as a property manager is telling you about his/her company, you will only hear about the good things that they want you to hear. But when you start asking the right questions - the important facts that you need to know will come out. You are the boss. Take the initiative and don't be intimidated by property managers who don't have the time to answer your 16 simple questions.

Before you start asking property managers any questions, be sure you fully understand what you will be listening for in their answer. Most likely, no property manager will answer every question exactly the way you would like. The idea is to find the property manager that best matches the way you want your property to be managed. Avoid telling property managers what you want before they answer your questions. It is more important to get honest answers than the answers you would like to hear. Trust is the key ingredient in a working relationship with any property manager. Briefly record their answers in the worksheet that I have included with this booklet.

When you have finished asking the 16 Top Questions, ask for references – and be sure to call them. A more comprehensive way to check the references of a property manager is to ask for the name and number of their locksmith, or the person that they use for carpet cleaning. Those vendors are in many of their properties right after the tenants have moved out. They can describe the condition that their property's are usually left in as compared to other rentals they work on. That in turn will tell you a lot about the overall effectiveness of the management company.

THE 16 QUESTIONS YOU SHOULD ASK **BEFORE** YOU HIRE A PROPERTY MANAGER

And why these questions are so important!

1. How many residences do you manage? It takes at least 100 properties to become efficient. Less than 100 properties indicate that property management is a secondary job, not a full time occupation.

The Tiner Answer: Tiner Properties, Inc. currently manages about 800 residential homes.

2. How many evictions have you performed in the past 5 years? When you ask this question, some property managers will begin to brag about their eviction expertise – look out! An expert in tenant selection is more valuable to you than an expert in eviction procedures. Divide the answer to this question by the number of properties managed (answer to question #1) and then divide again by 5 (years) to get the annual eviction rate. This percentage tells you volumes about the tenant screening skills of the property management company you are interviewing. The lower the percentage the better. If the result is 4% or less, you are probably dealing with a competent property manager. If the result is over 4%, you may want to terminate the interview at this point and seek a better management company.

The Tiner Answer: Tiner Property Management has enjoyed an eviction rate of less than 1% for 25 years running!

3. Do you specialize in a geographic location of a certain type of property? Highly professional property management companies usually specialize in the kind of properties they like to manage. There is enough demand for their services that they no longer accept any and every property. Be sure that your property's profile fits with their area and type of specialty.

The Tiner Answer: Tiner Property Management specializes in upper end homes and owners that care for and about their investment.

4. How many people work for your management company? It may be difficult to get an accurate answer to this question. Use fractions for part-time employees. The answer to this question, divided by the answer to question #1, will give you the total number of properties managed per person. More than 75 properties per person may indicate that people are being stretched too far and important details may slip through the cracks.

The Tiner Answer: Tiner Property Management is allocating about 60 properties per employee.

5. If you combined all the years of property management experience for everyone in your company, how many years would that be? Many things in property management can only be learned by experience. Divide the answer to this question by the answer to question #4. That will give you the average number of years of property management experience for each employee. The average should be at least 5 years. It is common for good management companies to average 10 years or more per person.

The Tiner Answer: Tiner Property Management has over 230 years of total experience or 11+ years per employee.

6. How many of your employees have a real estate license? Only employees with a real estate license can negotiate on the owner's behalf. Unlicensed employees cannot legally perform many important property management functions. In addition, licensed employees have a license to protect whereas unlicensed employees do not.

The Tiner Answer: All of our Property Managers, Assistant Managers and Leasing Agents maintain a California Real Estate license.

7. Do you hire leasing agents that are compensated for each property they rent? This is a very important question. Leasing agents who are paid a commission for placing a tenant have one main interest: place the first tenant I can so I can get paid and move on to the next house. Look for management companies who pay their employees to find the best possible applicant for your property, not the first possible applicant.

The Tiner Answer: Tiner Property Management's Property Managers and Leasing Agents are all salaried.

8. How many property management related educational classes or seminars have you attended in the past year? Competent property managers need to attend several classes each year in order to stay current with new laws and recent court decisions that have changed the meaning of old laws.

The Tiner Answer: Our employees continually update their education and training.

9. How many applicants do you turn down for every one you accept? Even when prospective tenants are pre-screened on the phone prior to showing, professional property managers will, on average, turn down at least 3 applicants for every one they accept. The higher this number, the more selective the property manager is.

The Tiner Answer: Tiner Property Management declines 4+ applicants for every one we accept.

10. How long is your management contract with property owners? Expert property managers do not need long term contracts to keep their accounts. Avoid any property manager that wants you to sign a long-term management agreement.

The Tiner Answer: Our owners may cancel at any time with 30 days notice.

11. What was your vacancy rate last year? The answer to this question should be a percentage, not the average number of days a property is on the market. A vacancy rate takes into account how often properties become vacant as well as how long they stay vacant. Good management companies know their vacancy rate and are proud to share it. Statistics show an average vacancy rate for Sacramento County as high as 9% for all types of rental housing. Expert residential managers should be under 4%.

The Tiner Answer: Tiner Property Management is under 2%!

12. Are you accredited with the Better Business Bureau and what is your rating? It is always a good idea to do business with an accredited member of the BBB. They also keep track of how many complaints have been made against a business and how they were resolved. They provide a rating for businesses that range from A+ to F.

The Tiner Answer: Tiner Property Management enjoys an A+ rating with no complaints on record.

13. How many times have you been to court regarding deductions from a tenant's security deposit and what were the results? If you have to wait very long for the answer to this question, you can assume the answer is, "Too Often". Property managers who keep good records and maintain good communications with their tenants should not need to defend more than one security deposit withholding per year per one hundred accounts. Property managers should be able to defend their security deposit deductions in court so long as a Move-In-Condition Report was completed in a thorough manner and receipts for all work are provided.

The Tiner Answer: Tiner Property Management is averaging about 3 to 4 times per year, managing 800 residential properties. In almost every case, results are favorable for the owner.

14. Are you a member of NARPM? Most expert property managers in the Sacramento area are members of NARPM (National Association of Residential Property Managers). NARPM news letters and business meetings are an important way for property managers to stay current with the latest trends and new laws. NARPM members must comply with a strict code of ethics and standards of professionalism.

The Tiner Answer: We have several employees that are members of NARPM including our CEO, John Tiner, Jr.

15. What is your system for inspecting rentals? There are several good ways to handle property inspections. The key is to find a property manager that has a system to ensure that the property is being checked regularly. If they have a system, they will begin to explain it right away. If not, you can safely assume that they have no system.

The Tiner Answer: Tiner Property Management has a multi-faceted system for inspecting rentals on a regular basis.

16. What are your management fees and what costs are included? Be very careful with this one. Many property management companies bury fees in their contract. They charge extra for inspections, account set up, legal notification and cancellation just to name a few.

The Tiner Answer: Tiner Property Management will provide a full explanation of our fees and services upon request. Email John Tiner, Jr. at Johnjr@tiner.com.

A Family Team Effort

John Tiner, Sr., the office broker, began managing and selling real estate with his wife Sheri in 1976. In 1987, John Tiner, Jr., G.R.I. (Graduate of the Real Estate Institute) joined the family team. John Jr.'s son, Ben Tiner joined the family team as a commercial manager after earning his managerial economics degree from UC Davis in 2005. After learning about fantastic customer service while working for Nordstrom's for 5 years, Krystal Tiner joined the family team as a residential property manager in 2008.

We are Specialists!

An outstanding record of professional management for many years has allowed us to specialize in the market we like the most: Upper end properties with owners that care about their investments, and real estate investors.

It Really Works!

Our tenant investigation process is so effective that we rarely have to perform an eviction - less than 1 in 100 properties per year! Hundreds of happy owners with accounts valued at well over 250 million dollars are proof that our philosophy really works!

TINER PROPERTY MANAGEMENT'S RECOMMENDATIONS FOR MANAGEMENT RELATED VENDORS

Appliances (New):

Manual Joseph Appliance Center, Inc. (916) 923-5646

Appliance Repairs:

Fred's Appliance (916) 761-2774

Gianelli's Appliance (916) 366-0650

Blinds & Drapes:

McKenry Drapery (916) 649-9991

Carpet Cleaning:

Dan's Carpet Cleaning (916) 920-4742

Carpet & Lino Replacement:

Floor Covering Services (916) 338-1949

Commercial Property Management:

Tiner Properties, Inc. call Ben Tiner (916) 974-6011

Electrical Repairs:

Independent Electric (916) 308-7737

Evictions:

Thomas Hogan (916) 929-2255

Fencing:

Aguilar Fencing, Inc: (916) 990-0124

Garage Door Service:

Carmichael Overhead (916) 944-4455

Glass & Screen:

Neighborhood Glass & Screen (916) 987-9001

Handyman:

Carmichael Handyman (916) 709-6262

Helping Hands of Sacramento (916) 224-0344

LP Maintenance (916) 247-2843

Hauling:

Ken Wittsell (916) 344-8953

Home Inspections:

Randy Stoker (916) 752-1816

Home Loans:

Allen Hughes (916) 355-1662

HVAC (Heating & Air Conditioning):

Hoyt Mechanical (916) 201-9494

Insurance:

State Farm, Peter Schiro (916) 444-9787

Locksmith:

Aero Mobile Lock (916) 531-2875

Pacific Locksmith (916) 988-1736

Moving:

Allied Mee Moving & Storage (916) 591-3606

Painting:

Rodine Construction (916) 708-6665

Mike Basich Painting (530) 305-5167

Pest Control:

Pest Control Center (916) 344-4400

Pest / Structural Inspections:

Dave Harris (916) 733-0520

Plumbing:

Lance's Plumbing (916) 296-4060

RP Plumbing (916) 225-9869

Property Management:

Tiner Properties, Inc. call John Tiner Jr. (916) 974-6003

Roofing:

A-1 Affordable Roofing (916) 991-6119

Tree Trimming & Removal:

Suburban Tree (916) 729-7749

Tree Tech Services (916) 386-1780

Window Cleaning:

S&J Window Washing (916) 630-9330

2012

January

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We would like to thank you for your interest in our company. If you have questions or would like more information please contact John Tiner, Jr. at

916-974-6003.

**“Professional management doesn’t cost...
It pays!”**

A note from the Author:

As a real estate professional, I have spoken daily with countless property owners who have had unfortunate experiences with poorly qualified “property managers”. They were smart people but they didn’t know what questions to ask the property managers in order to discover which ones were competent. That’s why I decided to write this booklet. It empowers property owners to quickly and efficiently identify the differences between a well qualified property manager and a poorly qualified one.

May all your investment properties be profitable and if you should have a nightmare, may it never involve your property manager. Good hunting.

About the Author:

John Tiner Jr. became a Realtor and joined his parents in the family business in March 1987. Shortly after acquiring his real estate license, he took the coursework necessary to earn the designation of GRI (Graduate of Real Estate Institute). John has been a continuing member of NARPM (National Association of Residential Property Managers) since 1994. His extensive background and experience in property management and sales, plus his very competent assessment of rent values makes him a very credible and reliable source of property management information. During John’s tenure in the property management profession he has earned the respect of his peers and the admiration of his clients.

