



Residential Property Management – Don't do it Alone!

by Jeff Zank, ARM®, President Rancho Property Works LLC

Residential property management is an interesting business. Generally, it's not difficult to enter the business and anyone can self-manage their owned properties. What is harder to come by is experience and expertise so as to manage within the law, while being successful at the business. I can share an example. Years ago I sold an investment property that I managed to an out of state investor. I represented the seller in the transaction. The buyer was looking for a place to stay while

here on business. This property was a 4-plex, so the rent from the other 3 units could cover costs for his apartment home here. At the point of time of the sale, as I had managed the building I made it known to the new owner that I'd be happy to continue management of the other 3 units if interested, he said no thanks as he wanted to self-manage. Fast forward to 2020, I get a call from this owner who has been self-managing the property. He says a former tenant is taking him to court. Apparently the tenant moved out and the owner failed to provide a move out statement of deposit within 30 days detailing the charges for cleaning up the mess left behind. He has security deposits and copies of the move in check list for all tenants from the sale. So he has the information needed to do what is needed. The owner wanted my help, saying that he has a court case next month with the former tenant. He claims the tenant left a mess behind. I informed him to hire a real estate property management attorney and that he's possibly broken the law. I really can't help him as I'm not a party in the case.

What happened here? This owner appears not to understand his obligations within the Uniform Owner Resident Relations act (UORRA) here in New Mexico. It's pretty clear that tenants are to receive a statement of deposits within 30 days their last day of their tenancy. This statement should detail all charges taken from the security deposit. He should have taken pictures of the property when he took over as self-manager and when this tenant moved out. These pictures document the condition of the property/charges against deposit and would be important in case there is a problem, which there now is. This owner has a court case next month that he will likely lose costing him some \$ and time.

If you are going to self-manage your own properties or be a smaller unit count property manager make sure you have some networking friends that can advise you on what to do. Also, make sure you study and learn the laws and best practices in the business so as to not end up on the wrong side of a court case. You can join industry associations so as to meet other people that can help you. You can take classes and learn the law and or best practices. There are lots of ways to learn the business. Don't be in this business alone no matter who you are. No one person knows all there is to know about this business.

Or, you can hire a residential property manager (e.g. Rancho Property Works) that knows the law and best practices so as to keep owners on the right side of court cases as needed. My experience and team enable me to manage residential properties with lower risk to owners resulting in a higher NOI. If you, your friends or family need an experienced residential property manager here in the Albuquerque Metro area please contact me.