



## **Pro Tip from Sven – Up lifting work order costs to owners – Not here!!**

by Jeff Zank, ARM®, Realtor®, President Rancho Property Works LLC, Property Manager, and Instructor

Residential Rental Property maintenance is important. Not just repairing things that break or replacing components end of their useful life, but also being proactive so as to extend their useful life. Most owners have 1 to 5 total units in my portfolio and they depend on the income from their rental properties to support their families. So, management of expenses is

as important as management of income for owners.

I work very hard to find vendors that perform good work, in a timely manner, at a fair price. I pass those costs along to my owners as-is without uplifting them. Other property managers actually uplift vendor and in-house costs so as to profit from off the owner's property expense transaction. Even if they did not do any real work as part of the work order. They do this because they don't make much money managing owner's homes and or multiplexes. In addition, It's possible that some property managers are greedy and interested in their own incomes and not that of their owners. They make a small amount more monthly by adding a percentage up lift to the work order. I don't do this – as an investor myself I know that maintenance costs can be expensive and I'd rather not have to pay more than the actual cost. This effects property NOI! For properties I manage it's the same, my owners get billed the true costs of the work and they receive the actual invoice from the vendor with their monthly statements.

Vendors that work with me do not pay me any kickback or referral fee. They work for me because they perform good work, in a timely manner, at a fair price.

No reason why your property manager can't try and manage owners' expenses on the property. No need to mark up and gouge owners for the small amount gained! When interviewing for new property managers, look for one that's working for you as an owner not using your property as a way to increase their income.

If you need a great property manager that has a great handy guy like Sven, call me.