



# TRS NEWS

REALIZING THE BENEFITS

September 2009

Many times property owners question property management services because of the fees. Now with a distressed economy, this can become an even bigger question when a difficult market puts investment finances to the test. After quoting our fees to a prospective client, we often hear - "you want that much money for just collecting the rent?" Of course, there is much more to managing rental property than "just collecting the rent," and we are sure that you realize this as well.

Although our management fees show up prominently on our statements, if you look at the complete picture, the costs are absorbed in many ways.

### Tax Benefits

The most obvious benefit is that all management fees are tax deductible, *immediately* reducing the full cost of the fees. Be sure to report all fees to your tax person so you can take advantage of these important deductions.

### Reduced Maintenance Costs

Lower maintenance costs can offset management fees several ways. We start by taking the "preventative approach" to maintenance; this can mean great savings over time because

it can prevent large repairs or even major maintenance. For example, installing doorstops can prevent big holes in walls and fixing faucet leaks can avoid dry rot in cabinets and flooring. However, preventing major maintenance is not always possible.

Because our company handles maintenance on a volume basis, we are generally able to procure reliable contractors at a better rate than many property owners can, particularly if they do not live locally.

It is vital for us to keep current on what labor and maintenance costs should be since this is part of daily management. For example, if an owner has not shopped for a roof replacement in years, they may be unaware of current prices and newer materials. They could pay more than they should for the job and still not obtain the best workmanship. A savings on a major repair can add up to several monthly management fees.

### Professional Expertise

A major benefit to our management services is our professional expertise. It may seem that a vacancy is too long, but we know that the wrong

tenant can be a much more expensive experience. It is much more costly to rehabilitate a property and/or pay legal fees because of poor tenant screening.

Moreover, knowing and implementing current legislation

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## Announcements & Services



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### On-Line Payments

We recently teamed up with PayLease Inc. to streamline our rent collection by allowing online payments via credit/debit card or e-checks from checking or savings accounts. In addition to the rent payments, many of our clients have requested some way for us to accept credit cards when performing make readies on their properties. We now have that option right through our website. There is a small convenience fee (to PayLease, not TRS) to give us the ability to accept these transactions, but the amount is much smaller than the lost rent experienced by waiting until you can get the funds to us another way. In the short time we have had this our collection rates for our tenants has improved and we expect that to continue as more and more of them see the value of getting their rent paid on time and not having to pay late fees.

### Looking for Management Elsewhere?

You, or someone you know, may need a property manager in other states. Because of our proud affiliation with NARPM, The National Association of Residential Property Managers, we have contacts throughout the country and may be able to assist you.

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can reduce costly mistakes when handling tenants. There are owners that have paid, literally, millions of dollars because of mold, lead-based paint, and other similar lawsuits. Again, we use a preventative approach to save you unnecessary legal costs. A good example is that most property owners do not know there are new requirements for work concerning lead-based paint taking effect in April 2010. (We will cover this in our next issue.) The courts do not accept ignorance of the law and fines are far more than the management fee paid to a property management company for several years.

### Peace of Mind

Many owners simply find that just having someone else worry about the many details of property management is simply worth the management fee. Avoiding unpleasant confrontations with tenants when problems arise, handling maintenance emergencies, or serving notices are definitely a way to avoid stress – a benefit to any owner.

We will continue to work to give you the full value of your management fee with our services and reduce unnecessary expenses. In the long term, our management fees may help to increase the return on your investment.