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3rd Edition

Property Management Kit

FOR
DUMMIES®

Learn to:

- Prepare your rental for tenants
- Make your property stand out from the pack
- Find and retain the best tenants

Robert S. Griswold, MBA

*Real estate expert and president of
Griswold Real Estate Management*



***Property
Management Kit***
FOR
DUMMIES®
3RD EDITION

by Robert S. Griswold, BS, MBA, MSBA
Coauthor of Real Estate Investing For Dummies



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About the Author

Robert S. Griswold is the coauthor of *Real Estate Investing For Dummies* with Eric Tyson. He earned a bachelor's degree and two master's degrees in real estate and related fields from the University of Southern California's Marshall School of Business. His professional real estate management and investing credentials include the CRE (Counselor of Real Estate), CPM (Certified Property Manager), ARM (Accredited Residential Manager), CCIM (Certified Commercial Investment Member), PCAM (Professional Community Association Manager), CCAM (Certified Community Association Manager), and GRI (Graduate, Realtor Institute).

Robert is a hands-on property manager with more than 35 years of practical experience, having managed more than 800 properties representing more than 50,000 rental units. He owns and runs Griswold Real Estate Management, Inc., a property management firm with offices in southern California and southern Nevada.

Since 1995, Robert has been the real estate expert for NBC San Diego, a network-owned and number one-rated station. Every Saturday, he provided impromptu answers to viewers' real estate questions live on the air during *NBC News This Weekend*.

Once a week for nearly 15 years, Robert hosted a live, call-in, real estate news and information talk show called *Real Estate Today! with Robert Griswold*, heard throughout southern California on Clear Channel's AM 600 KOGO radio station and around the world on the show's website at www.retodayradio.com. He has twice been named the #1 Radio or Television Real Estate Journalist

in the Country by the National Association of Real Estate Editors (NAREE) in its annual Journalism Awards Program. The first award was for *Real Estate Today! with Robert Griswold*, and the second was for his work for NBC News.

Robert is the lead columnist for the syndicated "Rental Roundtable" landlord-tenant Q & A column at www.rentalroundtable.com, which is also featured in the *San Diego Union-Tribune* and the *San Francisco Chronicle*. He also writes a nationally syndicated column, "Rental Forum," at www.inman.com.

He's a nationally recognized real estate litigation expert, having been retained on more than 1,750 real estate legal matters and serving more than 200 times as a court-appointed receiver, referee, or bankruptcy custodian.

Robert is a member of the national faculty of the Institute of Real Estate Management (IREM) and a National Apartment Association (NAA) and California Department of Real Estate Certified Instructor. He's a licensed California and Nevada real estate broker, a Realtor, and an active member of the NAA, the California Apartment Association, and his local apartment association, the San Diego County Apartment Association. Since 2005 he has served as a planning commissioner for the City of San Diego.

In his spare time (?!), he enjoys travel (especially cruising!) and watching his children excel in all aspects of life, including academics (University of San Diego, University of California at Irvine, Point Loma Nazarene University, and Stanford) and sports, especially soccer. Robert wishes he had more opportunities but savors those precious times when he, his wife, Carol, and their four young adults (Sheri, Stephen, Kimberly, and

Michael) can travel together, enjoy the holidays, or even have an old-fashioned family game night. Above all, he tries to retain his sense of humor and truly enjoy what he's doing!

Dedication

I dedicate this book to my best friend and wife, Carol, with whom I celebrated 30 years of marriage in 2012. Carol played a key role in, and deserves much of the credit for, successfully raising our four children, but I also appreciate her 30+ years of love, friendship, support, patience, and persistence in attempting to bring the proper balance to my life, which starts with putting God first in everything I do. Of course, life's always exciting and has real meaning thanks to my four great children, who have become incredible young adults — Sheri, Stephen, Kimberly, and Michael. I also want to express my appreciation to my mom, Carol, for her unconditional love and infinite encouragement. I'm also grateful to my father, Westcott Griswold (who passed away just after I finished writing the second edition of this book), for the positive role model he was in his work ethic and love for his family and friends. We all miss him. Most of all, I want to praise and thank God for the wonderful gifts and incredible opportunities He has given me.

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My project editor, Jennifer Tebbe, really understood the rental housing industry after serving as the copy editor for the second edition. She was helpful and supportive throughout, and this new edition is the most comprehensive book in the field and a fantastic resource for rental owners and property managers. My thanks also go to copy editor Todd Lothery for a masterful job. I'd also like to thank technical editor Kathleen Harmon, who helped make sure that the information was accurate and that my advice hit the mark.

My interest in real estate can be traced back to my father and mentor, attorney Westcott Griswold, who advised me to excel in real estate, not law; and my friend and first real estate professor at USC, Dr. Rocky Tarantello. Thank you!

I was blessed to formally begin my real estate management career working with two of the most savvy, knowledgeable, and ethical men in real estate — thank you, Rod Stone and George Fermanian, for starting me on the right track. In my property management days, I met many fine people, and two of the best are my friends, property manager Wade Walker and attorney

Steve Kellman. I also want to thank attorney Kathy Belville-Ilaqua for her review and sage advice on fair housing materials covered in the new edition.

I'll always be thankful to Carl Larsen, homes editor of the *San Diego Union-Tribune*, who started me in my writing career when he gave me a shot with the first "Rental Roundtable" column while his lovely wife, Sharon Larsen, assisted in creating my original book proposal.

Finally, I'd like to thank all my NBC news viewers, "Rental Roundtable" and "Rental Forum" readers, and radio listeners who've educated me with their interesting and thought-provoking questions on literally every aspect of real estate management.

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Introduction

Welcome to *Property Management Kit For Dummies*, 3rd Edition. You can discover many of life's lessons by doing some on-the-job trial and error. But that doesn't apply to property management — the mistakes are too costly, and the legal ramifications too severe. This book gives you proven strategies to make rental property ownership and management both profitable and pleasant.

About This Book

Many landlord-tenant relationships are strained, but they don't have to be. A rental property owner who knows how to properly manage his property and responds promptly to the legitimate concerns of his tenants will be rewarded with good people who stick around. The key is properly maintaining your property and constantly investing in upgrades and improvements. By doing this, you can be successful in meeting your long-term financial goals and realize that being a landlord is an excellent primary or secondary source of income.

This book is based on hands-on experience and lessons from my own real-life examples. Unlike many landlords and property managers, I believe that your tenants are your customers, not your enemies, and as such, you should treat them with respect. You may find investing in rental real estate to be a key piece of your overall investment strategy, but not everyone is cut out to be a property manager. I want to make sure you understand not only the basics of the rental housing business but also some of the tricks that can make you glad you're a real estate investor.

Although this book is overflowing with useful advice and information, it's presented in a light, easy-to-access format. It explains how to wear many hats in the property management business: advertiser/promoter (in seeking tenants), host (in showing the property), handyman (in keeping up with and arranging for repairs), bookkeeper (in maintaining records), and even counselor (in dealing with tenants and their problems). Just as important, this book helps you maintain your sense of humor — and your sanity — as you deal with these challenges and more.

I wrote this book in essentially chronological order — from your first entry into the world of rental property ownership and the corresponding steps to prepare and promote your property to showing your rental and selecting the right tenants. As a result, reading the book cover to cover makes sense, but feel free to read the sections that are most relevant to you at any given time. Skip around and read about those areas that are giving you problems, and I'm confident that you'll find some new solutions to try.

To make your life easier, I've included many of the forms you need to be successful in managing your rental — whether you're just starting out with a single-family rental home or condo, you have a handful of rental units, or you possess a whole portfolio of rental properties. If you're reading this book in print, these forms are available on the accompanying CD; if you're reading a digital version of this book, simply click the link in the table of contents to access the forms. Either way, feel free to print them out, have your local legal counsel review them, and start putting them to use.