



Increase the Profitability of Your Property

John Gerondale & Jeff Downhaniuk, PropertySafe

I think we would all agree crime, and the fear of crime, are significant factors tenants consider when deciding where they want to live. We realize there are a number of other considerations such as rent, amenities offered, location and square footage, but if people do not feel safe at your property, they will most likely relocate regardless of these other factors. Therefore, the fear of crime, whether actual or perceived, is an essential component that drive your profits.

As we all know from our introduction into economics, price is a function of supply versus demand. If you can influence one of these components, you can dramatically increase your profits. The tremendous advantage of real estate from a supply and demand perspective is that your supply is always fixed; you can not have properties that are exactly identical to yours because your property has its own exclusive location.

Sure, there might be other housing options available, or being built, in any particular neighborhood comparable to yours, but these alternatives are not exact. Your property has its own distinctive set of dynamics and characteristics. As a result, to increase profits, you only need focus on ways to increase demand for your property.

This brings us back to our original discussion on crime, and the fear of crime. If crime, or the perception of crime, is a major deciding factor for tenants in their decision-making process, then why are many property owners and managers not doing more to reduce crime and disorder, on their property? Tenant screening is an excellent start to increase the safety and quality of life of a property. If you can weed out problems before they take root and occupy your property, you are off to a tremendous start.

But what happens after tenant screening? Many rely on police and sheriff agencies to take over. Some lucky property owners and managers are in jurisdictions with exceptionally proactive and innovative police departments that have the time, resources and long-term commitment to work closely with properties on a daily basis. For a vast majority of others, you are in a municipality or county that has limited police resources which negatively impacts police effectiveness on your property.

Instead of viewing public safety as something only police can control, it is important to view public safety just as any other component to your property's operation. For example, if you do not have the skills and resources to handle the maintenance of the property, you would likely outsource that aspect to another business which can provide the service more efficiently. If outsourcing proves to be too unreliable or costly, you would provide the same service in-house. *(continued on next column)*

Using the same analogy, if you are not satisfied with the way in which crime and disorder are currently dealt with on your property, it might be time to take proactive steps to provide this service internally. Random acts of crime are usually not random at all. There are almost always a series of long developing and identifiable precursors to any crime occurring in a particular location. In most cases, these precursors are best and most efficiently handled by local property managers, not police. You just need to know what you are looking for.



PropertySafe provides crime prevention to owners and managers of multi-unit properties on ways to reduce the attractiveness of your property to crime and disorder. Through our innovative "Community Driven Property Management" approach we developed based upon our experience as crime prevention experts, police officers and property managers, we train on ways not only to identify these precursors to crime, but explain why they are precursors and help managers develop property-specific programs to involve tenants in taking ownership of the property.

We understand that increasing your bottom line is essential. **PropertySafe** provides you with the knowledge to manage your property in such a way that maximizes your profits and ensures the greatest quality of life for your tenants. To learn more about **PropertySafe**, and the services we provide, please visit our website at www.PropertySafeUSA.com, or e-mail us at PropertySafe@fidalgo.net.

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Shane Barrie
Project Manager

Phone: (425) 508-7410

E-Mail: nwcontracting@verizon.net

Or ca *WISDOM*

We could learn a lot from crayons. Some are sharp, some are pretty and some are dull! Some have weird names, and all are different colors, but they all have to live in the same box!

The Do's and the Don'ts of Deposits and Non-Refundable Fees

The Do's:

1. If you take a non-refundable fee it has to have a separate paragraph in your rental agreement stating the amount and the designation. This money can then go into your operating account.
2. Have a signed rental/lease agreement and signed move-in report in order to take a security/damage deposit at the beginning of the tenancy.
3. Do deposit any security/damage deposit funds into a trust account designated as a "deposit account" just for tenant's deposits and nothing else.
4. Send a statement, within 14 days of the termination of the rental agreement and vacation of the premises to the tenant showing a disposition of the deposit.
5. If the tenant abandons the premises then the landlord has 14 days from the date the landlord found out of such abandonment, in which to mail out the accounting.
6. Do remember they have to be POSTMARKED within that 14 day time period.

The Don'ts:

1. Do not include any "non-refundable fee" in the same paragraph as your security/damage deposit. If you do, you will have to treat it as a deposit, which may be refundable.
2. Do not let your tenant move in without getting the "move-in" report signed. It can cause problems later if you took a deposit and the move-in report never gets signed.
3. Do not put "deposits" into your operating account. They have to be kept in a trust account during the term of the tenancy as it is technically still the tenant's money.
4. Do not "miss the postmark date" on your 14 day accounting as it has to be postmarked within the 14 day period.
5. Do not make a "quick decision" about the unit being abandoned. To prove abandonment the tenant has to have owed rent (that one is easy) and indicated by behavior and subjective intent that **THEY DO NOT INTEND TO COME BACK!!!** Subjective intent must be proved by clear cogent and convincing evidence and if you are wrong could lead to a possible claim against you by the tenant in the future.

**Courtesy of L/T Services, Inc. - Visit them online at www.ltservices.com*

What People in the Know are Saying About Orca

"Dear ORCA,

On behalf of our conference attendees and our Board of Directors, I want to convey our heartfelt THANK YOU for your generous Bronze Level donation to our door prize pool for our 18th Annual Meeting and Conference last month in Wenatchee.

We gave away the largest number of prizes and largest dollar value of prizes - Ever - Thanks to the generosity of you and other industry leaders!

The industry salutes you!"

Employment Screening: Hiring & Compliance

Selecting the right people for your company is extremely important. With increasing concerns more companies are performing background checks before hiring their employees. If you decide to use background screening as part of your selection process, you need to use the reports in a compliant manner or risk possible litigation. There are federal and state laws that regulate the use of arrest, conviction and misdemeanor information for employment purposes. The following information is to help comply with these laws and lower your exposure to discrimination lawsuits and other litigation.

The Equal Employment Opportunity Commission (EEOC) stipulates that employers can use arrest information, convictions and misdemeanor offenses in the selection process, but they cannot be the only criteria used to make a hiring decision. Employers, must consider the entire picture about the applicants when selecting and making the decision to hire. Decisions should be made from, interview performance, education, experience, job fit assessment results, and other qualifications need to be considered as well as his/her background screening results.

EEOC policy states, "An arrest record may be used as evidence of conduct upon which an employer makes an employment decision. An employer may deny employment opportunities to people based on any prior conduct which indicates that they would be unfit for the position in question, whether that conduct is evidenced by an arrest, conviction or other information provided to the employer. It is the conduct, not the arrest per se, which the employer may consider in relation to the position being sought."

Arrest information involves more analysis than convictions, but may play an important role in your selection process. Be sure to consider whether or not the applicant committed the offense and document your hiring practices to help combat possible discrimination charges.

The EEOC has developed four criteria to use when reviewing applicant background screening results:

1. Determine whether the applicant is likely to have committed the alleged conduct.
2. Consider the nature of the offense(s)
3. Consider the amount of time that has passed since the conviction occurred
4. Consider how the offenses relate to the nature of the job.

Employers have a high level of responsibility when using background screening results in their selection process. Selecting good employees, doesn't mean disqualifying individuals on the sole basis of their background screening results.

When used compliantly, background screening results can help your organization hire safe, honest and qualified employees, and reduce your exposure to potential liabilities.