

QUICK GUIDE FOR LANDLORDS HIRING A PROPERTY MANAGER

If you're looking for a property manager to help rent and manage your property, here are a few tips for preventing problems and protecting yourself from fraudsters.

Ask!

- Get the full name and contact information of the person or company you employ.
- Check the property manager's Department of Real Estate license, which must be valid and active to collect rent and manage your property. (Note: Resident property managers don't need a real estate license.)
- Ask the property manager for professional affiliations or certifications with property management organizations, and then verify those on the organization's website.
- Find out how long the company has been in business.
- Ask how many properties are being managed and by how many employees. Make sure the answer is reasonable.
- Get information on how tenants are screened, to include employment verification, prior rental and eviction history, etc.
- See how many tenants have been evicted in the last year. This can also help you find out if tenants are being properly screened.
- Ask how long it takes to fill a vacancy. Make sure the answer is reasonable.
- Find out what insurance or bond the company may have.
- Make sure the property manager has a trust account for security deposits and rents if they're not held in an escrow account or given directly to you.

Read!

- Study *California Tenants: A Guide to Residential Tenants' and Landlords' Rights and Responsibilities*, a Department of Consumer Affairs publication available at www.dca.ca.gov.
- Read the property management agreement carefully; there may be clauses that may not be agreeable to you.
- Make sure the agreement explains any additional fees charged for markups, accounting, etc.
- Confirm that the contract clearly identifies how repairs are handled and expensed.
- Be sure that the contract requires monthly accounting reports and has a clear termination date.
- Get a copy of the signed property management agreement and lease agreement.
- Review all of the accountings that you receive from the property manager.

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QUICK GUIDE FOR LANDLORDS HIRING A PROPERTY MANAGER *(cont.)*

If you're looking for a property manager to help rent and manage your property, here are a few tips for preventing problems and protecting yourself from fraudsters.

Research!

- Call the Department of Real Estate at (877) 373-4542 or go to www.dre.ca.gov to check the license. Make sure the license status is "Licensed" and that an agent with a salesperson license works for a broker. Look into any prior disciplinary action or restrictions on the license.
- Check the Better Business Bureau, Chamber of Commerce, and other sources for reviews and complaints.
- Review your insurance policy to see if you're covered against fraud by a property manager.



Be Aware!

- Be wary of individuals who won't meet with you in person.
- If rent checks paid to you by the property manager are consistently late or short, or if a rent check bounces, ask the property manager for an accounting of your funds. Consider filing a complaint with the Department of Real Estate as there may be issues that warrant an audit.
- Be on the alert if the property manager does not send copies of invoices to show proof that expenses were incurred and paid.
- Be wary if the property manager does not disclose all income sources from managing your property, including any ownership interest in maintenance or repair companies used.
- Consider that you may be able to file a claim with the Department of Real Estate against a property manager who defrauds you if the property manager is licensed by the Department of Real Estate.

Most importantly, trust your instincts and common sense. If you have a feeling that something isn't right, call the Department of Real Estate at (877) 373-4542 or go to www.dre.ca.gov.

