

Financial Focus: Market Ready Apartments

By: Douglas D. Chasick, CPM®, CAPS, CAS, Adv. RAM, CLP

The Apartment Doctor™

Doug@Aptdoctor.com * www.NOI News.com * 1-888-222-1214

One of the biggest expenses many of us we have each month is getting vacant apartments ready for move-in. Here are some areas to examine to make certain you aren't spending more money than you have to:

1. How do we schedule and monitor the work? The easiest way is to issue a Service Request (SR) to each vendor for each unit. If we have one vendor that does "turn-key" work (painting, cleaning and carpet shampoo), we can issue one SR for each apartment. If we have a separate vendor for painting, another for cleaning and a third for carpet shampoo, we issue a SR to each vendor for a total of three SR's for that apartment. The SR should include the price as agreed in the vendor's contract, and any extra work we approve will be noted on the SR.

In addition, a SR should be issued to our service staff for any repairs/adjustments needed. (REMEMBER: A Service Request should be issued ANYTIME we ask someone in our Service department TO DO ANYTHING! It's the only way we can monitor and analyze efficiency and workload.)

I've had the most success scheduling the work in the order of most-to-least mess makers:

1. "Trash out" the apartment - remove all the junk!
2. Service the apartment - upgrades, repairs and adjustments
3. Painting
4. Cleaning
5. Carpet Shampoo
6. Final Inspection by Manager, touch-up by Service if required.

It may sound like a lot of paper, but it's not. The SR's allow us to track each job, in each apartment, and give us a reference for our invoice approvals.

2. How do the vendors gain entry into the unit? I know it never happens on our properties, but there are still places where vendors are given master keys! This is a

serious NO-NO! We have two choices: We can unlock the unit for the vendor, and lock it when they are finished. Or, the vendor can be given a key to each individual unit they work on, with a limit of two - four keys at any one time. The vendor must sign a key log, and return the keys prior to getting any more keys. "Won't the vendor be able to make a copy of the individual apartment keys we give them?" Sure! No big deal, though, because our Service Technicians ALWAYS change the locks AFTER all the vendors are finished, right?

3. How do we approve invoices for payment? The first step is to schedule our inspection of the work performed at the time the vendor tells us the work is complete. This eliminates any complaints from the painter that the cleaner messed up the paint, or from the cleaner that the carpet shampoo vendor dumped dirty water into the clean bathtub. Pull the SR for that apartment and inspect the unit WITH the vendor. If everything is OK, mark the SR "OK"! File the SR in an "open invoice" file, the vendor's file or in the unit service file.

When we receive the invoice, we pull the SR's listed and check them against what we're being charged for. Was the work ordered? Is it at the agreed upon price? Did we approve any extra work? (There should be no surprises here if we have included prices for overtime and extra work in our contract, and if we approved any extra work BEFORE it's done.) Since we have already inspected the work and marked the SR "OK", we can approve the invoice for payment. Obviously, with this system, we wouldn't pay for any work that we didn't issue a SR for, or any extra work that we didn't pre-approve.

A little time spent setting up a system like this will save A LOT of time down the road. The "paper trail" of Service Requests virtually eliminates any double-billing or extra charges and allows us to monitor our progress daily.

Douglas D. Chasick, CPM[®], CAPS, CAS, Adv. RAM, CLP, is ***The Apartment Doctor™***, a Multifamily speaker and consultant with over 30 years experience in the apartment industry. He specializes in restoring rental health to ailing apartment communities and management companies. Doug is also the Multifamily Distance Learning Consultant for CallSource[®]. You can reach Doug at 888-222-1214, by writing to Doug@Aptdoctor.com, or by visiting his website, www.NOINews.com