Residential Property Management Procedures Manual

A practical guide for developing a property-specific procedures manual

written by
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cic

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About the Author

LARRY McCARTHY, Capacity Building Program Director for Community Investment Corporation, began his property management career in 1971. Recognizing that spiraling costs of building locked more families out of decent housing each year, McCarthy decided to work on finding solutions to the needs of lower income families. This decision led him to the Illinois Housing Development Authority (IHDA) in 1978. During his four years with IHDA, he was involved with the management of more than 6,600 affordable apartments throughout Illinois and was a member of the agency's team assigned to turn around troubled properties.

McCarthy is a nationally recognized affordable housing management expert. He served for nine years as the President of RESCORP Realty, Inc., which managed a multi-family rental housing portfolio in the Chicagoland area. Under McCarthy's guidance, that portfolio expanded from 1,600 to more than 4,000 rental units.

In July of 1991, a joint venture partnership that McCarthy formed between RESCORP Realty and Frank J. Williams Realty was awarded the management of the Chicago Housing Authority's innovative Lake Parc Place. Under McCarthy's leadership, Lake Parc Place received worldwide recognition for excellence in publicly funded housing. After touring Lake Parc Place, housing officials from virtually every state in the nation as well as dozens of foreign countries praised the quality of the property management. Newsweek magazine called Lake Parc Place "A housing program that actually works" and CNN described the property as "the best managed public housing in the country".

McCarthy was the Chairman of the Chicago Board of Realtors' Property Management Council from 1988 to 1989. He co-founded and served as President of the Property Management Resource Center, a non-profit corporation formed to provide property management expertise to groups who develop low and moderate-income housing. In addition Mr. McCarthy has been a member and director of the Apartment Building Owners and Managers Association (ABOMA) and a director of the Chicago Association of Realtors, where he also served as Chairman of their Government Affairs Committee. He was a co-founder and served as a director of The Real Estate Job Bank, an organization dedicated to employment opportunities for minorities within the real estate industry.

Previously McCarthy worked for Draper & Kramer (D&K), Inc. where he oversaw a portfolio consisting of over 1,900 urban and suburban residential apartments and 400,000 + sq. ft. of retail shopping centers.

Prior to joining D&K, McCarthy was a regional Vice President with Security Pacific, Inc. a property owner based in Seattle, Washington. He was responsible for the Midwest region, which included over 11,000 apartments in a five-state region.

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Foreword

COMMUNITY INVESTMENT CORPORATION

Community Investment Corporation (CIC) is a mortgage banking firm created in 1974, by Chicago's banking community. Fifty-one banks, plus Peoples Gas, Fannie Mae, and the Untied Methodist Pension Fund, share proportionally in each CIC loan.

CIC's mission is "to be the leading force in neighborhood revitalization through innovative financing programs." CIC is intended to serve as a catalyst for needed rehab lending and to foster the success of cost-effective developers.

CIC specializes in multifamily rehabilitation lending. In its first 15 years of multifamily lending, 1984 to 1999, CIC has made 1092 loans totaling $415 million in CIC funds on buildings with 28,000 apartment units. CIC borrowers have received over $500 million in various financing programs including no or low interest financing, tandem processed, and government second mortgages. About 20% of CIC loans have government second loans.

CIC takes pride in its ability to offer timely loan processing and support through its dedicated and experienced loan officer, construction review and closing staff.

CIC is committed to increasing the professional skills and knowledge of hands-on building owners and property managers. In 1999 CIC will conduct fifteen basic level courses in property management and maintenance. The courses will be conducted over four consecutive evenings, three hours per evening, throughout the Chicagoland area. Additional one evening courses are regularly held on seasonal topics such as landscaping (spring) or energy savings and heating systems (fall), plus regular topics related to rehabilitation.

In the first ten of its twenty-five years, CIC helped pioneer single family rehab lending in low and moderate income communities, providing $15 million in loans to rehabilitate 989 single family units. CIC also provided home ownership counseling and technical assistance to 2,500 families.

Call CIC at (312) 258-0070 for information on loan products and rates, or to find out about training sessions near you.

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Introduction

There was a time when the ownership and management of an apartment building were largely unregulated. Landlords were virtually free to rent and operate their property in any fashion they deemed reasonable. All you really needed was the money for a down payment, a building to purchase, a cooperative lender and you were in business.

Times have changed. Today's apartment industry has become considerably more regulated. Landlords must comply with many Fair Housing laws. In addition, some municipalities regulate the way properties are managed as well as the manner and speed in which landlords service the maintenance needs of their tenants. Among the requirements today's landlords face are set minimum amounts of heat in the winter and the installation of early warning devices to protect against smoke inhalation and carbon monoxide poisoning.

The task of managing residential real estate has grown increasingly dependent upon the ability to skillfully operate within both the demands of the marketplace and the laws that regulate the industry. Today's property manager must be able to compete with the manager of the building down the street for suitable tenants and, at the same time, comply with federal, state, county and local fair housing laws. In many cities, including Chicago and smaller municipalities, landlords must comply with tenant/landlord ordinances and with rules concerning illegal activities committed by tenants. Failure to comply can, in some cases, result in seizure of the property.

The key to successful operation of any property is planning. All property owners need a written plan guiding the day-to-day operation of their buildings. In fact, the actual planning should start prior to purchasing a property. Pre-purchase planning should include deciding in what neighborhood or area you want to buy, what size building you want to buy, and what mix of bedroom-size apartments you want. You will also have to decide whether you want to buy a fix-it-upper, a brand new building, or something in between. Additional planning should include how and where to finance your purchase, how much equity you have available and want to invest, and what improvements you want to make upon closing the purchase.

Once you've answered these questions, you're ready to decide on a host of management and maintenance issues including the preparation of written plan on how to address those issues. This manual is intended as a guide for owners and managers of multi-family buildings for use in creating an operations manual for their own specific property. This manual contains procedures and policies that have been employed in various types of buildings throughout the Chicago metropolitan area. With minor modifications, this procedures manual will serve the needs of *most* multi-family building owners and managers.

When it comes to rental policies, every owner must recognize that the rental policies you develop must be documented and enforced. Whether they are based on objective rules or subjective preferences, rental policies must be put in writing and applied in a fair and equal manner to everyone who inquires about, makes application for, or rents in your building

Negligence in the operation of a building can and often will result in legal liability for any violations. Ignorance of the laws is no defense. If you plan on owning or managing an apartment building, you must be aware of the rules and regulations that affect the way in which you operate that building. Once you know those rules and regulations, you must manage yourself and your staff in a manner that will not jeopardize your business or the building.

This manual is intended to enable you to manage your property more skillfully. The end result is that you'll be better able to obey the law, achieve financial success, and be a valuable asset to the community.

1 New Property Take-Over Procedures

Taking over or assuming either the ownership or management of an apartment building requires a systematic approach to the many tasks that usually await a new manager or owner. There are numerous details beyond the closing table that you must learn and address in a timely and proper fashion in order to insure that you start out on the right path.

If you are purchasing an existing property, the first step to a smooth takeover is learning as much as possible from the seller. You'll usually find that sellers are cooperative and willing to take the time to answer questions about the property. To make your information gathering session as effective as possible, prepare questions in advance and keep detailed notes of the answers you receive. The ***New Management Assignment Takeover Checklist*** at the end of this section provides an excellent starting point. It contains a list of the key information you'll want to gather from the seller.

Tenants of a newly acquired building are also prime candidates to provide valuable information. Typically a property takeover will be the first meeting or communication between the new management team and the tenants of the building. This can be an excellent opportunity for you to set a positive tone for your future dealings with the tenants of the building. If not carefully planned, the first meeting could be poorly handled and result in a combative and potentially disruptive relationship with the tenants of the building.

Many novice property owners or managers start out with the belief that it's their building, and they'll run it the way they see fit. They often mistakenly start with attitudes such as—

- *"The tenants, after all, are just renters who can be easily replaced."*
- *"Why should I cooperate with renters? They're the enemy in the Tenant Landlord Wars. It's my building. I'll call the shots."*

When properly approached, the tenants of the building can be among your most valued allies. They typically are more familiar with the physical property than you are, and they are certainly more aware of potential problem tenants. Tenants help you pay your mortgage and operating expenses. If things go as planned, they will put profit dollars in your pocket. Many tenants take great pride in the place they have chosen to call home and will enthusiastically assist you in keeping the building up and finding new tenants when you have a vacancy. Why would you want to start out the relationship with your tenants on an antagonistic note when what you really need and should want is a long-term harmonious relationship?

When a building was previously mismanaged, has some tenants who may be involved in illegal activities, or was allowed to fall into disrepair, tenant cooperation at initial takeover is especially important. In these cases you will face some tenants who are skeptical of your intentions and others who don't wish to upset the status quo. You will need to quickly enlist the help of those tenants who are most likely to cooperate in your quest to improve the overall condition and reputation of the property.

Existing employees, as well as vendors who previously provided services to the property are also valuable sources of information. In cases where little historic information about a building is available, these individuals can help you gain the information you need to make a smooth transition and get off to a positive start. They'll also help you answer questions like, "Where are the hidden flaws? What are the extra special maintenance needs? How were things handled in the past?" This is all important information that can assist you in future planning.

It can be useful to ask the same questions of each of the groups (sellers, employees, vendors and tenants). You may end up with completely different answers based on the varying perspectives. While that may appear to be troubling, it can also be insightful. For example, if you ask how well the hallways are maintained, it's not uncommon to receive different impressions from the janitor and the tenants. In this example, the tenants' impressions are more reliable.

You will want to learn about the tenants of the building from the seller, from the other tenants, and from the janitorial and maintenance staff. You'll learn which tenants are good neighbors and which aren't? You'll also find out who might have someone living with them who is not on the lease? Which apartments have a high number of visitors at all hours of the day? Who plays their music so loud that they disturb other tenants? Which tenants have guests that hang out in the hall and leave garbage about? The answers you gather can prove very valuable as you move forward.

New Management Assignment Takeover Checklist

Location(s) of Property _____

_____

_____

Take Over Date _____

Building Phone Number _____

Previous Management Firm _____

Contact Person(s) _____

Telephone # _____

Existing Personnel _____

_____

_____

_____

Verify Occupancy:

Are fully executed current leases in place?
Yes ____ No ____

Are all rents current?
Yes ____ No ____

Is there a list of all residents with both home & work phone numbers?
Yes ____ No ____

Have the security deposit amounts been verified?

With Lease Agreements?
Yes ____ No ____

With Tenants?
Yes ____ No ____

Are there any pending legal actions involving tenants?
Yes ____ No ____

Have all vacant units been viewed to assure they are vacant?
Yes ____ No ____

Are all delinquent renters in possession of the units they lease?
Yes ____ No ____

Have all delinquent renters been served Termination Notices?
Yes ____ No ____

Services requiring assurance of continuation:

Has the electric company been notified of changes and made final readings?
Yes ____ No ____

Has the gas company been notified of changes and made final readings?
Yes ____ No ____

Has the water company been notified of changes and made final readings?
Yes ____ No ____

Has the scavenger company been notified of the change in ownership/management and billing?
Yes ____ No ____

Have you provided for ongoing janitorial services?
Yes ____ No ____

Have you provided for ongoing maintenance services?
Yes ____ No ____

Have you provided for ongoing landscape services?
Yes ____ No ____

Building Code Issues:

Are there any existing Notices of Violations?
Yes ____ No ____

Does each unit have an operating smoke detector?
Yes ____ No ____

Are carbon monoxide detectors in place?
Yes ____ No ____

Are there proper locks on windows and doors?
Yes ____ No ____

Are all windows and screens in good repair?
Yes ____ No ____

Has the building been properly registered with the city?
Yes ____ No ____

Emergency Procedures:

Have you contracted with an answering service for after hours?
Yes ____ No ____

Have current residents been informed of any changes that they'll be required to make?
Yes ____ No ____

Have emergency point people been identified and provide with your emergency procedures plan?
Yes ____ No ____

Have emergency service providers been identified and contracted with?
Yes ____ No ____

Reports from Previous Owner/Agent:

Regulatory Agreements
Financial Reports
Inventory
Security Deposit Listing
Waiting Lists
Legal Actions
Current Billing
Personnel Records

Service Contracts in Place:

_____ terms _____

_____ terms _____

_____ terms _____

_____ terms _____

Immediate Actions Needed:

_____

_____

_____

_____

_____

Comments:

_____

_____

_____

_____

_____

Completed By _____ Date _____

2 Tenant Selection

Selecting tenants is likely to be one of the first issues you face. It is also one of the most important issues in the operation of your building. You can limit management difficulties by properly preparing a Tenant Selection Plan and applying it to everyone who inquires about renting at your building. A well thought out plan will be far more effective than the *"gut instinct" approach to tenant selection*. Yet the common reaction to the suggestion that landlords need a Tenant Selection Plan is something like, *"Why do I need a Tenant Selection Plan? I'll just place an ad in the paper and rent my vacant apartments to whoever responds to the ad so long as they look like they'll be good tenants"!*

There are many reasons to develop a well thought out Tenant Selection Plan. A Tenant Selection plan will create objective measures that can be used to determine which applicants are more likely to be good tenants. A good plan will, at least, review an applicant's:

- credit history
- previous landlord references
- number of people who will reside in the apartment and will verify:
- employment
- income information.

Failure to perform basic background checks can result in leasing an apartment to a bad tenant who not only won't pay rent but may also destroy your building and its reputation. The end result is a combination of emotional stress, financial burdens from lost rental income, and possible damage repair costs. A loud and obnoxious tenant may also drive good tenants from the building. Though it is possible to evict bad tenants, eviction can take months and hundreds of dollars to accomplish.

A good Tenant Selection Plan won't guarantee that you will never rent to a bad tenant, but it can lessen that risk. A good plan carefully applied to every applicant will also provide safeguards against possible violation of fair housing laws.

The following sample tenant selection plan is intended as a guideline. The building owner and managers must set the standards for occupancy, income, and previous rental and credit history. The sections ***in bold italics*** are areas that you should modify to fit the standards you decide upon.

Sample Tenant Selection Plan

I. INTRODUCTION

This Tenant Selection Plan outlines procedures that will be followed in selecting new tenants for the ***Your Apartments*** building. All apartments within the property will be leased in accordance with all applicable fair housing laws regardless of race, color, creed, religion, sex, national origin, ancestry, familial status, military discharge status, marital status, age, sexual orientation, or handicap of the applicant(s).

II. RENTAL UNITS

Your Apartments will offer ***6*** rental units. The number of rental units at the property that are reserved for rental households are as follows:

Size of Unit	Number of Units
1 BR	2
2 BR	2
3 BR *	1

*** One 3 BR** apartment is designated as an ***owner/manager/model/office*** apartment and is not available for rent.

III. SCHEDULING SHOWINGS OF AVAILABLE UNITS

Contacting Interested Individuals

When a unit becomes available, a showing will be scheduled with interested individual, generated from a waiting list or an advertising program, on a first come, first served basis. Management will indicate what information the applicant should bring to complete a rental application.

IV. THE APPLICATION PROCESS

A. **Application**
Each prospective tenant will complete a written rental application. Management will charge a ***$100*** application fee. If the applicant is accepted, the application fee will be credited toward the security deposit. If the applicant is rejected, the application fee will be refunded within ***fourteen (14)*** days of the date of the rejection notice. If the applicant is accepted for occupancy but refuses a unit, the application fee will be forfeited.

B. **Credit Check Fee**
In addition to the application fee, Management will charge a non-refundable credit check fee of ***$25.00.***

C. **Verification of Information on Application**
Management will take the following actions with respect to all written applications:

1. Order a written credit report.

2. Request a Verification of Employment or Income.

D. Home Visits

After Management has completed all other steps in the application process, Management will conduct a home visit on all applicants living within a 25-mile radius of the building at the time of the application.

V. ELIGIBILITY REQUIREMENTS

A. Income

Annual gross income of households in the building must be equal to or greater than the income guidelines attached to this PLAN.

B. Households/Unit Size Limitations

The unit applied for must have enough bedroom space to accommodate the applicant's household. As a guideline, no more than two people will be permitted to occupy a bedroom. In selecting a unit size for the applicant, management will balance the need to avoid over-crowding a unit with the objective of maximum utilization of space. (Chicago's building code requires a minimum of 125 sq. ft. of floor area per person)

VI. SELECTION AND REJECTION CRITERIA

The fact that an applicant meets the eligibility requirements does not mean that the applicant will be a suitable tenant. The prospective tenant must be able to fulfill lease obligations. In making this determination Management will consider various criteria, along with any related explanations offered by the applicant concerning the facts involved, including changes in circumstance. Rejection of an applicant may be based on one or more of the following criteria:

A. Insufficient/Inaccurate Information on Application

Management will consider whether the applicant refuses to cooperate fully in aspects of his/her application process, or whether the information supplied has been intentionally falsified.

B. Credit and Financial Standing

1. Management will consider the applicants' history of financial obligations, (including timely payment of rent, outstanding judgments or a history of late payment of bills). If Management rejects an application based upon the credit report, Management will give the applicant the reason for rejection and the name of the credit bureau that performed the credit check. Applicants will also be given the opportunity to have corrections made to the report.

2. Management will take into account inability to verify credit references. It will take into account special circumstances in which credit has not been established (income, age, marital status, etc.). Lack of credit history will not cause an applicant to be rejected, although, in such circumstances, Management may require that a person with a history of creditworthiness guarantee the lease.

3. Management will consider whether the applicant demonstrates financial ability to pay the monthly rent for the apartment.

C. **History of Residency**
Management will verify and document the previous two years of housing for each applicant, including applicants who were homeowners or lived with parents/guardians. ***As part of this review, Management will consider whether the applicant or any other person who will be living in the unit either has a history of criminal conviction for acts that involved physical violence to persons or property, that endangered the health and safety of other persons; or that involved the manufacture or distribution of a controlled substance or is currently addicted to, or engaged in the illegal use of, a controlled substance.*** *If an applicant is currently receiving treatment for addiction to a controlled substance, Management will not reject the applicant so long as he or she is acceptable as a tenant in all other respects.* ***Management will consider all circumstances regarding criminal activity as well as the period during which it occurred.***

D. ***Unsanitary Housekeeping***
Management will consider unsanitary housekeeping by the applicant. This criteria is not intended to exclude households whose housekeeping is only superficially unclean or disorderly if such conditions would not appear to affect the health, safety or comfort of other residents.

VII. ACCEPTANCE/REJECTION PROCEDURES

A. **Acceptance Notification**
Each accepted applicant will receive a written notification indicating the date that the rental unit will be available for occupancy (Exhibit A).

B. **Rejection Notification**
Management will promptly send each rejected applicant a written rejection notice stating the reason(s) for rejection (Exhibit B).

VIII. DOCUMENTATION

Management will document every step of the tenant selection process. Applicant files will be maintained by Management which will include, but not limited to, copies of the following correspondence:

Rental Application
Credit report
Housekeeping Report
Employment/Income Verification (see page 17)
Exhibit A - Acceptance Notice (see page 14)
Exhibit B - Rejection Notice (see page 15)
Exhibit C - Underwriting Worksheet (see page 16)
Previous Landlord Verification (see page 19)

Prepared By: _____ Date: _____

The Rental Process

The following basic steps should be applied for everyone who makes application for an apartment at your building. Sample forms that you may use are included in this section.

RENTAL APPLICATIONS should be completed and signed by everyone interested in renting an apartment at your property. All sections of the application should be completed. Be certain that those individuals who will be responsible for rent payments sign the application and authorize you to investigate their credit history. Requesting and photocopying a photo ID can help verify the identity of an applicant. Attach the photocopy to the application.

The **UNDERWRITING WORKSHEET** in this section is a form used to determine the applicants' ability to pay the rental amount you are charging. Information about the applicants' income, and existing debt should be measured against the rent and other associated housing expenses. A sample form is included along with suggested ratios of income to rent and income to rent and other debt. When you stay within the recommended ranges, your chances of receiving rents on a timely and regular basis are likely to increase.

VERIFICATION OF EMPLOYMENT/INCOME forms guide you through the process of determining the employment status of the applicants. This form should be filled in and signed by the applicant(s) in the appropriate spaces. The property owner/manager can then mail or fax the signed form to the personnel or human resource department of the employer. To ensure that the employer completes the form, do not allow the applicant to hand carry the verification form to and from the employer. You may have to perform a telephone follow-up in cases where a response is not received within five working days.

The **CURRENT OR PREVIOUS LANDLORD VERIFICATION FORM** is used to determine the applicants' current rental status as well as previous rental history. This form should be completed by the applicant(s) and signed. The form should then be faxed or mailed to the current and a least one previous landlord by the owner or manager. Again, do not allow the applicant to hand carry the form. Don't be surprised if telephone follow-up on your part becomes necessary.

CREDIT REPORTS should be conducted on every applicant who has sufficient income to qualify for your apartment. Select a Credit Bureau that can provide rapid service. Many companies can provide a report within hours, while others might require a day or two. Some bureaus can provide additional services such as eviction court searches and criminal background checks. However, it's important to realize that they are likely to charge additional fees for these services.

If you want to obtain access to public records such as eviction cases, judgments, liens, or criminal convictions, you may wish to visit the county building that serves your area. Often the public can use computer terminals for these background checks.

Whatever methods you decide to use, ***you must apply the same procedure for screening everyone applying for residency at your property***. Failure to apply the same procedures can result in fair housing violations. The following forms can help in selecting tenants and may be modified for your specific property. We encourage you to choose selection criteria that can be employed consistently and speedily.

EXHIBIT "A"

ACCEPTANCE NOTICE

DATE:_____

NAME:_____

ADDRESS:_____

CITY/STATE/ZIP:_____

RE: ***YOUR APARTMENTS***

Dear Mr./Ms.:_____

After careful consideration and review of your application and other tenant selection criteria, you have been accepted for occupancy at ***Your Apartments***. Your _____ bedroom apartment will be available on _____. Please contact our management office at ***(312) 555-1234*** to make an appointment to sign your Lease Agreement and complete all other necessary paper work.

We look forward to your being an occupant at ***Your Apartments***.

Sincerely,

Manager/Owner

EXHIBIT "B"

REJECTION NOTICE

DATE:_____

NAME:_____

ADDRESS:_____

CITY/STATE/ZIP:_____

E: APPLICATION FOR AN APARTMENT AT ***YOUR APARTMENTS***

Dear Mr./Ms.:_____

Thank you for your recent application for a _____ bedroom apartment at ***Your Apartments.*** After careful consideration and review of your application, we regret that we are unable to accept your application for tenancy at this time for the following reason(s) marked with an (X) below:

( ) Your household size cannot be accommodated at ***Your Apartments.***

( ) We have received a consumer credit report from ***ABC CREDIT BUREAU***, a usually reliable credit reporting agency, which contained negative information. You may contact the credit reporting agency directly within 30 days to obtain the information supplied with us.

( ) Based upon our underwriting policies, the income of your household is insufficient after allowing for long-term obligations, to pay the rent and utilities for the apartment you applied for.

( ) We were unable to verify employment or a stable source of income.

( ) Your check for the credit report fee was returned to us by your bank marked "Insufficient Funds" or

_____

( ) The information given us in your application is different from what we have gathered from reliable sources.

( ) The housekeeping report on your current apartment indicated a condition of unsanitary or hazardous housekeeping.

( ) We have been unable to verify a previous credit file.

( ) We obtained negative information from a previous landlord.

( ) A person who will be living with you, has a reputation for criminal conviction or criminal acts which we feel would adversely affect the reputation of the building or the health, safety, or welfare of other residents.

( )_____

Sincerely,

Manager/Owner

EXHIBIT "C"

UNDERWRITING WORKSHEET

Applicant: _____ Unit Address _____

Rent (1) $ _____ Utilities (2) $ _____ Parking (3) $_____

Monthly Housing Cost (TMH) (1+2+3) = $_____ (4)

	Income:	Source of Income:
Principal Wage Earner	$ _____(5)	_____
Spouse	$ _____(6)	_____
Other Income	$ _____(7)	_____
Other Income	$ _____(8)	_____

Total Monthly Income (TMI) (5+6+7+8) = $ _____(9)

Long-Term Obligations (LTO) (installment payments which will continue for 3 months or more)

Payee	Monthly Amount	Balance Owed
_____	$ _____(10)	_____
_____	$ _____(11)	_____
_____	$ _____(12)	_____
_____	$ _____(13)	_____
_____	$ _____(14)	_____

Total Long-Term Obligations (LTO) (10+11+12+13+14) = $ _____ (15)

Ratios:

(a) TMH (4) / TMI (9) = _____% Housing expense to income ratio 25% - 35% is the desirable range

(b) TMH(4) + LTO(15) / TMI(9) = _____% 40% - 45% is a desirable range

VERIFICATION OF EMPLOYMENT

Name of Employer _____

Address _____

RE: _____ SSN: _____
Applicant/Tenant Name

_____
Applicant/Tenant Address City State Zip Code

The individual named above has made application for housing. In order for the individual to become eligible we must verify employment and income. The individual has authorized below your release of the requested information. The information you provide will be used only for the purpose of determining the individuals eligibility for housing. We are required to complete our verification process in a short time period and would appreciate your prompt attention and response. A self-addressed envelope has been included for your convenience. If you have any questions please feel free to contact our office.

_____ _____
Name Telephone Number

Employee Authorization

I, _____ , hereby authorize _____
Applicant Employer
to release the information requested below regarding my employment and compensation.

_____ _____
Signature Date

TO BE COMPLETED BY EMPLOYER

Date of Employment _____ Position/Occupation _____

Date of Termination (if applicable) _____

Current Rate of Regular Pay $_____ per _____ (hour, week, month, etc.)

Current Rate of Overtime Pay $_____ per _____ (hour, week, month, etc.)

Number of hours/week employee normally works _____

Anticipated average earning of overtime per week $_____

Gross annual earnings you anticipate for this employee for the next twelve months.$_____

Gross amount including all tips, bonuses, overtime, commissions, etc.) $_____

Do you anticipate any changes in the employee's rate in the near future? Yes _____ No _____

If Yes: New Rate $_____ Effective Date _____

If the employee's work is seasonal or sporadic, indicate lay-off periods. _____

Additional Comments: _____

_____

_____

_____

Employer Certification

I certify that the above information is true and correct:

_____	_____
Name	Title
_____	_____
Address	Telephone Number
_____	_____
Signature	Date

Warning: Section 1001 of Title 18 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency of the United States as to any matter within its jurisdiction.

PLEASE RETURN THIS FORM TO:

_____

_____

_____

_____

Current or Previous Landlord Verification

TO: _____ DATE: _____

current or previous landlord

_____

street address

_____

city, state, zip

Applicant's Authorization

To Whom it May Concern:

I herein authorize you to provide information regarding my length of residency, rental payment history and any lease agreement infractions to the landlord named below.
I would appreciate your immediate attention to this request so that my application can be processed in a timely manner.

Sincerely,

_____ _____

applicant[']s signature date

Dear Landlord:

The above named individual has made application for residency. As part of our routine background check we ask for the cooperation of current and previous landlords to provide information UPON [[from]] which we will base, in part, our decision on the on the suitability of the applicant for housing.

Any information that you provide will remain confidential.

Sincerely,

_____

Owner/Manager

How much is (was) the tenant's rent? _____

Does (did) the tenant pay their rent on time? Yes _____ No _____

If no, how often is (was) the rent late? _____

Did you ever have to file a suit to collect rent? Yes _____ No _____

Does (did) anyone else live in the apartment? Yes _____ No _____ If yes, how many people? _____

What where their names? _____

How long has (was) the tenant at this address? Move-In _____ Move-Out _____

How did the tenant keep house? Good _____ Fair _____ Poor _____

Does (did) the tenant play loud music or throw loud parties? Yes _____ No _____

Does (did) the tenants children cause damage or disturbances? Yes _____ No _____

Are there any other problems, complaints, comments or issues you think we should be aware of?

_____

_____

Based on your experience with this tenant would you rent to them again? Yes _____ No _____

If no please comment as to why. _____

_____

Please mail or fax the completed form to: _____

_____

_____

_____

3 Fair Housing

Many property managers believe that they both thoroughly understand the fair housing law and comply with it. Yet they are not aware that there are actually several fair housing laws. These laws go well beyond prohibiting the obvious racial discrimination that most people associate with fair housing. For instance, if your property is within the City of Chicago, you could be dealing with thirteen protected classes of individuals. Can you name all thirteen of those protected classes? If not, you are in serious risk of violating the fair housing laws. It is essential to learn the laws and to comply with them fully.

Fair housing complaints are most prevalent in rental housing. In Chicago, for example, the law includes prohibitions against discrimination on the basis of the source of income. While the law does not mandate that you accept prospective renters who have a certificate or voucher from the federal section 8 housing assistance program, it does not allow you to reject them solely on the basis of their source of rental payment.

Fair housing laws do not allow you to bar families with children from your property by setting unrealistic occupancy limits. For instance, a two-bedroom apartment is generally felt to be adequate in size to house four individuals (two persons per bedroom). The key word is "**individuals**," and their ages, sex, and legal relationship to one another are not relevant to their being housed.

Start by defining the appropriate maximum number of individuals permitted in each unit. While it is generally adequate to set a limit of two persons per bedroom, you should review the square footage and configuration of your apartments to determine if that level is fair and is not designed to avoid renting to families with children. We suggest that you review the "Keating Memo" that is included in this section to gain a fuller understanding of how "number of occupants" relates to both the number of bedrooms and size of the unit.

The following are the laws and ordinances that may apply to the property you manage. Read them carefully. Then incorporate those laws that apply to your property into your overall management and marketing plan.

Use the information contained in these ordinances to make sure that you understand your local Fair Housing laws. Then, develop a tenant selection plan that is in compliance with those laws. Finally, follow that plan with every applicant to ensure compliance and to protect yourself from potentially costly violations.

Protected Classes

Protected Classes	1866 Civil Rights Act	1968 Fair Housing Act	Equal Credit Opportunity Act	Illinois Human Rights Act	Chicago Fair Housing Ordinance	Cook County Human Rights Ordinance
Race	x	x	x	x	x	x
Color	x	x		x	x	x
Religion		x	x	x	x	x
Sex		x	x	x	x	x
National Origin/Ancestry		x	x	x	x	x
Familial/ Parental Status		x		x	x	x
Disability/ Handicap		x		x	x	x
Age			x	x	x	x
Military Discharge				x	x	x
Marital Status			x	x	x	x
Sexual Orientation					x	x
Source of Income					x	x
Housing Status						x

FAIR HOUSING ENFORCEMENT POLICY: OCCUPANCY CASES ("KEATING MEMO")

(Editor's note: The following memo was issued on March 20, 1991, by HUD General Counsel Frank Keating. It provides guidance to HUD enforcement personnel for determining whether neutral occupancy limits are reasonable under the Fair Housing Act.

MEMORANDUM FOR: All Regional Counsel
FROM: Frank Keating, General Counsel
SUBJECT: Fair Housing Enforcement Policy: Occupancy Cases

On February 21, 1991, I issued a memorandum designed to facilitate your review of cases involving occupancy policies under the Fair Housing Act. The memorandum was based on my review of a significant number of such cases and was intended to constitute internal guidance to be used by Regional Counsel in reviewing cases involving occupancy restrictions. It was not intended to create a definitive test for whether a landlord or manager would be liable in a particular case, nor was it intended to establish occupancy policies or requirements for any particular type of housing.[1]

However, in discussions within the Department, and with the Department of Justice and the public, it is clear that the February 21 memorandum has resulted in a significant misunderstanding of the Department's position on the question of occupancy policies which would be reasonable under the Fair Housing Act. In this respect, many people mistakenly viewed the February 21 memorandum as indicating that the Department was establishing an occupancy policy which it would consider reasonable in any fair housing case, rather than providing guidance to Regional Counsel on the evaluation of evidence in familial status cases which involve the use of an occupancy policy adopted by a housing provider.

As you know, assuring Fair Housing for all is one of Secretary Kemp's top priorities. Prompt and vigorous enforcement of all provisions of the Fair Housing Act, including the protections in the Act for families with children, is a critical responsibility of mine and every person in the office of General Counsel. I expect Headquarters and Regional Office staff to continue their vigilant efforts to proceed to formal enforcement in all cases where occupancy restrictions are used to exclude families with children or to unreasonably limit the ability of families with children to obtain housing.

In order to assure that the Department's position in the area of occupancy policies is fully understood, I believe that it is imperative to articulate more fully the Department's position on reasonable occupancy policies and to describe the approach that the Department takes in its review of occupancy cases.

---

[1] For example, there is a HUD Handbook provision regarding the size of the unit needed for public housing tenants. See Handbook 7465.1 REV-2, Public Housing Occupancy Handbook: Admission, revised section 5-1 (issued February 12, 1991). While that Handbook, provision states that HUD does not specify the number of persons who may live in public housing units of various sizes, it provides guidance about the factors public housing agencies may consider is establishing reasonable occupancy policies. Neither this memorandum not the memorandum of February 21, 1991 overrides the guidance that Handbook provides about program requirements.

Specifically, the Department believes that an occupancy policy of two persons in a bedroom, as a general rule, is reasonable under the Fair Housing Act. The Department of Justice has advised us that this is the general policy it has incorporated in consent decrees and proposed orders, and such general policy is consistent with the guidance provided to housing providers in the HUD handbook referenced above. However, the reasonableness of any occupancy policy is rebuttable, and neither the February 21 memorandum not this memorandum implies that the Department will determine compliance with the Fair Housing Act based solely on the number of people permitted in each bedroom. Indeed, as we stated in the final rule implementing the Fair Housing Amendments Act of 1988, the Department's position is as follows:

> *There is nothing in the legislative history which indicates any intent on the part of Congress to provide for the development of a national occupancy code.*
>
> *On the other hand, there is no basis to conclude that Congress intended that an owner or manager of dwellings could reside in a dwelling. Thus, the Department believes that in appropriate circumstances, owners and managers may develop and implement reasonable occupancy requirements based on factors such as the number and size of sleeping areas or bedrooms and the overall size of the dwelling unit. In this regard, it must be noted that, in connection with a complaint alleging discrimination on the basis of familial status, the Department will carefully examine any such nongovernmental restriction to determine whether it operates unreasonably to limit or exclude families with children.*

24 C.F.R. Chapter I, Subchapter A. Appendix I at 566-67 (1990)

Thus, in reviewing occupancy cases, HUD will consider the size and number of bedrooms and other special circumstances. The following principles and hypothetical examples should assist you in determining whether the size of the bedrooms of special circumstances would make an occupancy policy reasonable.

Size of bedrooms and unit

Consider two theoretical situations in which a housing provider refused to permit a family of five to rent a two-bedroom dwelling based on a two people per bedroom policy. In the first, the complainants are a family of five who applied to rent an apartment with two large bedrooms and spacious living areas. In the second, the complainants are a family of five who applied to rent a mobile home space on which they planned to live in a small two-bedroom mobile home. Depending on the other facts, issuance of a charge might be warranted in the first situation, but not in the second.

The size of the bedrooms also can be a factor suggesting that a determination of no reasonable cause is appropriate. For example, if a mobile home is advertised as a "two-bedroom" home, but one bedroom is extremely small, depending on all facts, it could be reasonable for the park manager to limit occupancy of the home to two people.

Age of Children

The following hypotheticals involving two housing providers who refused to permit three people to share a bedroom illustrates this principle. In the first, the complainants are two adult parents who applied to rent a one-bedroom apartment with their infant child, and both the bedroom and apartment were large. In the second, the complainants are a family of two adult parents and one teenager who applied to rent a one-bedroom apartment. Depending on the other facts, issuance of a charge might be warranted in the first hypothetical, but not the second.

Configuration of unit

The following imaginary situations illustrate special circumstances involving unit configuration. Two condominium associations each reject a purchase by a family of two adults and three children based on a rule limiting sales to buyers who satisfy a "two people per bedroom" occupancy policy. The first association manages a building in which a family of five sought to purchase a unit consisting of two bedrooms plus a den or study. The second manages a building in which the family of five sought to purchase a two-bedroom unit which did not have a study or den. Depending on the other facts, issuance of a charge might be warranted in the first situation, but not the second.

Other physical limitations of housing

In addition to physical considerations such as size of each bedroom and the overall size and configuration of the dwelling, the Department will consider limiting factors identified by housing providers, such as the capacity of the septic, sewer, or other building systems.

State and local law

If a dwelling is governed by State or local governmental occupancy requirements, and the housing provider's occupancy policies reflect those requirements, HUD would consider the governmental requirements as a special circumstance tending to indicate that the housing provider's occupancy policies are reasonable.

Other relevant factors

Other relevant factors supporting a reasonable cause recommendation based on the conclusion that the occupancy policies are pretextural would include evidence that the housing provider has: (1) made discriminatory statements; (2) adopted discriminatory rules governing the use of common facilities; (3) taken other steps to discourage families with children from living in its housing; or (4) enforced its occupancy policies only against families with children. For example, the fact that a development was previously marked as an "adults only" development would mitigate in favor of issuing a charge. This policy is an especially strong factor if there is other evidence suggesting that the occupancy policies are a pretext for excluding families with children.

An occupancy policy which limits the number of children per unit is less likely to be reasonable than one which limits the number of people per unit.

Special circumstances also may be found where the housing provider limits the total number of dwellings he or she is willing to rent to families with children. For example, assume a landlord owns a building of two-bedroom units, in which a policy of four people per unit is reasonable. If the landlord adopts a four person per unit policy, but refuses to rent to a family of two adults and two children because twenty of the thirty units already are occupied by families with children, a reasonable cause recommendation would be warranted.

If your review of the evidence indicates that these or other special circumstances are present, making application of a "two people per bedroom" policy unreasonably restrictive, you should prepare a reasonable cause determination. The Executive Summary should explain the special circumstances which support your recommendation.

Questions regarding occupancy cases should be directed to Dorothy Brown, Associate General Counsel (FTS 458-1240), or Harry Carey, Assistant General Counsel for Fair Housing (FTS 458-0570)

SUMMARY FAIR HOUSING LAWS

A. Federal Civil Rights Laws

1. **Fair Housing Act.** Housing discrimination based upon race, color, religion, sex, national origin, familial status or handicap is illegal under provisions of Title VIII of the Civil Rights Act of 1968, as amended in 1974, and 1988.

This law specifically prohibits the following acts:

a. To refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, color, religion, sex, national origin, familial status (children under the age of 18) or handicap.

b. To discriminate against any person in the terms, conditions, or privileges of sale or rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, religion, sex, national origin, familial status, or handicap.

c. To make, print, or publish, or cause to be made, printed, or published any notice, statement or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, or an intention to make any such preference, limitation, or discrimination.

d. To represent to any person because of race, color, religion, sex, handicap, familial status, or national origin that any dwelling is not available for inspection, sale, or rental when such dwelling is in fact so available.

e. For profit, to induce or attempt to induce any person to sell or rent any dwelling by representations regarding the entry or prospective entry into the neighborhood of a person or persons of a particular race, color, religion, sex, national origin, handicap, or familial status.

f. To refuse to permit, at the expense of a handicapped person, reasonable modifications of existing premises occupied or to be occupied by such person, if such modifications are necessary to afford such person full enjoyment of the premises, and to refuse to make reasonable accommodations in rules, policies, practices or services, when such accommodations may be necessary to afford such person equal opportunity to use and enjoy a dwelling.

2. **Civil Rights Act of 1866** bans racial and ethnic discrimination in all housing transactions, private as well as state involved. *(Jones v. Mayer, 1968)*

3. **Equal Credit Opportunity Act** outlaws discrimination in the issuance of credit based upon race, religion, national origin, sex, age, marital status or the fact that an applicant receives public assistance income.

B. Illinois Laws

1. The **Illinois Human Rights Act** effective July 1, 1980, and amended in 1989 implements the provisions of Section 17, 18 and 19 of Article 1 of the Illinois Constitution which prohibits discrimination in the sale or rental of residential property. Its housing discrimination provisions are essentially the same as those of the federal Fair Housing Act, except that it also prohibits discrimination based on ancestry, age, marital status and unfavorable discharge from military service.

2. **Illinois Revised Statues, Chapter 38, Section 12-7.1** makes crimes such as assault, theft criminal trespass to residence or criminal damage to property by reason of the race, color, creed, religion, ancestry, sexual orientation, physical or mental disability, or national origin of another individual or group a Class A misdemeanor and is called a Hate Crime.

C. Local Fair Housing Statutes

Many cities and villages in the state of Illinois have fair housing ordinances enforced at the local level. Check with the local mayor's office, village clerk or human relations (rights) commission or department for a copy and for more information.

D. Real Estate License Act of 1989

Illinois Revised Statutes, Chapter III. par. 5818 (h) 22 and 23

The Department of Professional Regulation may refuse to issue or renew a license, may place, on probation, may suspend or may revoke any license, or may reprimand or impose a civil penalty not to exceed $10, 000.00 upon any licensee:

Where the licensee in performing or attempting to perform or pretending to perform any act as a broker or salesperson, or where such licensee, in handling his own property, whether held by deed, option or otherwise, is found guilty of:

Influencing or attempting to influence, by any words or acts a prospective seller, purchaser, occupant, landlord or tenant of real estate, so as to promote, or tend to promote, the continuance or maintenance or racially and religiously segregated housing, or so as to retard, obstruct or discourage racially integrated housing on or in any street, block, neighborhood or community.

Engaging in any act that violates the fair housing provisions of the Illinois Human Rights Act whether or not a complaint has been filed with or adjudicated by the Human Rights Commission.

COOK COUNTY HUMAN RIGHTS ORDINANCE

In order to assure that all people who live and work in the County of Cook shall be protected from unequal treatment because of bigotry and bias, the Cook County Human Rights Ordinance prohibits unlawful discrimination and sexual harassment in employment, housing, credit transactions, public accommodations, access to County services, facilities and programs and County contracting. The Ordinance defines "unlawful discrimination" as discrimination or harassment based on a person's *race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income,* or *housing status*.

HOUSING

PROHIBITIONS

Article VI of the Ordinance prohibits unlawful discrimination in connection with the terms or conditions of the sale, occupancy or lease of residential real estate in Cook County. This prohibition includes discrimination in the provision of services or utilities in connection with the sale or lease of residential property, the brokering or appraising of residential property and the making of loans for the purchase, repair or improvement of residential property.

The Ordinance further prohibits:

- discrimination in the advertising and listing of residential property;
- blockbusting or the encouragement thereof; and
- the intentional creation of alarm in any community based on the present or prospective entry of individuals protected
- by his Ordinance into the neighborhood.

Sexual harassment in connection with any real estate transaction is also prohibited.

LIMITATIONS AND EXCEPTIONS

Housing restricted to a certain age group such as the elderly is permitted under the Ordinance

Religious organizations may limit the sale, occupancy or rental of housing they own to members of the same religion.

Restricting the rental of rooms to one sex is permitted.

Rental of rooms in a private home by an owner is exempt.

Landlords shall not be required to participate in the federal Section 8 housing assistance program or to lease or rent to any tenant using a Section voucher or certificate to pay a portion of their rent.

ADDITIONAL CIVIL RIGHTS VIOLATIONS

The Ordinance further prohibits:

- retaliation against anyone who opposes unlawful discrimination or sexual harassment or has filed or participated in an investigation under the Ordinance.
- aiding and abetting a person to commit a violation of the Ordinance; and
- interference with Commission members and staff in the exercise of their powers of performance of their duties.

ENFORCEMENT

The Ordinance creates an eleven member Human Rights Commission with the authority to investigate, adjudicate and conciliate complaints of violations of the Ordinance. The Commission shall have subpoena power and shall be authorized to seek temporary or preliminary injunctive relief.

Persons who believe they have been victims of unlawful discrimination may file a written complaint with the Commission with 180 days of the discriminatory act. The Commission will conduct a neutral fact-finding investigation and, if substantial evidence of a violation is found, will conduct a hearing.

The relief that may be awarded for violations of the Ordinance includes, but is not limited to: cease and desist orders; actual damages; hiring or reinstatement; leasing of housing; admission to a public accommodation; attorney fees; and fines of up to $500 a day for each offense.

The Ordinance also creates a limited private right of action for violations of the Ordinance. Subsequent to a finding of substantial evidence that a violation of the Ordinance has occurred, a complaint or, in housing complaints only, the respondent may elect to have the complaint heard by a court of law. If granted and a complaint is filed in court, the Commission will cease to have jurisdiction over the matter.

The Commission's additional powers and duties include:

- conducting research, public forums and educational programs on discrimination and improving human relations;
- issuing rules and regulations;
- rendering an annual report; and
- entering into intergovernmental agreements regarding the referral and processing of complaints of discrimination.

APPLICABILITY

The Ordinance shall apply to County government and unincorporated Cook County. With respect to the villages and municipalities of Cook County, the Ordinance shall apply in the following manner:

1. In accordance with the Constitution, if a municipal ordinance is in conflict with this Ordinance, the municipal ordinance shall supersede this Ordinance.

2. If a municipal ordinance prohibits that same conduct prohibited by this Ordinance (or in other words is consistent with or duplicates the prohibitions of this Ordinance) this Ordinance shall not apply within that municipality with respect to such conduct. To the extent that a municipal ordinance is less comprehensive, this Ordinance shall be enforceable within the municipality.

COOK COUNTY
HUMAN RIGHTS COMMISSION
69 WEST WASHINGTON ST., STE. 2900
(312) 603-1100

CHICAGO FAIR HOUSING ORDINANCE

(Effective May 6, 1990)
Chapter 198.7B

"Be it Ordained by the City Council of the City of Chicago:

198.7B-1 It is hereby declared the policy of the City of Chicago to assure full and equal opportunity to all residents of the City to obtain fair and adequate housing for themselves and their families in the City of Chicago without discrimination against them because of race, color, sex, age, religion, disability, natural origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income.

198.7B-2 It is further declared to be the policy of the City of Chicago that have no owner, lessee, sublessee, assignee, managing agent, or other person, firm or corporation having the right to sell, rent or lease any housing accommodation, within the City of Chicago, or any agent of these, should refuse to sell, rent, lease, or otherwise deny to or withhold from any person or group of persons such housing accommodations because of race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income in the terms, conditions, or privileges or the sale, rental or lease of any housing accommodations or in the furnishing of facilities or services or services in connection therewith.

198.7B-3 It shall be an unfair housing practice and unlawful for any owner, lessee, sublessee, managing agent, or other person firm or corporation having the right to sell, rent, lease or sublease any housing accommodation, within the City of Chicago or any agent of any of these, or any real estate broker licensed as such.

A. To make any distinction, discrimination or restriction against any person in the price, terms, conditions or privileges of any kind relating to the sale, rental, lease or occupancy of any real estate used for residential purposes in the City of Chicago or in the furnishing of any facilities or services in connection therewith, predicated upon the race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income of any prospective buyer, lessee or renter of such property.

B. To refuse to sell, lease or rent, any real estate for residential purposes within the City of Chicago because of race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income of the proposed buyer or renter.

C. To discriminate or to participate in discrimination in connection with borrowing or lending money, guaranteeing loans, accepting mortgages or otherwise obtaining or making available funds for the purchase, acquisition, construction, rehabilitation, repair or maintenance of any residential housing unit or housing accommodation in the City of Chicago because of race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income.

D. To solicit for sale, lease or listing for sale or lease, residential real estate within the City of Chicago on the ground of loss of value due to the present or prospective entry into any neighborhood of any person or persons of any particular race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income.

E. To distribute or cause to be distributed, written material or statements designed to induce any owner of residential real estate in the City of Chicago to sell or lease his property because of any present prospective changes in the race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income of persons in the neighborhood.

F. To deliberately and knowingly refuse examination of any listing of residential real estate within the City of Chicago to any person because of race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income.

198.7B-4 Whenever used in this Chapter:

(a) "Age" means chronological age of not less than 40 years.
(b) "Disability" means (i) a determinable physical mental characteristic which may result from disease, injury, congenital condition of birth or functional disorder including; but not limited to, a determinable physical characteristic which necessitates a person's use of a guide, hearing or support dog; or (ii) the history of such a characteristic; or (iii) the perception of such a characteristic by the person complained against.
(c) "Marital status" means the legal status of being single, married, divorced, separated or widowed.
(d) "Military discharge status" means the status of living with one or more dependent minor or disabled children.
(e) "Parental status" means the status of living with one or more dependent minor or disabled children.
(f) "Religion" means all aspects of religious observance and practice, as well as belief, except that with respect to employers, "religion" has the meaning ascribed to it in Section 199.5.
(g) "Sexual orientation" means the actual or perceived state of heterosexuality, homosexuality or bisexuality.
(h) "Source of income" means the lawful manner by which an individual supports himself or herself and his or her dependents.

198.7B-4.1 No provision of this Chapter shall be construed to prohibit any of the following:

(a) Restricting rental or sale of a housing accommodation to a person of a certain age group (1) when such housing accommodation is authorized, approved, financed or subsidized in whole or in part for the benefit of that age group by a unit of state, local or federal government; or (2) when the duly recorded initial declaration of a condominium or community association limits such housing person owning or renting a unit in such housing accommodation prior to the recording of the initial declaration shall not be deemed to be in violation of the age restriction as long as the person or the person's immediate family continue to own or reside in the housing accommodation.
(b) A religious organization, association or society, or any not-for-profit institution or organization operated, supervised or controlled by or in conjunction with a religious organization, association or society, from limiting the sale, rental or occupancy of a dwelling which it owns or operates for other than a commercial purpose to persons of the same religion, or from giving preference to such persons of the same religion, or from giving preference to such persons, unless membership in such religion is restricted on account of race, color, or national origin.
(c) Restricting the rental of rooms in a housing accommodation to persons of one sex.

198.7B-5 Any owner, lessee, sublessee, assignee, managing agent, or other person, firm or corporation having the right to sell, rent, or lease any housing accommodation within the City of Chicago who shall exercise any function of selling, renting, leasing or subleasing any housing accommodation within the City of Chicago shall be deemed subject to all applicable provisions hereof. Any real estate broker who shall exercise any function of a real estate broker within the City of Chicago shall be subject to all applicable provisions hereof.

198.78-6 Any person aggrieved in any manner by any violation of this Chapter may file a written complaint with the Commission on Human Relations. The complaint shall include the name and address of the complainant and of every person against whom the complaint is made and shall set out the facts giving rise to the complaint. No one person shall refuse or fail or comply with any subpoena, order or decision issued in the course of or as a result of an investigation of a complaint.

198.7B-11 If any provision of this ordinance or the application thereof to any person or circumstances is held unconstitutional or otherwise invalid by any court, such invalidity shall not affect the remaining provisions or applications of this ordinance to any person or circumstance.

198.7B-12 Any owner, lessee, sublessee, assignee, managing agent or other person, firm, corporation, or real estate broker who shall violate or fail to comply with any of the provisions of this ordinance shall be punished by a fine in any sum not exceeding five hundred dollars ($500.00). Nothing herein contained shall be construed so as to preclude any aggrieved person from pursuing such other and further legal and equitable relief to which he may be entitled.

198.7B-13 The Corporation Counsel shall file with the Department of Professional Regulation of the State of Illinois a notice of the conviction of any licensed real estate broker or salesperson found guilty of violating this Chapter.

This ordinance shall be in force and shall take effect 30 days after its passage and publication"

THE EQUAL CREDIT OPPORTUNITY ACT

If you still think only of credit cards when you hear the word "credit" think again. Credit is used by millions of consumers for a variety of purposes: to finance educations, remodel homes, obtain small business loans, and pay for home mortgages.

A law passed by Congress ensures that all consumers will be given a chance to receive credit. The Equal Credit Opportunity Act says it is illegal for creditors to discriminate against applicants on the basis of their sex, race, marital status, national origin, religion, age, or because they get public assistance income. This doesn't mean all consumers who apply for credit will get it. Creditors can still use factors such as income, expenses, debts, and credit history to judge applicants.

The law protects consumers when dealing with any creditor who regularly extends credit, including: banks, small loan and finance companies, retail and department stores, credit card companies, and credit unions. Anyone participating in the decision to grant credit, such as a *real estate broker who arranges financing*, is covered by the law. Businesses applying for credit are protected by the law, too. Consumers have equal rights in every phase of the credit application process. Here is a checklist of important rights to remember when credit is requested.

Creditors may not.....

- Discourage an applicant because of sex, marital status, age, religion, race, national origin, or because an applicant receives public assistance income.
- Ask an applicant to reveal sex, race, national origin, or religion. *Creditor may ask an applicant to voluntarily disclose this information if they are applying for a real estate loan.* This information helps federal agencies enforce anti-discrimination laws. A creditor may ask an applicant what his residence or immigration status is.
- Ask whether an applicant is divorced or widowed.
- Ask marital status if applicant is applying for separate, unsecured account. (Exceptions are Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, and Washington—the "community property" states).
- Ask for information about husband or wife. A creditor may ask about spouse if : both spouses are applying; both spouses will be using the account; applicant is relying on spouse's income or on alimony or child support income from a former spouse; or if applicant resides in a community property state (listed above).
- Ask about applicants plan for having or raising children.
- Ask if applicant receives alimony, child support, or separate maintenance payment. A creditor may ask for this information if applicant is first told that they don't have to reveal it if applicant is not relying on it to get credit. A creditor may ask if applicant has to pay alimony, child support, or separate maintenance.

When Deciding Whether To Give Credit, Creditors May Not.....

- Consider sex, marital status, race, national origin, or religion.
- Consider whether a telephone is listed in applicants name. A creditor may consider whether there is a phone in the home.
- Consider the race of the people who live in the neighborhood where applicant wants to buy or improve a house with borrowed money.
- Consider applicants age, with certain exceptions:
  - Minors
  - Those 62 or over can be favored.
  - If it is used to determine the meaning of other factors which are important to credit-worthiness. (For example, a creditor could use applicants age to see if income might be reduced because of pending retirement).

When evaluating an applicants' income creditors may not:

- Refuse to consider reliable public assistance income in the same manner as other income.
- Discount income because of sex or marital status. (For example, a creditor cannot count a man's salary at 100% and a woman's at 75%). A creditor may not assume a woman of child-bearing age will stop work to have to raise children.
- Discount or refuse to consider income because it is derived from part-time employment or from pension
- Refuse to consider consistently-received alimony, child support, or separate maintenance payment A creditor may ask for proof that this income has been received consistently.

For more information on the Equal Credit Opportunity Act contact:

Federal Trade Commission
55 East Monroe Street Chicago, Illinois 60603
(312) 353-4423

There are a number of agencies and advocacy groups who are committed to insuring that Fair Housing Laws are complied with by all. Upon receiving a complaint these groups may send an investigator or in some cases send "TESTERS" to determine the validity of the complaint. If you are found to be in violation you can be fined or subject to civil penalties, including court costs and legal fees. Settlements exceeding $100,000 are not *uncommon.*

We once again strongly urge you to read the Fair Housing information contained herein and practice Fair Housing as a normal routine at every property with which you are involved.

"TESTERS" IN FAIR HOUSING

"Aren't the actions and activities of real estate "tester", "checkers" or "auditors" entrapment and hence against the law?" This question comes up again and again in real estate fair housing training. The answer is that the federal courts have ruled repeatedly that "testers" 1) are not violating any law, 2) are often times obtaining evidence that can *only* be obtained by that process and 3) have standing in their own right to bring a civil action if they are denied truthful information about housing availability.

(1) The U.S. Court of Appeals (Seventh Circuit) in a ruling on July 21, 1983, which involved a case brought by the Leadership Council, stated:

"It is frequently difficult to develop proof in discrimination cases and the evidence provided by testers is frequently valuable, if not indispensable. It is surely regrettable that testers must mislead commercial landlords and home owners as to their real intentions to rent or to buy housing. Nonetheless, we have long recognized that this requirement of deception was a relatively small price to pay to defeat racial discrimination. The evidence provided by testers both benefits unbiased landlords by quickly dispelling false claims of discrimination. We have discovered no case in which the credibility of testimony provided by a tester has been questioned simply because of the tester's "professional" status. Indeed, tester evidence may well receive more weight because of its source. Testers seem more likely to be careful and dispassionate observers of the events which lead to a discrimination suit than individuals who are allegedly being discriminated against".

(2) The United States Supreme Court in the now famous "Heavens Case" ruled on February 24, 1982:

"Congress has thus conferred on all "person" a legal right to truthful information about available housing..... A tester who has been the object of a misrepresentation made unlawful under Sec. 804(d) has suffered injury in precisely the form the statute was intended to guard against, and therefore has standing to maintain a claim for damages under the Act's provisions. That the tester may have approached the real estate agent fully expecting that he would receive false information, and without any intention of buying or renting a home, does not negate the simple fact of injury within the meaning of Sec. 804(d)."

Richardson v. Howard, 712 F .2nd 319 (7th Circuit 1983)
Havens Realty Corp. v. Coleman, 102 S. Ct. 1114 (1982)

4 Marketing

Once your Tenant Selection Plan is in place, you're ready to find the right tenants for that vacant two-bedroom apartment on the second floor. Well, not exactly. There's a bit more involved including several factors that relate to tenant selection as well as marketing.

Let's start with the basics — the forms and paperwork that you'll need to do the actual renting of an apartment.

Rental Application

Obtain a supply of the rental applications you want to use. These vary in form and information requested. They are available from stationary stores and through office supply super stores such as Office Depot® or Staples®. We have also included one that you are free to copy and use. Once you've selected a Rental Application, you'll need to be sure you use it properly.

It is essential to have the prospective tenant(s) fully complete and sign the rental application. The applicant's signature authorizes you to conduct a credit investigation. NEVER RUN A CREDIT REPORT WITHOUT A SIGNED APPLICATION. Verifying the applicant's identify by requesting and photocopying a photo ID is another important step in the process. You will need answers to all the questions posed in the application in order to judge whether the applicant meets the guidelines established in your Tenant Selection Plan. You will also need to know the applicant is who he or she claims to be.

Credit Reports

Select a firm that can provide a credit report on the applicant as well as any additional information you may want. Some firms will be able to supply current information about pending eviction actions as well as checks on whether the applicant is a fugitive from justice. Choose a firm that can provide information within one business day. This is easily accomplished by most reputable companies.

Lease Agreements

You will need to decide upon and obtain a supply of Lease Agreements (conforming to local ordinances where required). With only very rare exceptions, avoid entering into a verbal agreement in place of signing a written lease. The key problem with a verbal agreement is the frequency with which on party suffers selective hearing or inaccurate memory. These problems are eliminated by a Lease Agreement that clearly spells out the requirements and responsibilities of all parties to the lease. It will provide for a lease term, usually one-year, that makes clear to everyone when the lease will expire. Completion of the Lease Agreement ensures you have a valid lease for a given period of time.

Verbal agreements typically are renewed month to month. With a thirty-day notice, either party can break verbal agreements. For landlords, it is daunting, at best, to hear on November 1 that a tenant will move at the end of the month. This means that the apartment will become vacant on December 1st, traditionally one of the slowest months for rental activity. January

and February are also typically slow months. A written term lease can avoid this type of situation. Often owner or managers will write leases that are slightly shorter or longer that 12 months to avoid expiration dates occurring during December, January or February.

Lease Agreements are available at many business supply outlets. In addition many local Realtor® Boards, as well as attorneys specializing in evictions, have leases conforming to local ordinances. Be sure the lease agreement you select meets your needs and conforms to local ordinances.

Rental Rates

What will you charge for rent? This is a crucial issue for every property owner. Making a good determination requires careful analysis of the local market. Failure to do this analysis can result in having an overpriced apartment remain vacant or in earning too little on an apartment priced below its potential.

Determine the correct rent level by conducting a market survey. Your survey should review the rents at a minimum of eight comparable properties that are within your immediate market area. If your building is freshly rehabbed and has a well-manicured lawn; chose similar buildings as comparables. Don't choose a dilapidated building with a weed-choked yard or an elegant new construction as one of the eight properties in your survey. For the market survey to be valid, properties must be within a reasonable distance as well as somewhat similar to your property.

A market survey will often begin with a "windshield survey." Simply drive around the neighborhood and view buildings that appear to be in a condition similar to yours. You will want to gather telephone numbers from the signs attached to the building so you can contact the managers with preliminary questions and to schedule a visit of your own (taking photos is also a good idea).

You will eventually need to make a visit to those buildings that most closely resemble the apartments you are offering. While much information can be gained over the telephone, a call alone will not determine how your property stacks up against the competition. You need to see how nice their apartments are compared to yours. Do they have similar amenities? Are they offering a frost-free refrigerator, self-cleaning oven, air conditioning, dishwasher, ceiling fans, modern bathrooms, on-site laundry facilities, or other features? Are they on a busy, noisy boulevard or a quiet tree- lined street? Are they close to public transportation? Is their two- bedroom unit larger or smaller than your two-bedroom unit? Is heat included, or does the tenant pay for the heat? All of these differences will have an impact on the value of your particular apartment in its market.

Once you have identified buildings that are reasonably similar to yours in quality and appearance, determine if their rent levels are realistic. If the building never has a vacancy because no one ever moves out, chances are the rents may be too low. On the other hand, if they can't seem to rent the apartment, even though it is charming and market ready, then they may have overpriced the unit. Identify buildings that have apartments that come on the market occasionally and are rented within 30 days of their offering. The owners of these buildings have probably identified what rent levels the local marketplace will allow.

The rent you should charge should be based on the strengths and weaknesses of your property compared to those properties similar to your own. You'll need to consider both your in-person observations of the comparison of your units with others. In addition, you'll need to analyze the appropriateness of the rents for these similar apartments. Be certain not to match someone else's overinflated or undervalued rents.

Note: *Certain financing programs, as well as real estate tax relief programs, will govern the maximum amount of rent you can charge for your apartments. If you fall into this category, it is important that you comply with those restrictions when setting rent levels.*

Curb Appeal

Any ads you run for your rental will be a waste of money if your building doesn't look good from the outside. If the exterior doesn't look good, potential renters may not take the time to come inside to see the beautifully refurbished apartment you have for rent. Keep the exterior and common areas of your building clean and litter free. If you have landscaping, keep it neat and trimmed. Grass seed and flowers require a relatively small investment that provides a surprisingly high return in appearance and tenant satisfaction.
Most prospective tenants will shy away from a building that is otherwise well maintained if it is covered in graffiti. If your building ever falls victim to graffiti, remove it at once. If the graffiti reappears, remove it again. Eventually the person applying the graffiti will give up. In the City of Chicago, you can contact your alderman for city assistance in having graffiti removed.

Market or Rent-Ready

First impressions are often lasting impressions. If you show a dirty, unpainted apartment to a prospective tenant, you may very well never see that person again. People generally don't have the vision to see what the unit will look like after it has been fixed up. We've all heard about the landlord who promised the moon but on moving day delivered something far less. That prospective tenant may have heard about or experienced a similar situation and may be skeptical of the genuine promises you make.

Avoid the desire to rush to market with an unfinished unit. Fix it up first, then show it! If your plans call for fresh paint, new carpeting and a shiny new frost-free refrigerator, then complete those plans. You'll rent vacant apartments that are in a market- ready condition much faster than those that have not been readied. As a result, you'll spend less time showing the units and experience less loss of income.

Marketing Program

Any marketing program for residential buildings includes the following basic components:

- Identifying and understanding your target market.
- Creating awareness within your market segment about your apartments.
- Motivating or persuading your potential tenants to apply and move into your building.

Identifying and understanding your market

Your building is likely to appeal to certain groups of people, and you need to identify who they are. The likely renters for a building with only studio and one-bedroom apartments are single people or couples with no children. *Your property would probably not be appropriate for families with children simply because of the size of the available units.*

If your cheapest apartment rents for $1,200 per month, it is too expensive for a household earning $1,650 per month. *The rent is too high for that income level.*

A four-bedroom apartment in Chicago's Albany Park neighborhood would probably not appeal to a single female who works in Oak Brook. *It's too big an apartment and geographically inconvenient.*

You need to know both your target market and the size of your market — both the number of people and the geographic boundaries. The size of the market population can be determined from census data that provide information on household size and income for each census tract. The geographic size of your market is a bit more difficult to determine, but if the building is located within the boundaries of Chicago, your market most likely will not include suburban areas.

Creating awareness / Advertising

If you have just totally rehabbed your building, you need to let potential renters know. Signs, Signs, Signs, Signs, Signs, and Signs are the six best sources for rental prospects. Signs attracted prospects to approximately 60 percent of the apartments rented in Chicago. Since most of the signs used to advertise the availability of an apartment are relatively small (3 feet by 4 feet), you'll need to keep the information you're trying to convey to a minimum. An effective sign might read:

APARTMENT FOR RENT
(773) 555-1111

or

TWO BEDROOM
APARTMENT
FOR RENT
773-555-1111

But wait, you have much more to say. After all you just rehabbed your building and put in the best of everything, and you want to tell the world, or at least anyone driving by your building, about it. You might feel compelled to put up a sign that reads:

Now Renting

Beautifully Rehabbed Apartments

Hardwood Floors, Natural woodwork, Gas Range and Oven, Frost Free Refrigerator, Dishwasher, Individually controlled Heat & A.C. , Ceramic Tile Bath, Low "E" Insulated Glass Windows, Vertical Blinds, Close to Schools, Churches and Public Transportation, No Pets allowed

(773) 555-2222

Can you read all the information contained in this advertising message in one or two seconds? Neither can a prospective renter who is traveling by your building in a car or bus traveling at 30 miles per hours. While they might get through part of your message, they probably won't get to that all-important telephone number. Even if you had a busload of speed readers going by, they would have difficulty with this lengthy message, since the printing would have to be fairly small to fit on a standard 3' X 4' sign.

Ads in local newspapers and church bulletins can be an effective means of attracting potential tenants. Perhaps, the most effective method is to encourage referrals from friends, other residents of the building, and employers in the area.

Public Relations

Public relations — getting attention through channels other than advertising — is an important part of any marketing program, especially if you're spending money on signs and paid advertisements. There are two really great things about publicity. First, it's usually free, if you do it yourself and not through a public relations agency. Second, either a story in a newspaper or a positive referral by individuals has higher credibility than any ad. Most people tend to believe what they read in the newspaper or hear from a friend or respected person in the community, and it's great if it's a positive story about your building. But how do you generate a positive story about your building?

The best method of obtaining media coverage is by sending out a press release. In fact, 75 percent of all news comes from press releases. In order to insure that your press release will be utilized, you need to do a few important things.

- Use an established format for your press release.
- Avoid making the release more than one or two pages long.
- Send a photo of your building or the interior of one of the apartments.
- Enclose extra materials, such as brochures, print ads, or flyers.
- Follow up with a telephone call.

What is newsworthy about your building that would warrant an article being published?
Look around, and you're bound to find something.

- The beginning or finishing of a rehab project.
- A Grand Opening.
- A progress report on renting a new or rehabbed building.
- Awards from community groups or leaders.
- An unusual renter moving into the building.

Find something about your building and prepare a press release. But, make sure that should the local editor drop by, your building is clean and neat.

Motivating or persuading

Moving a household is one of life's most stressful events. The stress begins when people decide to move and continues until well after they have found and moved into their new home. You need to remember this during all interactions with prospective tenants.

During my twenty-plus years in property management, I have often heard a developer talk about his newly constructed apartment building as being "so good that it will rent itself." There are few examples of this "field of dreams" syndrome. You may recall the movie by that name that starred Kevin Costner. In the movie a God- like voice is heard saying, "If you build it, they will come." I don't know one property that rented itself, and all required some marketing to be successful.

Showing and demonstrating the apartment

Showing an apartment for rent should not be a self-service activity, where you toss the keys to the prospective renter and point at the door on the left at the top of the stairs. You will need to prepare for the showing before the prospect arrives. First, walk through the apartment to make sure everything is clean and in good condition. If you have shades drawn and it's a bright sunny day, open those shades and let the sunlight fill the apartment. If you'll be showing the apartment in the evening, turn on the lights prior to the prospect arriving. Do whatever else you can to make the apartment pleasant and inviting.

Never make a prospect feel like you're doing them a favor by showing the apartment. You need to be courteous, helpful and enthusiastic. If you've been working around the building and are covered in dirt, it is always advisable to clean yourself up prior to the prospective tenant's arrival so that you present a professional appearance.

Think and act like a salesperson. Demonstrate the features of the apartment and the building. If you have insulated windows, show people how well they work. Open doors, point out features, like ceramic tile walls in the bathroom, on-site laundry facilities, or tenant storage lockers. Talk about the positive features of the building and the neighborhood, like the proximity of schools, churches, transportation, and shopping.

You should be prepared to provide accurate answers to questions prospective renters will ask. You need to know your building and your neighborhood. Know the square footage of your apartments, the utility costs (a requirement in Chicago for tenant- heated units), and other pertinent information. Find out where the churches and schools are, what public transportation will serve people, and where the closest grocery store and pharmacy are located.

Close the Sale

Many property managers find it difficult to close the sale. They don't get a definitive agreement to rent an apartment. When the prospect is at the building, you need to seize the moment and ask them to fill out an application and leave a deposit. Don't be shy! Create a sense of urgency. If you only have one apartment available and you've had other inquiries, let the prospect know. Let them know that if they take too long in making a decision the apartment might not be available. It's also a good idea to get a prospect's telephone number and address so you might call them later and ask them to rent at your building.

Reasons for Failure to Close

There are several reasons property managers fail to close the rental … or even to attempt closing.

1. **Fear of Failing:** Most people don't like to hear "NO." If you don't hear NO, you have not yet failed. Unfortunately, it also means you haven't yet tried.
2. **Misunderstanding of the sales closure:** Most people need to be pushed to make their final commitment to rent an apartment. Often landlords don't close because they don't think it is necessary to push for that final closure. Renting an apartment is a major buying decision and one that requires encouragement.
3. **Cultural Taboos:** Tradition and the manners we have been taught tell us that it is not good to ask someone for something. You're not comfortable asking for the order. Unfortunately, many other property managers have overcome this taboo and will ask your applicants to sign their applications.

Of course, not every "looker" will rent on the first visit. This is not a cause for alarm. Many shoppers make several appointments to look at various apartments, including your competition. If you've taken a name and number, you'll be able to follow up with a telephone call or a brief note thanking them for visiting your building and inviting them to become a resident. If you have properly prepared your apartment, priced it competitively and shown diligence in your marketing efforts, you have a good chance of getting the rental.

sample brochure/flyer

City View Apartments

Beautifully Rehabbed Vintage Apartments
featuring:

Hardwood Floors
Natural woodwork
Gas Range and Oven
Frost Free Refrigerator
Dishwasher
Individually controlled Heat & A.C.
Ceramic Tile Baths
Low "E" Insulated Glass Window
Vertical Blinds

Conveniently located close to Schools, Churches and Public Transportation.

One Bedroom Apartments priced from $_____
Two Bedroom Apartments priced from $_____

City View Apartments
1234 W. Main Street, Chicago, IL 60600
on-site management and maintenance
(773) 555-2222

Brochures

A simple brochure or flyer can tell a prospective tenant quite a bit about your apartments. Unlike a sign, a brochure can convey lots of in-formation without being fancy or expensive.

5 Tenant Handbook

Most leases contain rules and regulations. Often times these rules and regulations are not specific to your particular property. A ***Tenant Handbook*** is a document that you can use to convey specific rules and regulations not conveyed within your written lease agreement. This document is also a means of providing helpful information to the tenants within your building. The ***Tenant Handbook*** does not need to be fancy or costly to produce. It should, however, convey pertinent information about the building, the community, care of apartment and its equipment, and the rules and regulations governing the property. The sections in ***bold italics*** in the following sample Handbook are particular areas where you, the property owner or manager, must make a decision as to the policy *you* wish to adopt.

Sample Resident Handbook

WELCOME...

We want to welcome you to your new home and are pleased that you chose our building. We want to make your stay with us as comfortable and enjoyable as possible. The purpose of this handbook is to let you know more about our building, and how, together, we can keep it an enjoyable place in which to live. You, as the resident, and we, as the building's managers, have certain responsibilities to each other. By clarifying these responsibilities at the very beginning, we can better achieve our objective of providing quality housing services to each of our residents. With this thought in mind, we have prepared this handbook. THE PROVISIONS IN THIS HANDBOOK ARE PART OF YOUR LEASE. RETAIN IT FOR FUTURE USE WHILE YOU RESIDE IN OUR APARTMENT BUILDING. Please take the time now to read through its pages, and don't hesitate to telephone or visit the Manager if you have questions.

ADMINISTRATIVE INFORMATION

Your Management Company

Your Apartments is managed by Your Apartment's Realty, Inc. Your Apartment's Realty, Inc., over the past five years, has been involved in the rehabilitation and management of over fifty residential units in four buildings throughout Chicago. All of these buildings have been instrumental in revitalizing and improving their respective neighborhoods.

Your Management Team

Your professional management team is discrete and efficient. The entire staff is professionally trained and skilled in their areas of responsibility.

Office Hours

Hours of office operation are ***8:30 to 4:30 Monday to Friday and 9:00 to 12:00 Saturdays***. These hours have been established to provide service coverage during normal work periods. Please feel free to visit our office or call regarding service requests or to

obtain assistance. For the following emergencies during non-office hours, please call the emergency phone number *(000-0000)*, and our answering service will contact the management representative assigned to emergency duty:

- No heat in the winter
- A plumbing leak or sewer stoppage which might damage personal belongings or apartment property.
- No electricity (contact ComEd first)
- Any condition that might cause a fire.
- An odor of gas.(contact Peoples Gas first)

Our employees want to do the best job possible in serving you. However, they also enjoy their time with their families. Please consider their time when calling after normal working hours.

THINGS YOU SHOULD KNOW UPON MOVING IN

PAYMENT OF RENT

You may pay your rent by bringing it to the management office during business hours or by mailing it to our office.

PLEASE MAIL YOUR RENT TO:

Your Apartment's Realty, Inc.
1 East Main Street
Chicago, Illinois 60600

You will receive a billing on approximately the 25th of the month for the rent payment[,] which is due on the first of the following month. Included in the billing will be an envelope for mailing your payment and a billing statement[,] which should be enclosed with your check or money order in the return envelope. Make your check payable to Your Apartments. Rent is due in the Your Apartment's Realty, Inc. office by the first day of each month. If rent is not received by the 5th day of the month, a late charge will be assessed and will be included in the next billing.

Security Deposit

Your security deposit is not rent but a deposit to ensure the fulfillment of lease conditions and to serve as a contingency payment against any damages to the apartment. The security deposit *may not* be applied to your last month's rent. If you fulfill your lease according to its terms, only charges for damages, excluding normal wear and tear, will be deducted from your security deposit. Following are the conditions for return of a security deposit:

- You must fulfill the terms and conditions of your lease and not owe the development any money.
- The apartment must be left clean with no damage beyond normal wear and tear.
- After you have removed all of your belongings from the apartment, both you and a representative from management will complete an inspection report. Both you and the management representative should sign this report. The management representative will clearly indicate on this form the items, if any, for which you will be charged.
- You must give our office a valid forwarding address.
- You are not considered officially vacated until all keys are turned in to the office.

Inspection Reports

When you move in, your apartment should be clean and ready for you. You and a management representative will inspect it together. You will receive a checklist of the equipment in your apartment and its condition. Anything damaged or in need of repair will be noted and corrected by management. From then on, the apartment is your responsibility. So make certain you inspect everything carefully. Be sure to check everything; such as the plumbing, lights, stove, refrigerator and sink. Check for any damage to things such as doors, doorknobs, locks, walls, ceilings, basins, toilets and tubs. Do not walk through the apartment just looking at how nice and new everything looks. *Carefully inspect everything*. After any problems you may find are corrected, any damage to your apartment or its equipment that is caused by you or members of your household, guests or visitors will be charged to you after consideration has been given for normal wear and tear. Please remember to contact the management office for a joint inspection prior to vacating your apartment. Management staff will inspect your apartment in your presence, if you request it. The "move-in" inspections prevent misunderstandings and your being charged for conditions that may have existed prior to your arrival. You will be provided with a written statement of any charges for which you are responsible.

Lease

The lease is a contract obligating both management and you, the resident, to all of the terms and conditions contained in it. On the day scheduled for signing your lease, which will be a date prior to your actual move-in, the manager will explain to you each item in the lease. You will not be asked to sign until you fully understand everything covered in the lease. Do not hesitate to ask about any points that you do not fully understand, because once you sign the lease, you legally agree to all of its provisions. The renewal of your lease will depend on maintenance of your apartment in a satisfactory condition, timely payment of rent, and meeting all of the conditions laid out in your present lease.

Occupancy

Only those individuals listed on your lease may live in your apartment. You cannot assign the lease, sublet your unit, or take in boarders or lodgers without the consent of management. Only members of your household as identified on the lease may use your apartment.

If your family increases in number or someone moves out, please report it to the management office.

A guest may stay in your apartment up to a maximum of 14 days. Any guest remaining in your apartment longer than 14 days will be considered an unauthorized occupant.

If an unauthorized occupant is found living in your apartment, it is a violation of your lease and could result in your eviction.

Resident Insurance

In the event of loss or damage by fire or other casualty to your apartment due to your own fault or that of your guests, you will be charged and billed for restoration of the loss or the damaged premises. Therefore, we strongly recommend that you contact an insurance agent to obtain Apartment Renters' Insurance, Household Goods and Liability Insurance or another similar policy to cover your personal belongings against vandalism, fire, burglary, and water damage as well as personal liability. ***Our insurance does not cover your personal belongings or liability.***

Utilities

In most buildings, the cost of your heat and hot water is included in the rent. In some buildings where the cost of electricity and gas is included, residents receive an electricity allowance and are billed for excess consumption. Meters are read at least every three months.

Move-In

You must schedule an appointment with the management office to move into your apartment. ***NO MOVE-INS WILL BE SCHEDULED ON SUNDAY except in cases where special permission is granted.*** Scheduling is necessary so that neither you nor another resident is inconvenienced by both trying to move into the building at the same time. All furniture and belongings must be moved through the rear doors only. Do not use the front vestibule or hallways. Someone from the management office will be on-hand to help make your move-in as smooth as possible. Please make certain that the area is left clean and neat after your move-in.

Move-Out

Management requires a 30-day written notice of intent to vacate and not to renew your lease when you decide to move. Go to the management office and sign a prepared form indicating your intention to vacate. If you fail to give a 30-day notice, you are liable for the rent and other required payments covering the days your apartment is vacant.

Your building manager will schedule your move-out for the last day of occupancy.

Access to Your Apartment

Management shall, upon reasonable advance notification to the Tenant, be permitted to enter the Leased Apartment during reasonable hours for the purpose of performing routine inspections and maintenance, making improvements or repairs, or showing the apartment for re-leasing. A written statement specifying the purpose of management entry that is delivered to the apartment at least two days before such entry shall be considered reasonable advance notification. Management may enter the premises at any time without advance notification when there is reasonable cause to believe that an emergency exists. An emergency includes but is not limited to situations where there is a threat to health and safety of residents or management employees or there is a risk of damage to property. In the event the tenant and all adult authorized residents are absent from the apartment at the time of entry, management shall leave at the apartment a written statement specifying the date, time and purpose of entry prior to leaving the apartment.

MANAGEMENT POLICIES

General

The purpose of these policies is to allow each resident to enjoy his or her apartment and to better ensure the safety of residents and the appearance of the community. As a resident in an apartment community, you necessarily assume certain responsibilities that go along with the many benefits of the apartment lifestyle. Basically, these are common rules of etiquette designed to make the community more enjoyable for all residents.

Keys and Locks

We supply a set of keys to the apartment and to the mailbox. All keys are to be returned to our office upon vacating the apartment. *Residents are not permitted to alter any lock or install a new lock, knocker or other attachment on the door.* When you leave your apartment, please be sure to take your door key with you at all times. If you cannot gain entry into your apartment, our maintenance or management personnel will let you into your apartment during office hours. ***If you are locked out during non-office hours, you may call the emergency service number, which is included in your Resident Information Packet. During office hours a charge of $5.00 will be applied. After office hours a charge of $10.00 will be applied[,] which will be included on your next monthly bill. The Maintenance Superintendent is not required by company policy to unlock your door during his off hours. To preclude this situation, you may want to keep an extra key with you or with a neighbor.***

Children

Residents are responsible for the conduct of their children and their guests' children. Please do not leave bicycles, toys, or tricycles on sidewalks, stairways, or hallways. For their own protection, children are not permitted to play or ride bicycles in parking lots, laundries, driveways, or any of the public areas. Public areas include all grounds, with the exception of each apartment unit. Playgrounds and other recreational areas are available to children. For their own safety, we require that children be closely supervised. Children may not leave toys lying about. Strewn toys can be a potential hazard to safety, are unattractive, and are an inconvenience to neighbors. We are pleased to accept residents with children when we are able to confirm that adequate supervision will be provided. Children are required to be under the supervision of their parents or a responsible adult at all times. Residents will be charged the cost to repair any damage caused by their children who are authorized to reside and/or are guests at ***Your Apartments***. Failure to supervise your children or for your guests to control their children's behavior could lead to the termination of your lease.

Pets

Your lease does not permit pets in the building. keeping pets is a violation of your lease that could lead to its termination. Aid dogs necessary for disabled individuals are exceptions to this policy.

Automobiles

Automobiles must be parked on the street or in parking spaces assigned by the development. Please park in a manner that allows other cars easy access in and out. Do not "double park". Park only in designated areas, not in fire lanes. Cars that are parked in restricted areas will be towed away at the owner's expense. All cars must be driveable. They should not be "stored" in parking areas. Vehicles found on the premises in a "junk" condition, with flat tires or on jacks, supports or bare wheels, will be removed at the owner's expense. Expired licenses indicate a "stored" condition, and the vehicle will be removed. The washing of cars in the lot is permitted, but management will not supply hoses. We also ask that residents not perform any major repairs on their cars at the development. Changing of a battery, tire or air filter will be allowed. Please, always properly dispose of refuse. Residents will be required to obtain a quarterly permit for parking that must be displayed at all times on the vehicle.

Other Vehicles

Fire regulations prohibit parking of any motorized vehicles on walkways or other unassigned areas.

Bicycles, baby carriages and strollers must be kept in your apartment.

Gasoline-operated machines are forbidden in apartments. They are fire hazards and can endanger many lives.

All motorcycles, mini-bikes and recreational vehicles must be approved by the manager prior to being brought on the premises. They should be registered with the office and parked in designated areas of the parking lot only. Fire regulations prohibit parking of a motorcycle and/or mini-bike on walkways, under stairways, or in apartments. All vehicles must be currently registered, licensed and in operating condition or they will be towed away at the owner's expense. All bicycles are to be stored in the apartment or in the bike racks, if provided. Bikes may not be stored in hallways, front lawns, or any other common areas.

Trash Disposal and Refuse

For your convenience, refuse containers are conveniently located in the alleys. Please place all trash in these specified areas. Do not permit small children to take trash to these areas. Place all trash in plastic bags or other secure containers to keep the trash areas neat, clean and relatively odor-free. Plastic bags are to be tied to prevent papers and other items from falling out. Do not attempt to insert items that are too large to fit within the refuse chute. This will cause blockage and potential fire hazards.

Screens

Any lease holder or resident who removes a screen from a window except in an extreme emergency, such as fire, will receive a substantial charge for re-installation and if necessary the cost of a new screen. This will be considered a very serious lease violation. It is extremely dangerous to remove screens from windows. This makes it possible for anyone in the apartment to throw objects from the windows.

Disturbances

Social and friendly gatherings of residents and their guests are welcomed and encouraged, provided that such gatherings do not become boisterous, obscene or generally objectionable to the other residents. Drunkenness that disturbs other residents will not be tolerated. Residents are entirely responsible for the conduct of their guests in the apartments or outside in the common areas. Keep stereos, radios and televisions at minimum levels so that neighbors are not disturbed. Nothing should be done in or about the building that will interfere with the rights, comfort or convenience of other residents.

Community Appearance

Since this apartment community is your home, we ask that you treat it in that way. We are proud of our community and want and need your pride in the apartment community as well. In this way, it will be an attractive and safe place in which to live and entertain your guests. We ask that you abide by the following policies to maintain an attractive community and a safe environment and to protect the property:

- Window coverings are to be attractive to the surrounding. Sheets, blankets, aluminum foil, heavy paper, and other such items are not acceptable window coverings.
- Keep exterior windowsills free from all personal property.
- Sidewalks, entrances, passages, courts, vestibules, stairways, corridors, and halls should not be obstructed or encumbered or used for any purpose other than entering and leaving your apartment.
- The front lawns or courtyards of all buildings should be kept clear of furniture, bicycles, toys and any other personal property.
- No sign, advertisement, notice or other lettering should be exhibited, inscribed, painted or affixed by any resident on any part of the outside or inside of the apartment or building without the prior written consent of management.
- No radio or television aerials or wires should be erected in or about any part of the apartment or building.
- You should not allow anything whatsoever to fall from the windows or doors of the apartment. Nor should you sweep or throw from your apartment any dirt or other substance into any corridors, halls, light shafts, ventilators or other parts of the building.
- Throw rugs, boots, umbrellas, or personal items are not allowed in the front halls.

- Trees and shrubbery are a vital and valuable part of the community, and you will be liable for damages or any mutilation or defacing for which you, your children, or your guests are responsible.
- Any expense incurred by the management as a result of mistreatment of the apartment or common areas will, insofar as necessary, be assessed against the residents responsible.

SECURITY AND SAFETY

Your Security

Adequate protection of you and your property is of great concern to your management. Your security begins with your own actions. Be sure to use any lock and other security devices provided to ensure that "uninvited" persons cannot gain access. Close and lock your door at all times. Be suspicious of unexpected deliveries of flowers and telegrams. These are some of the tricks used by professionals to gain entry into a building. Although we install industry-approved lock systems, a professional can override all security devices. The best security is the individual concern of each resident for the safety of himself and his neighbors. Report "suspicious" persons to the management office. Call the police if you notice a suspicious person in the area. Ask for identification of anyone not known to you who claims to be an employee of the development.

Security for Elderly and Disabled Residents

Elderly and disabled citizens are, unfortunately, often targets of crime. In order to help protect yourself, we urge our senior and disabled residents to:

- establish frequent telephone contact with relatives, encourage frequent visitors and check in with neighbors frequently;
- avoid letting strangers stop you for conversation;
- avoid large groups of adolescents and isolated, sparsely traveled streets;
- try to avoid riding elevators with strangers and try to have your key ready for use before entering your apartment;
- avoid parked cars with running motors.

Vacations

It is advisable to notify the mail carrier, newsboy and all other routine delivery people when you plan to be away from your home for an extended period. The Post Office or a neighbor can hold your mail and other deliveries for you until you return. A growing pile of newspapers allows too many people to know you are absent. Before leaving on your vacation, cupboards should be checked for unwrapped foodstuffs. The garbage should be emptied. *Mail a check to cover the rent if the rental payment due date comes during your vacation.* (Your rent is due on the first day of each month, whether you are here or away.) Keep all windows closed during your absence to prevent rain damage to draperies, carpeting, and apartment interiors. Check all electrical appliances (such as the stove or coffeepot to be certain that they are unplugged or off. An economical timer connected to a light or radio will often deter a potential intruder. It is advisable to notify the office if you will be away for an extended period of time.

Fire Precautions

The best way to stop fire is to prevent it before it starts.

- Store all items safely.
- Empty waste and trash containers daily.
- Dispose of newspapers and magazines regularly.
- Store all matches in tightly closed metal containers.
- Clean grease and spilled food daily from cooking range and oven.
- Store cooking grease containers away from range.
- Never wear flimsy clothing or plastic aprons when cooking.
- Keep curtains, towels, potholders, and other flammable items away from cooking range top.
- Please refrain from smoking in bed.
- Have plenty of ashtrays for smokers to use.
- Never empty ashtrays in wastebaskets until the ash has been soaked.
- Always keep household equipment clean and in good repair.
- Have worn and frayed electrical cords replaced immediately.
- Avoid overloading electric wiring circuits.
- Use a heat-resistant pad under toasters, grills, and other appliances.

The Fire Department number is listed on the inside front cover of this handbook. Please report any fires to the Fire Department and the office immediately. Always give an accurate and understandable address to aid fire units in locating the fire. Storage of kerosene, gasoline or other flammable or explosive agents is prohibited. Fire regulations prohibit residents from keeping shoes and small carpets outside apartment doors, or from installing burglar gates, or grill cooking on the balconies or rear porches.

Smoke Detectors

Smoke detectors have been installed in every apartment, stairwell and hallway of the development in compliance with city ordinances and to provide an additional measure of safety for you. These devices are designed to sense the visible and invisible products of combustion created by a fire, and are intended to give early warning in case of smoke or fire. However, they cannot be expected to protect against fires resulting from smoking in bed. The battery that powers the detector should last at least one year. However, you should test its operation once each month to assure yourself of proper functioning. (Test the battery by firmly depressing the button located near the center of the detector cover for a few seconds. The alarm will sound as it would if smoke from a fire were actually present. *If the alarm does not sound, call the management office immediately.*)

SERVICE

Service Request Procedure

During office hours, you may request service by phoning the management office or having a service request completed in person at the management office. We request that the explanation of the needed service be clear and as complete as possible. This will help us to give better service and ensure that we fully understand the request. Our goal is to satisfy your request within 48 hours. If this is not possible, either the Site Manager or the Maintenance superintendent will notify you as to the reason and the expected date of completion of the service. In some cases, a part may not be available. Every effort will be made to satisfy your request as soon as possible. Please notify us promptly of any needed repairs to equipment or fixtures.

In the case of an emergency, please telephone the management office or maintenance office immediately. If the emergency occurs after the office is closed, telephone the emergency service number included in the inside cover of this handbook. Examples of items that are considered emergencies are as follows:

- No heat in winter.
- A plumbing leak or sewer stoppage that cannot be contained and might damage personal belongings or apartment property.
- No electricity (please contact the utility company first).
- Any condition that might cause a fire.
- An odor of gas.
- Lock out (being locked out of one's apartment).

We ask that you be considerate of our employees during their off hours and only call upon them for service in an emergency situation.

When a service request is completed, a copy will be left with you, or if you are not at home, a copy will be left on the kitchen counter. You will also be given a survey card on which you are requested to comment on the service you received on the particular work order

We sincerely hope that our service request procedure will provide fast, courteous and efficient service. If you have any questions regarding our service request policy, please contact your Manager.

Pest Control

The management provides pest control services on A scheduled basis. Please contact the office if you have a specific problem. We ask your cooperation in not leaving any food open or dirty dishes lying around. These attract insects. Soft drink bottles should be rinsed after use. Garbage and waste should never be left in the apartment. Entrance to your apartment is required in order for us to perform quarterly exterminating services.

APPLIANCES and APARTMENT CARE

General

In case your appliance does not operate, first check the electrical cord to ensure that it is firmly plugged into the wall socket. If that appears to be in order, contact the office. A management representative will acquaint you with the operation of the heating and air conditioning system and all appliances (range and refrigerator) during the move-in inspection. Please ensure that the management representative explains the operation of any appliance or piece of equipment with which you are not familiar.

Refrigerator

The outside of the refrigerator can be kept clean by using a glass or tile cleaner. Avoid the use of abrasives or scouring powders since these products can scratch or dull the finish. Do not use sharp objects to assist in defrosting of a refrigerator. They can puncture coils and ruin the appliance. You should report any problems with your refrigerator to the office.

Range/Oven

The outside of the stove can be kept clean by using a glass or multi-purpose cleaner such as *409 or Fantastic*. Avoid the use of abrasives, scouring powders and oven cleaner on the outside bright surfaces, since these products can scratch or dull the finish. Do not use oven cleaner on the burners or the burner drip pans, since they will dull the finish. Any problems with your range/oven should be reported to the office.

Carpeting

The carpet in your apartment requires your ongoing maintenance. Regular vacuuming, at least weekly, is required. Spot cleaning is also your responsibility, and any spills should be cleaned as soon as possible to avoid staining. Be careful never to use chlorine bleach based products on the carpeting, since it will bleach out the color and ruin the carpeting.

Hardwood Flooring

Regular dusting and washing of your the hardwood floors are necessary to maintain their finish. The floors were refinished with a modern polyurethane finish that can be easily cleaned with a mild solution of liquid dish soap and warm water or with a window cleaning liquid such as Windex.

Bath Tubs

The surface of the bathtub was refinished with an acrylic surface. It is essential that you DO NOT USE ABRASIVE CLEANERS such as Comet, Softscrub or Kitchen Kleanser, since these products will scratch the surface and dull the finish. Products like Dow Bathroom Cleaner or other foaming type cleaners or dishwashing liquid and a soft sponge will work well in maintaining the cleanliness of the tub without damaging the finish. It is important that you regularly clean the tub and tile surfaces, at least every other week, in order to maintain their appearance.

AMENITIES

Laundry Facilities

Complete laundry facilities are available to you in individual buildings. Hours are posted on the door to the laundry facility. The machines are provided and maintained by commercial companies that are responsible for the repairs. If any of the machines is not working properly, please call our office immediately and identify the machine, and we will contact the

company. Please follow the posted rules for operating the machines. Use of the laundry facilities is at your own risk, and discretion should be used when using the machines for synthetic fabrics and other delicate items. You cannot dye fabrics in these machines. We cannot be responsible for any loss or damage caused by use of the appliances. Never leave clothes unattended. Remove clothing from the machine promptly. Keep the laundry areas neat and clean and use the receptacles provided. We want to make the laundry facility pleasant for each of our residents. Management must reserve the right to prohibit the use of the laundry room by an individual failing to comply with normal precautions and posted policies for operation of the machines. Children are not allowed in the laundry room area unless supervised by an adult. Portable washers and dryers are not permitted in apartments.

Parking

You may arrange parking by contacting the management office. Any cars parked illegally will be towed away at the owner's expense.

MISCELLANEOUS PROVISIONS

Complaints or Recommendations

By observing the preceding rules, we hope your residence at ***YOUR APARTMENTS*** will be pleasant and rewarding. If, as sometimes happens, there are shortcomings on the part of your neighbors or with our management or maintenance personnel, we certainly want to know about it for the well-being of all of our residents.

Likewise, if you have suggestions or recommendations on how we can improve our services to you or if there are functions or activities you would like to have offered, don't hesitate to make your wishes known. We will appreciate your interest and do our best to incorporate your ideas.

Our policy regarding complaints is as follows:

- If your complaint involves a resident or a resident's guest, please call the management office.
- If the resident manager deems it to be a serious complaint, you will be asked to put it in writing and sign it. The Site Manager will acknowledge the complaint in writing and handle it as the situation dictates.
- Complaints involving management or maintenance personnel should be submitted in writing and directed to:

  Your Apartment's Realty, Inc.
  One East Main Street
  Chicago, Illinois 60601

- Only signed complaints will be acted upon.
- Other comments and recommendations should also be directed to ***Your Apartment's Realty, Inc.*** at the above address.

Compensation for Work by Maintenance Personnel

All of our personnel at the development are compensated by management for their services. If there is a charge for work performed by one of them, we will bill you directly. **Do not make payment for service work directly to one of our employees.** ***To avoid misunderstanding, we do not allow any of our employees to perform work for residents for which they will be paid directly, even during their off-duty hours.***

Prohibition against Business Activities

The apartments at Your Apartments are intended solely for residential use. It is expressly forbidden for any resident to conduct business activities within the confines of his or her apartment within the building.

6 Rent Collection

A great deal of the joy of property ownership disappears when you experience problems with rent collections. A rent collection policy is intended to be an enforceable policy that is fairly and consistently enforced that can help avoid both confusion and collection problems. Your policy should include to where rents are paid, methods of payments you accepts, due dates, and late fee penalties.

Where to Pay

You have several alternatives as to where tenants will make payments. Select between a box in the building, a centrally located business office, a P.O. Box or a Bank Lock Box. Chose a method that is convenient and cost effective for you as well as secure and convenient for your tenants.

Method of Payment

Will you or won't you accept cash payments? WE STRONGLY URGE YOU NOT TO ACCEPT CASH. If you do, your options on Where to Pay" may be severely limited.

Since most renters pay by check, you will need to decide how to respond when issued a Non Sufficient Funds (NSF) check by a tenant. Will you accept future personal checks from the tenant? Will you require cashier's checks or money orders? Many seasoned property managers will allow a resident two NSF checks prior to imposing a requirement for that tenant that rent be paid only with secured funds only (money order, cashier's check, or the equivalent.).

Due Dates and Late Fees

Will your rents be due on the first of the month? Typically rent is due on the first day of the month and is late on the second. Late fees are generally imposed on the sixth day of the month. The lease agreement you choose will specify the requirements. Be sure that your lease agreement is consistent with your ***Tenant Handbook*** .You will need to establish, in writing, a rent collection policy that you intend to enforce and then enforce it consistently. The existence of a solidly developed rent collection policy is only as good as the diligence you practice in ensuring that it is utilized on a consistent basis. You need to ensure that every tenant in your building is aware of your rent collection policy and that they comply with it fully and promptly. No exceptions can be allowed if you ever intend to enforce those policies.

If you lack consistency in your rent collection efforts, you will increase the likelihood that you will encounter problems with delinquent rents.

The mere existence of a written policy covering rent collection is no assurance that everyone will read and comply with that policy. You need to reinforce it by informing new tenants verbally of your policy and urging them to read it and become familiar with it. This can be done during the move-in orientation or during the initial move-in inspection. You can remind all of your tenants that your rent collection policy states that failure to pay rent by the fifth day of the month will result in a ***Termination Notice*** on the sixth day of the month by serving all your delinquent tenants such a notice on the sixth.

Late fees should be incorporated into your rent collection policy. In the City of Chicago the Residential Landlord and Tenant Ordinance states that you may charge a late fee of $10.00 on rents of $500 per month or less. You are allowed to charge an additional five percent as a late fee on any rent amount in excess of $500. If your policy imposes late fees, you must be consistent in enforcing them.

Rent is due on the first and is late on the second. Tenants at times request special arrangements, when funds are not available on the first. If your policy states that rent is due on the first, why would you change that policy for one person who doesn't receive their check until the 15th? Why not extend a policy that allows each of your tenants to choose their own due date for rent? If you did, you would never know for sure when your rental income for the month would be collected. If you adopted such a foolish policy, you could find yourself in a position where you did not have sufficient funds to pay your mortgage or your utility payments when they are due. Rest assured that failure on your part to pay these expenses on time will result in late fees or worse.

When the time comes to serve a ***Late Notice*** or ***Termination Notice***, do so in a professional and non-confrontational way. Keep in mind that the delinquent renter may simply have forgotten to pay their rent or may have some personal crisis that has placed an enormous amount of stress upon them. You don't have to be mean-spirited, nasty or threatening! Just serve the notice.

7 Evictions

There are times when it becomes necessary to evict a tenant. The tenant may be a lovely person who has simply fallen on bad times. However, if you are to continue to collect rents from your other tenants and to make your payments on time, eviction becomes a necessity. Should you find yourself in a situation where an eviction becomes necessary, the following sequence of events is recommended.

The eviction will begin with the preparation of a Notice to Terminate. The type of notice you'll prepare will vary depending upon whether or not a lease agreement exists and what lease infractions have occurred. The following are the standard types of notices utilized in residential eviction cases:

- The **5-DAY NOTICE** is for past due rent only. These are typically served to the rent delinquent tenant the sixth day of the month.
- The **10 -DAY NOTICE** is for cause. This notice is used when a lease provision has been violated. Lease violations can include excessive noise, an unauthorized occupant, or other failures by the tenant to comply with lease provisions.
- A **30-DAY NOTICE** is used when no lease exists. Whenever there is a verbal month to month agreement the lease can be terminated by either party with a thirty-day notice. The landlord should always formalize the termination of the rental relationship with a thirty-day notice.
- The **SPECIAL 5-DAY FOR DRUGS NOTICE** is utilized in cases where an arrest and seizure of illegal drugs have occurred in an apartment. Nuisance abatement laws require that landlords act in an affirmative manner in ridding their properties of illegal drug activities.

Serve the notice by personally serving the Lessee or by personally serving a person in occupancy of the apartment, over the age of thirteen. All other methods of service, such as posting, certified mail or first class mail are discourage since they are not normally considered good service by the courts. after you have served the notice you must complete the affidavit of service portion of the notice and have the server's signature notarized.

Once you have waited the appropriate numbers of days from the date of the notary's signature on the notice, it is time to file the complaint. If a holiday falls within the notice period, wait an extra day before filing. This extra day is recommended since judges do not always recognize the notice as good when holidays are not accounted for.

Once the notice is filed, the tenant must be served a summons to appear in court. The sheriff serves the summons. If the sheriff is unsuccessful, you may wish to employ a special summons server or request a posting. However, if you choose posting you may be precluded from requesting money damages in your suit.

Upon service or posting a court appearance, the trial date is set and the case will go to trial. If you are successful in your case, the judge will award you a court order for possession. The time given the tenant to vacate can be as little as one week or more typically two weeks. Longer periods to vacate may be awarded in extenuating circumstances such as a disabled tenant, or a family with school age children or during the holiday seasons.

Upon the expiration of the time period to vacate, granted to the tenant by the judge, the tenant must move or face the possibility of a forcible eviction. Forcible eviction requires that an execution of order be filed with the sheriff's office. Predicated upon the time of year, the outdoor temperatures, and the caseload of the sheriff's eviction team your tenant should be evicted in two to four weeks.

While many property owners successfully handle their own evictions, it is suggested that the novice property owner consult with an attorney. In cases involving illegal drug activities at your property, whether you're a novice or a seasoned manager, we recommend hiring an attorney experienced in these types of cases.

OWNERS FIVE DAY NOTICE

You are hereby notified that there is now due the sum of $ _____
(1) Rent per month $_____, Rent due from _____ to _____ being rent for the premises situated in _____ County of _____, State of Illinois and known as and described as follows to wit : _____
_____ together with all buildings, storage areas, parking spaces, garages and recreational spaces used in conjunction with said premises.
And you are further notified that payment of said sum so due has been and is hereby demanded of you and that unless payment thereof is made on or before the expiration of five (5) days after service of this notice, your right of possession under the lease of said premises will be terminated.

TO: _____
_____
_____
_____

_____
is authorized to receive said rent, so due.

_____
Owner

Dated this _____ day of _____, _____

By_____
Agent or Attorney

STATE OF ILLINOIS }
COUNTY OF _____ }

AFFIDAVIT OF SERVICE

Served by _____ being duly sworn, on oath deposes and state that on the _____ day of _____, _____ he/she served the above notice on the tenant named above, as follows:

☐ (1) by delivering a copy thereof to the named tenant, _____.

☐ (2) by delivering a copy thereof to _____, a person above the age of thirteen (13) years of age, residing on or in charge of the above described premises.

☐ (3) by sending a copy thereof to said tenant by certified mail, return receipt requested, postage prepaid, at the address for the tenant at the beginning of the tenant's occupancy/lease or at such other address as tenant may subsequently have designated by written notice.

Subscribed and sworn to before me this _____ day of _____, _____

_____
Notary Public

NOTICE OF TERMINATION

You are hereby notified that tenancy or lease of the premises situated in _____ County of _____, State of Illinois and known as and described as follows to wit:

_____

together with all buildings, storage areas, parking spaces, garages and recreational spaces used in conjunction with said premises, will be terminated as follows:

A. You have breached or are in default of the terms of your lease for said premises, as follows:

_____

_____

The Owner has elected to terminate your right of possession under the lease and you are hereby notified to quit and surrender possession of the same to the Owner within_____days after service of this notice.

B. The undersigned elects to terminate your tenancy of said premises. Such termination will become effective on the _____ day of _____ , _____ , and you are hereby notified to quit and deliver up possession at that time.

TO: _____ _____

_____

_____

_____ _____

Owner

Dated this _____ day of _____, _____ By_____

Agent

STATE OF ILLINOIS }
COUNTY OF _____ }

AFFIDAVIT OF SERVICE

Served by _____ being duly sworn, on oath deposes and state that on the _____ day of _____, _____ he/she served the above notice on the tenant named above, as follows:

(1) by delivering a copy thereof to the named tenant, _____.

☐ (2) by delivering a copy thereof to _____, a person above the age of thirteen (13) years of age, residing on or in charge of the above described premises.

☐ (3) by sending a copy thereof to said tenant by certified mail, return receipt requested, postage prepaid, at the address for the tenant at the beginning of the tenant's occupancy/lease or at such other address as tenant may subsequently have designated by written notice.

Subscribed and sworn to before me this _____ day of _____, _____

_____

Notary Public

(7/3/97) CCM-0699A

NOTICE OF TERMINATION OF TENANCY

To:_____

_____

_____

You are hereby notified that your tenancy of the following premises, to wit:

_____

_____

_____

_____

in the County of Cook, and State of Illinois, will terminate on the _____

day of _____, 19 _____.

You are hereby required to surrender possession of the said premises to undersigned on that day.

This notice of termination is issued based on the following: _____

_____

_____

_____

_____

_____

Dated this _____ day of _____, 19 _____.

_____

Lessor

_____

Agent or Attorney

PERSON SERVING THIS NOTICE MUST COMPLETE AFFIDAVIT ON REVERSE SIDE
CLERK OF THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS

State of Illinois)
) ss:
County of Cook)

AFFIDAVIT AND PROOF OF SERVICE

_____, certifies and says that he/she served the foregoing

NOTICE OF TERMINATION OF TENANCY on this _____ day of _____, 19 _____, as follows:

☐ By personally delivering a true and correct copy to Tenant

☐ By leaving a true and correct copy with _____, a person of the age of 13 years or upwards, residing on or in the premises

☐ By mailing a true and correct copy to the Tenant by Certified or Registered Mail, requesting a return receipt signed by Addressee Only

(Certified or Registered Mail Receipt No. _____)

and depositing same in the U.S. Mail located at _____

_____

Under penalties as provided by law pursuant to Section 1-109 of the Illinois Code of Civil Procedure, the undersigned certifies that the statements set forth in this Affidavit and Proof of Service are true and correct in substance and in fact.

_____

8 Enforcement of the Rules

A key theme of this guide has been the need for consistent enforcement of rules and policies. We have covered the need for a number of documents that establish the basis from which you will manage your building. The creation of a Tenant Selection Policy, a Tenant Handbook and a Rent Collection Policy are the guidelines to the way in which you will rent and operate your building. The Lease Agreement and any referenced Rules and Regulations are the legal documents that both the tenant and the owner/manager have agreed to, in writing, and which both parties are expected to live up to.

All too often, property owners and managers expend the necessary time and energy writing the rules and regulations that will set the tone for behavior at their buildings but fail to uphold those rules and regulations.. What good are rules if the owner/manager doesn't enforce them?

Is it fear that a tenant might be offended by having their infractions pointed out to them? If so, consider instead the possibility that you are likely offending the tenant whose life style is being harmed by the rule violators. You might be tempted to think something like this: "Sure, they play their music a bit loud, but they always pay their rent on the first. Besides I've got two vacant apartments, and if I evict them I'll have three.". Instead, consider the possibility that part of your vacancy problem may stem from the noisy tenant. Seldom will you find that ignoring problem tenants will correct their behavior. You are more likely to find that sticking your head in the ground and ignoring the problem worsens it.

You decided upon reasonable rules and regulations that would help assure that your building is an enjoyable place to live. Hopefully, most of the tenants of the building are supportive of and abide by those rules. Now that you are faced with enforcing those rules you can't side step the task because it's uncomfortable or unpleasant. It is your duty, both contractually as well as morally, to see that the rules and regulations that you have established are enforced.

9 Eliminating Drug and other Illegal Activities

Nothing is potentially more destructive to the success of a building than allowing illegal activities to take place in it. Among the most prevalent illegal activities occurring in apartment buildings today are the possession and distribution of illegal drugs.

How do you go about eliminating drug dealing from your building? Begin by sharing your vision of a crime-free and safe property with the tenants. In fact, the best place to start is by sharing your vision with applicants. If you have been made aware of some problem tenants, let everyone know that it has come to your attention that certain tenants of the property may be involved in illegal activities and that you will not allow such activities to continue. Ask for help from your tenants to rid the building of drug dealers and users. It is important from both a liability and safety standpoint that you don't name names or specific apartments that you feel are connected with illegal activities to anyone but law enforcement officials.

The tenants who come to you first may not necessarily be the law abiding tenants that you are interested in enlisting in your campaign to improve the property. If a successful and highly profitable drug operation is headquartered out of one or more apartments in your building, you can rest assured that the people running the operation are going to conduct some reconnaissance of their own. They're going to try to learn your plans to clean up the building. They're going to want to learn just how much you know about their business activities and who you think the dealers are. They'll want to do whatever they can to stay in business. You need to be careful not to threaten them to their faces They could have weapons and a thriving business they wish to preserve. A more sensible approach would be to make everyone aware of your sincere concerns via an open letter to all residents of the building. Such a letter might look like the example on page 61.

This type of letter actually can work as part of an integrated effort. You will need to be diligent and report any information you receive to the police. If a tenant provides you with information and asks for anonymity, you must comply and keep that individual's name out of all correspondence with police. You should also plan on sending variations on this letter every week or two until you have rid the building of the problem tenants.

IMPORTANT NOTICE

Current Date

Dear Resident of 123 Main Street Apartments:

On September 18, 1998, the building in which you reside was identified as possibly harboring illegal drug dealing activities. We at Big Plans Management Company have been advised by the authorities that certain illegal activities are occurring at the building. We have been further advised that unless we as the property manager take affirmative actions to eliminate those activities that the building could be seized by the government and possibly closed down. If this occurs everyone who lives in the building will have to move.

It is our intention to fully cooperate with the authorities in assuring that the illegal activities occurring at the building are discontinued and that 123 Main Street Apartments once again become a place that the good tenants of the property are proud to call home.

If you are involved in illegal activities, or allowing your apartment to be used for those activities, you are advised to discontinue those activities at once.

If you are not involved in illegal activities and are concerned about the quality of life for yourself and your family we are asking for your assistance. Any information that you have should be reported to either the Local Police District at (773)555-9111 or our Management Office at (312)555-1119. Any information that we receive will be held in the strictest confidence.

A partnership with the police department, the law abiding residents of 123 Main Street Apartments and the staff of Big Plans Management Company can result in ridding the property of illegal activity. Please show your concern and become a part of this effort today!

Sincerely,

Property Manager

You will need to pay extra-special attention to those tenants who have provided any information and appear trustworthy. Anyone who believes that you appreciate them will be more likely to cooperate with you in your efforts to rid the building of criminal activities. These same people, if included in the process, are more likely to "ride it out" while together you rid the building of the drug dealers.

When you achieve a victory, even if it's the eviction of a minor player in a drug operation, let everyone in the building know. This will buoy the spirits of the good tenants and offer them encouragement while having just the opposite effect on those who were part of the drug operation or friends of it.

The following steps have been used successfully in a number of situations where drug dealing has occurred. The degree of success that you can expect is dependent upon how much time and effort you and those who join you in the effort invest in it.

Step One

The Lease Agreement you use must contain language that states very clearly that possession, sales or use of illegal drugs inside the apartment or within the immediate area around the building is forbidden and represents a major lease violation. The language within the lease should also state that any actions that support any such activities (such as acting as lookout for dealers or providing a shooting gallery or hideout) are also serious lease infractions.

Step Two

Educate all of your existing tenants, both residential and commercial, about the consequences of dealing drugs, using drugs, or participating in drug trafficking activities. Create a flyer that states in simple language that any such illegal activities will result in eviction proceedings being instituted against violators. Make it clear that the sale or use of drugs by a fifteen year old youth who resides in an apartment *will result in the eviction of not only that fifteen year old but everyone who resides in the apartment.*

Step Three

Get the names, including nicknames, of all legal residents of the building. Obtain birth dates and get current photographs of all legal residents. Put together a book listing by address and apartment number the names of every resident of that building along with their photograph. This information can be most helpful to the police.

Step Four

Screening of all new residents of the property must be diligently applied to everyone who makes application. Do credit checks, check with previous landlords, perform home visits and check report cards and attendance records of all school age children who are to reside in the apartment. You may want to consider running police background checks or drug screening tests. Police background checks take time and typically will not provide any information on youths who have criminal backgrounds.

Step Five

Keep all of the doors to the building locked. If the drug dealers break the locks, fix them immediately. Give a set of keys to all exterior locks to the local police district so that the officers on your beat can gain access to the building for patrol purposes. Make sure that all building entries have a clearly marked street address and that all apartments have clearly marked apartment numbers on their doors. This will aid greatly in identifying which entry or apartments are involved.

Step Six

Keep all common area and exterior lights in working condition. Make sure the lights come on at dusk and continue burning until dawn. Adjust timers as the days shorten. If there are dark areas in the building or on the exterior of the building add lights. Drug dealers and their customers prefer darkness. Bright lights discourage them.

Step Seven

Survey your building for unused or dead spaces that might lend themselves to use in the drug business. This could include stairwells, space under porches, small alcoves off of lobbies or the space under the stairs. Any of these areas that can be walled off or fenced off without compromising safety should be blocked off. In addition you may wish to consider these additional steps:

- Add tamper alarms to emergency only exit doors.
- Install a plywood barrier blocking off the space under the first floor stairs to prevent this space from being utilized by dealers and their customers.

- Install motion detectors that trigger bright lights in any infrequently used indoor areas.
- Keep all areas of the building cleaned and odor free. Most people will avoid dirty and smelly areas except for drug dealers and their customers.

Step Eight

Learn the names of your beat officers. Share the name and telephone numbers of the beat officers with the employees and tenants of your building and encourage them to talk with and cooperate with those officers.

Step Nine

Report all crime, including vandalism, to the police. Keep a record of every time you call the police with details of the incident that you called about. Note how quickly police responded, the names of the officers and what, if any, resolution occurred.

Step Ten

Create coalitions. If a tenants' association exists in your building or an adjacent building enlist their support in the fight. Get to know the janitors and other workers for the building next door, across the street or behind your building and ask for their assistance in keeping an eye out for and reporting crime. If there is a block club, community activists or crime watch group you may want to enlist them to assist you.

Step Eleven

Get good information for the police to use. Reduce to writing everything you and your associates have learned about a drug dealing operation. The type of information that has proven to be helpful includes:

- The type of drugs are being sold
- The busiest times of day and days of the week for their activities
- Which apartments are involved (apartment numbers and entry addresses are vital)
- What activities are being conducted in the apartments
- Descriptions of the drug dealers
- Descriptions of the drug customers
- Identities of lookouts and their locations
- Whether or not weapons are being used
- Code words being used
- The exact location of the drug dealing
- The manner in which drugs are being exchanged for money

Step Twelve

Don't be a hero and make sure your employees know not to try to be heroes. Avoid verbal confrontation with drug dealers, and don't threaten them or tell them you're going to put them out of business.

Step Thirteen

Know your neighbors. Most drug dealers want to stay in the area where they have established their business. If they have been evicted or are in the process of being evicted by another landlord in your neighborhood, your neighbor landlord can help you learn in advance that the dealers will be looking for a new location to set-up business and you can avoid renting to them.

Step Fourteen

Keep your vacant apartments well-secured and accessible only to authorized persons. It is a good idea to check these vacant apartments at least weekly to make sure no one has broken into them from adjoining apartments.

Step Fifteen

Get a good lawyer, one who has experience and a successful track record in representing landlords in evictions of tenants involved in the drug trade. Don't assume that if an attorney can successfully evict a person for non-payment of rent that such success will translate into a victory in evicting a drug dealer. Ask for references and details on cases similar to yours.

Step Sixteen

When the time comes to evict the dealers, include every apartment where the illegal activity either occurs or is somehow supported in your eviction filings. What good is it to evict one apartment if four or five are involved? Wouldn't it be easy for the dealer to move the business elsewhere in the building if you allowed that luxury by not evicting participating associates in the building?

Step Seventeen

After the eviction takes place, be prepared for the dealers to try to get back in your building. After all, this is where their customers know to come to buy their drugs. Unlike the dry cleaner that moved down the street, these drug dealers can't put a sign in the window indicating that they've relocated to a new business address.

You may wish to execute an agreement that authorizes the police department to enter your property to enforce no trespassing laws. You will need to properly post the building with signs stating "CRIMINAL TRESPASSING PROHIBITED, NO LOITERING." Attached is a sample letter authorizing police to enter your building for this purpose.

TRESPASS ENFORCEMENT AUTHORIZATION

I, We _____ as Owner and/or Managers or Agents thereof, of the property located at _____ do hereby request and authorize officers of the Chicago Police Department, in their official capacity, to go upon or within those common areas generally open to the public and or tenants, including hallways, entrances, laundry facilities, lawn and yard areas. I further request and authorize officers to go upon or within those areas not commonly open to tenants including boiler rooms, storage areas, basements, etc. This authority does not permit entry to the premises reserved exclusively for dwelling units.

The purpose of this authority is to prevent criminal activity including trespassing/loitering, vandalism theft, illegal drug trafficking and prostitution, which may be occurring at the above described premises.

I have posted the public areas with signs stating "CRIMINAL TRESPASSING PROHIBITED, NO LOITERING".

Officers are further authorized to act on my behalf in requesting person(s) found upon the property without legitimate/lawful purpose to leave the premises.

I agree to cooperate in the prosecution of trespass and other criminal offenses occurring on the premises, including appearing in court to testify, if necessary.

The authority shall remain in effect until rescinded by written notice to the Commander of the _____ District.

by _____ date _____

Title _____

10 The Budgeting Process

While every property owner will agree that budgeting is essential to proper management since the ability to maintain and improve the property rests with the budgeting process, most small property owners fail to prepare budgets adequately. A budget is a forecast of future income and expenses. As such, it is an absolutely essential management tool. Unless you take the time necessary to analyze past income and expenses and forecast future income and expenses, you just won't know whether or not you'll have adequate cash flow for the ongoing expenses necessary to operate and maintain your property.

Income is the starting point on any budget. You need to determine what is an acceptable rent level for each apartment in your building. This determination is crucial. If you raise the rent too high, you may force many of your tenants to move. On the other hand, if you don't raise the rent or raise it too little, you may find that you have insufficient income to properly manage and maintain the property. Rent increases should be based in large part on comparison with the market. If your building is the best in the neighborhood and a building down the block, that is not as well maintained or as spacious as yours, is enjoying high occupancy and getting higher rents, then you are below the market and should raise your rent.

A comparable study should review the rents at a minimum of eight other properties that are within your area. Since all one-bedroom apartments are not alike, you will need to identify the factors that increase or decrease the value of your competitors' unit as compared to yours. Among the factors to review are:

- Is the building attractive from the exterior?
- Are the corridors well maintained?
- What is the square footage (bigger is better)?
- What appliances are provided (review which appliance are provided and their age)?
- Does the tenant pay for heat?
- Are there on-site laundry facilities?
- What amenities are provided (Cable TV, Exercise Room, Tenant Storage, Parking)?
- Is the building within close proximity to shopping, transportation & schools?

Budgets are not difficult to prepare and with proper ongoing planning throughout the year, you should be able to collect the information needed to prepare a reasonably accurate budget. That information should contain those ongoing expenses that will occur year after year, such as utility expenses, real estate taxes, mortgage payment, scavenger service, janitorial service, licenses and permits.

The database should also contain repair or maintenance expenses. Maintenance expenses should be broken into routine expenses and non-routine expenses.

Routine maintenance expenses include furnace filter replacement, carpet cleaning, catch basin cleaning, rodding of sewer lines, landscape maintenance, and snow removal.

Non-routine expenses are the replacement of carpeting and appliances, extraordinary structural repairs, equipment purchases (such as a lawn mower, snow blower or power rodder). Many of the non-routine expenses may be additions to the property or the equipment inventory and are not absolutely essential. These can be categorized as "wish list" items that will be purchased if adequate cash flow is available. Some non-routine items cannot be deferred. If a refrigerator breaks beyond repair, you must replace it. The same is true of a roof leak. Once it develops, you have to take care of it, or further damage will occur.

The following sample budget can be adapted for use at your property. While certain categories may not apply to your particular property, other categories will. It is important to take the time to review your past experiences and the needs of your property and develop a workable budget plan.

Sample

Six-unit Building Budget

line	INCOME	Annual Amount	PUPA (per unit per annum)	
1	Apartment Gross Possible Income	$44,234	$7,372	assumes all units are leased out for the entire budget year (see attached rent schedule)
2	Vacancy Loss (5%)	$2,212	$369	projected loss to vacant units
3	Rent Free Employee	$0	$0	expenses of rent free employee unit(s)
4	Rent Free Models	$0	$0	expense of rent free model unit(s)
5	Rent Free Office	$0	$0	expense of rent free office unit(s)
6	Total Vacancy & Rent Free	$2,212	$369	
7	Net Apartment Rental Income	$42,022	$7,004	line 1 minus lines 2, 3, 4 & 5
8	Parking Income	$1,800	$300	net annual income from parking
9	Laundry Income	$1,170	$195	net annual income from laundry
10	Credit Check Income	$125	$21	net annual income from credit check fees to applicants
11	Late Fees	$120	$20	net annual income from late fees to tenants
12	Interest Income	$134	$22	net interest earned on invested funds
13	Misc. Income	$0	$0	misc. income from sources other than above
14	Total Income from Operations	$45,371	$7,562	line 7 plus lines 8, 9, 10, 11 12, & 13
	EXPENSES			
	Payroll			
15	Site Manager	$0	$0	salary of the building manager
16	Asst. Site Manager	$0	$0	salary of the assistant manager
17	Leasing Agent	$0	$0	salary of the leasing agent
18	Maintenance	$0	$0	salary of the maintenance person
19	Custodian	$0	$0	salary of the custodian
20	Benefits & Payroll Taxes	$0	$0	benefits
21	Total Payroll Expenses	$0	$0	add lines 15 through 20
	Advertising			
22	Newspaper	$150	$25	cost of rental ads placed in newspapers
23	Brochures	$42	$7	cost to develop and /or print brochures
24	Commissions	$150	$25	fees paid to brokers, residents. etc. who assist in leasing units
25	Misc.	$30	$5	cost not covered above
26	Total Advertising Expenses	$372	$62	add lines 22 through 25

line	INCOME *(continued)*	Annual Amount	PUPA (per unit per annum)	
	Administrative Expenses			
27	Office Supplies	$90	$15	application forms, leases, pens, paper, postage, etc.
28	Printing & Copying	$30	$5	cost to copy or print forms, handbooks, newsletter, etc.
29	Dues & Subscriptions	$30	$5	Cost of memberships to organizations or subscriptions
30	Leased Equipment & Furniture	$60	$10	leased equipment i.e. copy machine, computer, etc.
31	Management Fee	$1,815	$302	typically a percentage of Income line 14
32	Legal Expenses	$300	$50	expense of evictions, collections, etc.
33	Bookkeeping/Audit Expense	$300	$50	costs of bookkeeping service or audit expenses
34	Telephones & Pagers	$600	$100	phones and pagers utilized in the management of the property
35	Security Deposit Interest	$134	$22	interest paid on security deposit
36	Misc.	$60	$10	items not covered above
37	Total Administrative Expenses	$3,419	$570	add lines 27 through 35
	Operating Expenses			
38	Janitor Supplies	$132	$22	soap, wax, light bulbs, mops, buckets, trash bags, etc.
39	Janitorial Contract	$1,200	$200	cost of janitorial service or maid service
40	Vehicle & Equipment Maint.	$150	$25	gas and repairs for mower, snow blower and other equipment
41	Exterminating	$210	$35	cost to exterminate the building
42	Rubbish Removal	$780	$130	cost for a scavenger service to haul away trash
43	Parking Area Expense	$150	$25	repairs and restripping
44	Misc.	$60	$10	items not covered above
45	Total Operating Expenses	$2,682	$447	add lines 38 through 44
	Maintenance Expenses			
46	Intercom Repairs	$60	$10	costs of door bells, buzzers, and intercom repairs
47	Fire Systems & Equipment	$90	$15	costs of batteries for smoke detectors, recharging fire extinguishers
48	Maintenance Supplies	$150	$25	costs of locks, towel bars, weather stripping, fasteners, etc.
49	Air & Heat Supplies	$30	$5	costs of filters, thermal couples, valves, etc.
50	Plumbing Supplies	$48	$8	cost of sink traps, faucets, washers, etc.
51	Electrical Supplies	$48	$8	cost of switches, outlets, plates, fixtures, etc.
52	Appliance Parts & Supplies	$48	$8	cost of ice cube trays, drip pans, thermostats, timers, etc.
53	Snow Removal	$120	$20	ice melt, shovels, etc.
54	Ground Supplies	$120	$20	flowers, grass seed, fertilizer, etc.
55	Grounds Contract	$300	$50	costs of a service to maintain landscaping
56	Window Washing	$0	$0	cost of a service to wash windows
57	Roof Repairs	$300	$50	patching on an annual basis
58	Structural Repairs	$300	$50	rear porch repairs, lintel replacement, etc.
59	Glass Repairs	$60	$10	repairs to broken or faulty glass
60	Plastering & Drywall Repairs	$60	$10	repairs to walls and ceiling beyond those normally covered by routine paining
61	Floor Repairs	$90	$15	repairs to tile floors or hardwood floors
62	Carpet Cleaning	$120	$20	for common areas and unit turnover
63	Carpet Repairs & Replacement	$120	$20	for common areas and unit turnover
64	HVAC Repairs	$180	$30	repairs performed by an outside contractor to the HVAC system
65	Plumbing Repairs	$180	$30	cleaning catch basins, repairs of broken pipes, etc. performed by a contractor

line	**INCOME** *(continued)*	**Annual Amount**	**PUPA** (per unit per annum)	
	Maintenance Expenses *(continued)*			
66	Electrical Repairs	$90	$15	cost of repairing faulty electrical components performed by a contractor
67	Paint Supplies Apartments	$60	$10	material for repainting apartments
68	Paint Contract Apartments	$180	$30	labor for repainting apartments
69	Paint Supplies Common Areas	$60	$10	material for repainting common areas
70	Paint Contract Common Areas	$180	$30	labor for repainting common areas
71	Appliance Repairs	$60	$10	repairs performed by outside contractor
72	Misc.	$30	$5	items not covered above
73	Total Maintenance Expenses	$3,084	$514	add lines 46 through 72
	Utility Expenses			
74	Electric	$600	$100	cost of electrical service to building
75	Water & Sewer	$810	$135	cost of water & sewer service to building
76	Gas	$3,450	$575	cost of natural gas for building
77	Total Utility Expenses	$4,860	$810	add lines 74 through 76
	Tax & Insurance Expense			
78	Real Estate Taxes	$5,100	$850	property tax expense
79	Property & Liability Insurance	$1,800	$300	property insurance expenses
80	Workers Compensation Insurance	$0	$0	required if you have employees
81	Fidelity Bond	$0	$0	insurance that protects you against theft by employees
82	Misc. Taxes & Insurance	$150	$25	cost of building registration & other permits and fees
83	Total Tax & Insurance Expense	$7,050	$1,175	add lines 77 through 81
84	Total Expenses	$21,467	$3,578	add lines 21, 26, 37, 45, 73, 77 & 83
85	Net Operating Income	$23,904	$3,984	line 14 minus line 84
	Debt Service			
83	Mortgage Interest			annual expense of mortgage interest
84	Mortgage Principle			annual expense of mortgage principle
85	Service Fee			annual expense of any service fees
86	Replacement Reserve (@ 5% of GPI)	$2,212	$369	funding of reserve for replacement
87	Misc.			other debt service expenses not covered above
88	Total Debt Service	$2,212	$369	add lines 83 through 87
89	Net Income (Loss)	$21,693	$3,615	line 85 minus line 88

11 Maintenance Systems

Substantial advances have been made over the past several years in construction materials, paint finishes, and mechanical equipment and components. Many of the products on the market are advertised as maintenance free. These advances have lessened many routine maintenance functions, but they have not eliminated the need to perform routine and preventive maintenance. There is no such thing as a maintenance free building.

Ultimately it is far cheaper to perform routine maintenance and repair of a building than to wait until something is broken to fix it. The cost of the oil, grease or other supplies for regular maintenance is cheap compared to the greater expense of premature major repairs. A properly developed and applied maintenance plan will keep a property attractive for years. Such a plan will prevent many equipment failures and over the long haul lower the operating costs and frustration of both the owner or manager and the tenants of the property.

Each building, even if built from identical plans by the same general contractor as a neighboring building, has a certain inherent uniqueness built into it. Therefore each property calls for a customized approach to its maintenance routines.

The purpose of this section is to assist property owners and managers to develop a ***Maintenance Policy and Procedures Manual*** that addresses all aspects of their individual building and its systems. This manual is a guide that can be adapted to meet the needs of an individual property. It is a general framework that must be tailored to the requirements of your building, its' owner or manager, the maintenance staff and the tenants. The existing condition of the property will influence the procedures necessary to maintain safe, clean, and decent housing. Requirements for compliance with federal, state, and local codes will vary and policies and procedures must be adapted to meet those mandates.

Proper maintenance requires planning, an organized set of procedures, staff commitment to quality control, and the active support and supervision of the owner/manager. When maintenance is a priority, the result is increased tenant satisfaction, a reduced number of vacancies, less deterioration of the buildings and grounds, and increased value of the property. Proper maintenance can solve many problems before they start. Good planning and a systematic approach to preventive maintenance will keep minor problems from becoming major difficulties.

The purpose of maintenance is to keep the property safe, clean, environmentally pleasing and in good working condition. The physical property includes the actual dwelling units; building common spaces, like hall and storage areas; offices; structural systems of the buildings; mechanical systems of the buildings; and owned appliances, equipment, and vehicles. It also includes the open spaces, grounds and landscap-

ing. It includes walkways and parking areas; owned machinery and tools; playground equipment, swimming pools, and other recreational facilities; and the utility distribution systems.

There are three general types of maintenance service:

- Routine
- Preventive
- Request and Respond

1. **Routine maintenance** consists of activities that are planned for and occur on a scheduled basis. Routine maintenance corrects problems resulting from continuing wear on the property and equipment, accidents, and abuse. Routine maintenance includes non-emergency repairs to the building, the equipment and the grounds. Examples of routine maintenance repairs are trash removal, snow removal, lawn care, mopping and sweeping, cleaning windows, vacuuming hallways and public areas, and policing the grounds.

2. **Preventive maintenance** is service that is programmed and is designed to avoid serious problems at a later date. It also serves to secure items that are always in repair. Preventive maintenance includes regularly scheduled upkeep on all areas of the property and equipment. It allows staff to handle problems in the early stages and therefore prevents the necessity for an extensive and expensive solution. It preserves the integrity of the structure, Its equipment and the condition of the exterior elements and landscape.

3. **Request and respond maintenance** includes services that are requested by a resident or an employee. Requested maintenance cannot be anticipated, but it can be reduced by a preventive maintenance program. Policies and procedures need to be in place to respond to these requests in a timely and appropriate way.

There are three basic types of requested service:

1. **Regular or Routine** – These include non-emergency services that need to be handled but are not critical to the tenant's quality of life. Regular services might include replacing a broken tile or repairing a drywall crack. A sound guideline would require that these services should be provided within seven days of the request.

2. **Urgent** – URGENT Problems need to be solved quickly but are not life-threatening. Urgent maintenance problems should be addressed and, if possible, repaired within 24 hours. Examples of urgent problems are toilet stoppages, lock changes, leaking roof, interior door and upper story window replacement.

3. **Emergency** - Emergency maintenance is maintenance service that must be handled immediately because health and safety are threatened. Examples of an emergency might be a gas leak, a non-securable exterior door, a broken water line, lack of heat in the winter, or a fire in an apartment.

Maintenance policies and procedures affect personnel, purchasing, service contracts, and budgeting. Maintenance policies should include information that relates to tenant responsibilities including:

- the schedule of charges for tenant neglect or damage to the unit or equipment
- the right of entry clause of the lease
- employee liability
- emergency procedures
- extermination
- preventive maintenance
- modernization
- unit inspection
- building inspection
- trash removal
- compliance with building, zoning, fire safety and housing codes.

Good maintenance includes adequate record keeping that allows the tracking of essential information such as the volume of work, utility consumption and warranties and, consequently, provides the information necessary to make informed, long term decisions about the property.

THE MAINTENANCE PLAN

Planning is the key to a cost effective, efficient, integrated maintenance program. A properly developed plan of operation can extend the useful life of the property. By working together, the owner, the management staff, the maintenance staff and the tenants can succeed in keeping the property in top shape year round. Planning insures that staff is an integral part of the process of decision making and implementation. Planning also eliminates the continuous need for crisis management.

The maintenance plan requires cooperation from everyone involved with providing ongoing maintenance service to the tenants. By working together to identify the aims and objectives of ownership, everyone can develop a vested interest in maintaining the property in optimum condition. Duplication of work can be eliminated. Staff responsible for day to day maintenance can provide insights into problems and possible improvements in service. The manager and the maintenance staff bring a larger perspective that includes organizational goals, owner's philosophy, management plan, and long term objectives. Suggestions from crafts people involved in providing service to the property that can aid in the plan's effectiveness and efficiency.

Aims and Objectives

A maintenance plan should provide a systematic way to maintain the following objectives:

- The plan should include a schedule for all maintenance activities.
- It should establish the criteria to evaluate quality and to control the time and materials used for maintenance.
- The plan should provide guidelines for effective maintenance service.
- A systematic plan for upkeep and repair should be formulated to keep the amount of down time charged to maintenance to a minimum.
- The plan should be developed to keep the maintenance function within the budget allocated to carry out necessary maintenance activities.

Implementation

Once a maintenance plan has been developed, it needs to be implemented and evaluated on a regular basis. The plan should be included in the property's maintenance manual. Drawing on regular meetings between the manager and the building staff, the plan should be regularly reviewed and modified to correct problems and keep it current. The plan should be revised to reflect purchase of new equipment, property improvements and changes in staff.

The following are suggestions that should be included in the creation of a maintenance plan:

- All maintenance activities should be covered by one or more of the three basic maintenance plans:
- Routinely scheduled maintenance.
- Preventive maintenance procedures
- Emergency work requests.

You should establish a system to manage the work of maintenance staff that is performed in response to requests by residents. Each work order should include the total time required to take care of each request for work and the total cost of materials. In order to provide effective maintenance service, the maintenance department should perform specific inspections of the buildings and grounds on a daily, weekly, monthly, quarterly, semi-annual, bi-annual and annual basis.

The Maintenance Manual should contain policies and procedures that ensure the safe, cost- effective operation and maintenance of the buildings, facilities, and equipment. The Maintenance Manual is a reference book that includes the documentation used by the maintenance department to provide routine, preventive and specially requested maintenance. The Maintenance Manual is a resource for the owner, the manager, the maintenance supervisor, and the janitorial staff. It is a guide that is tailored to the needs and requirements of an individual property.

Supporting documents are helpful in maintaining a maintenance program. The documentation included in the Maintenance Manual will provide guidelines for craftsmen, contracts, and others who perform work on the property. It is documentation, not a substitute for a complete building inspection. The building is the standing record. The documentation provides the information needed to insure that the building and grounds remain in optimum condition.

The following documents should be included in the Maintenance Manual and should be used in the preparation of the maintenance plan:

Emergency Information - Emergency information should be easily accessible and posted in the maintenance area. It should include the name of the building; the address of the building; the name and address of the person in charge of the structure; The business and home phone number of the person in charge and or the maintenance supervisor; the telephone numbers of the water department, the gas and electric utility companies, and the police and fire departments.

Original Drawings and Remodeling Drawings - The Maintenance Manual should include architectural diagrams that show the original schematics and any drawings that record subsequent remodeling. The Manual should indicate where the original documents are located. The Manual should include a list of information filed with the state or local building departments. The name and address of the architect and construction firms that designed or remodeled the building should be included for future reference. Information obtained from these sources should be included in the Maintenance Manual.

Samples - Samples submitted as part of the construction or remodeling process for approval of materials and workmanship should be included in the Manual. If they can not be included in the Manual itself, the location of the samples should be listed.

Bonds - Bonds are a form of guarantee that certain products will be replaced if they fail. Information about bonds should be readily available in the maintenance manual in case a product needs repair or replacement.

Guarantees - Guarantees generally extend for one year from the date of purchase or installation. They are essential during the guarantee period and are also a record of the name of the sub-contractor who did the work.

Consultant Lists - The Maintenance Manual should contain the names, addresses, and telephone numbers of architects or other consultants employed in the course of construction, remodeling, or restoration of the property. This information may be of benefit in preparation of later work.

Quantity Survey - Previous contractors might be willing to provide lists of quantities that were used in preparing their estimates or ordering materials. This information would be useful in dealing with future independent contractors and the reordering of materials that have a limited life, such as paint coatings or gutters.

Easements, Rights Of Way, And Restrictive Covenants - Copies of any special consents that have been given to planning agencies, building departments or other governmental departments, utility companies, and private individuals should be included in the Maintenance Manual. The property also may be subject to special regulations if it is listed in the national register of historic places. If the owner has been the recipient of a grant, the grantor may have imposed certain regulations and controls. Any information that relates to these special regulations should be included in the Maintenance Manual.

Manufacturers' Data - Manufacturers' data or brochures that guide the installation mechanic and give detailed instructions on necessary adjustments of equipment should be included in the Maintenance Manual. These systems include mechanical equipment and devices installed during construction. Typical information might cover electrical components, such as panel boards, motor starters, transformers, and lighting fixtures; heating and cooling equipment such as boilers, stokers, refrigeration compressors and condensers and hot water heaters; and conveying systems, such as elevators, dumb waiters, hoists and cranes.

EMERGENCY MAINTENANCE SERVICES

Overview and Definitions

What is an emergency? Is it a priority? Is it urgent? Is it life threatening? Maintenance that has priority status may not be classified as an emergency. Maintenance that is urgent or a problem that inconveniences tenants or even makes them extremely uncomfortable is not always classified as an emergency. Only conditions that are a threat to life and health are classified as emergency situations that require immediate attention. If there is a gas leak, if an apartment floods, or if the smoke detectors are activated, you must follow emergency procedures.

Not every situation that is reported as an emergency is an emergency. If there is no hot water, tenants will be inconvenienced and even angry, but it is not an emergency. However, it is an emergency if there is no heat when outdoor temperatures are below freezing. You will need to determine which situations are so critical that they must be handled right away and classify them as an emergency situation.

Because an emergency always puts people at risk, procedures to handle the situation must be clearly defined and readily accessible. All maintenance staff must know how to evaluate the severity of a problem and the fastest way to obtain appropriate assistance. If there is danger that a boiler might blow up, if an electrical problem could cause a fire, or if flooding could reach a conduit and cause either fire or electrical shock, then all maintenance personnel must take immediate action.

Staff must be able to telephone quickly for emergency service. It is essential that important phone numbers are listed in the maintenance manual and are conspicuously posted. Phone numbers for the fire department, the gas company, the police, and the municipality's Streets and Sanitation department should all be readily available. All on-site staff should know the exact location of all emergency valves and fire extinguishers.

Procedures to insure the safety of the tenants must be instituted. Staff must be able to evacuate the building if necessary. Residents should be well informed about emergency procedures so they do not endanger themselves or interfere with emergency personnel. Procedures for fire and tornado safety should be posted for residents' information. Fire escapes should be kept in good repair; emergency lighting should be inspected; access to escape routes should be kept clear; and exits should be posted.

As quickly as possible after an emergency is detected, the manager, the maintenance supervisor or the foreman, and the building engineer must be notified of the problem. Management staff must provide emergency phone numbers so they can be located in case of an emergency.

The most important factor in emergency maintenance service is the ability of staff to analyze the problem and determine the emergency procedures that place the people and the property in the least amount of jeopardy for the shortest length of time.

When the emergency is under control, the entire process should be documented. A report should be on file that identifies the problem, explains in detail the sequence of events, and summarizes how the problem was finally resolved. Any damage to the structure or injuries should be included in the report. Insurance companies should be given a detailed report of all property damage immediately following the incident.

The Maintenance Manual is a valuable resource in case of an emergency. It must be available for emergency personnel. The emergency section of the Maintenance Manual should provide maintenance staff everything they need to know to handle an emergency situation on their property. Forms in the emergency section should be duplicated and posted in a prominent place for the maintenance personnel. Maintenance personnel must know where the Maintenance Manual is, what information is in the manual, how to use it in case of an emergency, and how to provide information from the manual to emergency personnel.

Maintenance Overview

Preventive maintenance is a process of identifying and remedying property problems in a systematic way. The objective of a preventive maintenance program is to increase productivity of the staff and lower the maintenance cost of doing business. Preventive maintenance includes regularly scheduled inspections of the plant and equipment to discover conditions that may lead to production or material breakdown. It insures the upkeep of the property by correcting defects while they are still at a minor stage. As a result of periodic inspections of the apartment units, equipment, and the building and grounds, the staff can maintain the property with fewer breakdowns, reduced replacement of equipment, improved service to tenants, and minimization of crises.

Preventive maintenance, which is designed to identify pending problems, is the most important means of reducing maintenance costs. By creating a maintenance system that includes regularly scheduled inspections of the building, grounds and equipment, the staff will become focused on planned maintenance. As a result of this planned maintenance, the life of equipment will be prolonged, grounds kept in top shape, and deterioration of the building avoided. Early detection of a potential problem allows staff enough lead time to correct the situation before it becomes critical. Repair or replacement can be carried out as part of the larger maintenance plan for the property. Preventive maintenance increases the staff's effectiveness, reduces emergency conditions, and reduces maintenance costs. Preventive maintenance increases the staff's ability to plan work schedules. As each difficulty is identified, the problem is transferred to a work order, and the work is incorporated into the maintenance schedule. Preventive maintenance planning allows the staff to develop long term goals and objectives so that major needs can be remedied in a systematic way. Preventive maintenance reduces the number of requests for repair from tenants, because many problems are corrected before they become major difficulties.

Preventive Maintenance Scheduling

An effective preventive maintenance program starts with a schedule of inspections. Such inspections may be scheduled on a daily, weekly, or monthly basis. Some preventive maintenance activities may be scheduled bimonthly, quarterly, semi-annually or annually.

There are cycles to preventive maintenance. Some of these cycles are seasonal. In landscaping, for example, while it is necessary to check the grounds, pick up litter, and inspect the area daily, lawns are watered as needed. Bushes are pruned and flowers are planted annually.

Inspection of the heating system needs to be done annually. When the heat is turned off, the system needs to be cleaned, drained, inspected, and prepared for the following year. Even though filters are changed monthly during the heating cycle, new filters should be added to the system when it is shut down in anticipation of full start up. A preventive maintenance program keeps all systems ready to operate when they are needed.

Preventive maintenance is an acknowledgment that work must be done on a regular basis to keep the property in optimum condition.

Planning For Preventive Maintenance

Preventive maintenance requires a long-term commitment from everyone on staff. Putting a preventive maintenance program into effect is extremely labor-intensive. When an owner is making the transition to a preventive maintenance program, the maintenance staff must be actively involved in the planning, implementation, and review of an organized, complete maintenance program.

It is important that all employees who will be part of the preventive maintenance program be part of the planning process. It is essential to bring in the people who do the work. They are aware of the needs and will have many ideas about how the maintenance can be done effectively.

The focus must be on long term development to eliminate as many difficulties as possible over time. Review teams can be developed to do a comprehensive assessment of the building's needs. These review teams should analyze the available data and make recommendations on priorities and on the scope of problems that have been identified. Together, the staff can look at the whole picture and develop a set of short term and long term goals and objectives.

Organizational goals and objectives provide a framework to develop a long term maintenance plan. This plan will incorporate routine and preventive maintenance activities. With this organizational process, preventive maintenance activities will become part of scheduled routine maintenance.

With this proactive maintenance approach, maintenance expenses are minimized. In addition, the preventive maintenance approach increases the life of equipment and efficiency of the staff thereby reducing the operating expenses.

SAMPLE
PREVENTIVE MAINTENANCE FORM

MONTH	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec
Check & Lubricate circulating pumps	■											
Check Batteries in Hallway Smoke Detectors				■						■		
Check Boiler Water Treatment	■		■						■		■	
Check Emergency Lighting System	■		■		■		■		■		■	
Check Fire Extinguishers				■						■		
Check Steam Traps								■				
Clean Catch Basins				■						■		
Clean Dryer Vents		■			■			■			■	
Clean Gutters & Downspouts				■						■		
Clean Light Fixtures	■			■			■			■		
Clean Radiators check steam vents								■				
Drain Sediment from Water Heater			■						■			
Fertilize Lawn					■					■		
Inspect Masonry & Lintels			■					■				
Inspect Roofs				■				■				
Lubricate Hinges on CA door	■					■						
Prune Trees & Shrubs				■						■		
Purchase Ice Melt									■			
Rod Drain Lines					■							
Service Lawn Equipment				■								
Service Snow Blower										■		
Shampoo Hallway Carpet					■						■	
Shut off outside sillcocks									■			
Skim & Drain Boiler						■						
Strip & Wax Foyers				■								
Strip & Wax Laundry			■							■		
Test & Clean Smoke Detectors/ Replace Batteries				■						■		
Touch-up Hallway Paint	■			■			■		■			■
Wash all Hallway Woodwork			■			■			■			
Wash Exterior of Windows				■								

Routine Maintenance Overview

Routine maintenance is a key factor in an effective strategic maintenance plan. Routine maintenance activities focus on keeping the building and grounds clean and safe. Unlike emergency services that respond to a crisis or preventive maintenance activities that are designed to identify and solve problems, routine maintenance is designed to eliminate problems before they start. Routine maintenance requires the staff to spend a portion of their time consistently maintaining the building and grounds. A plan that includes routine maintenance guarantees that upkeep to the property will be performed on a regular basis.

In a property where routine maintenance is an integrated priority, the grounds and entrances are neat and litter free. Trash is handled promptly and properly to assure a sanitary environment. Common areas are clean and free from safety hazards. A regular extermination program eliminates pests before they can become a problem.

Every property owner wants to have 100 percent occupancy. Recruiting and retaining tenants are major objectives in a property management plan. Tenant satisfaction and tenant occupancy are closely related. An effective routine maintenance plan is a major factor in providing a clean, safe environment that will result in tenants who are eager to renew their leases and who will recommend the property to other potential renters.

Developing A Routine Maintenance Plan

To develop a routine maintenance plan, it is necessary to look at the strategic plan for the maintenance of the property. What are the long term goals and objectives? What are the priorities that need to be addressed immediately? What activities are continuous in nature and can be implemented without waiting to respond to a tenant's request?

To develop a routine maintenance plan, the administrative and maintenance staff must establish criteria for acceptable maintenance service. If a goal is to provide a clean and sanitary environment for the tenants, how will "clean" be evaluated? An inspection can help the staff identify how clean the property is currently kept. Then the staff must find out how clean the management wants the property. There will be budgetary limitations on the time and material that can be devoted to cleaning the building and grounds. The routine maintenance plan ultimately will be a compromise reflecting several different elements:

- The condition of the property;
- The amount of time needed to fulfill current work orders and the preventive maintenance plan;
- The number of staff hours available for routine maintenance;
- The commitment of the management and maintenance staff to keep the property in optimum condition.

The planning group must identify the types of service necessary to achieve organizational maintenance goals. Information from property inspections can help the staff identify what activities need to be done on a regular basis. An analysis of past records may show recurring problems that could be avoided by routine maintenance. Previous documentation can also help the planning group identify what could be done to improve the quality of service based on past performance. Analyzing work orders may show a grouping of related problems. Patterns in work order requests can help the maintenance supervisor and the planning group find what tasks can be done on a regular basis to eliminate recurring difficulties.

There are a number of critical questions that should be considered as a routine maintenance plan is developed. The following are factors in an effective routine maintenance plan:

- What work needs to be done?
- How many units are you serving?
- How many people are available on staff to do the maintenance work?
- What are your staff's strongest qualifications and talents?
- How can each member of the staff help improve the quality of service to the tenants?
- How many personnel hours will be needed to keep the property at an acceptable level?

The routine maintenance plan is based on goals and objectives, the nature of recurring property problems, the availability of personnel, and the priorities determined jointly by the owners, the administrative staff and the maintenance staff. These objectives determine specific jobs that need to be done and how often these tasks need to be performed. The activities must be integrated into daily personnel scheduling so routine maintenance can be accomplished without sacrificing either preventive maintenance or the timely execution of work orders.

Scheduling Routine Maintenance Activities

Routine maintenance activities can be divided into four major areas. Most routine maintenance functions involve trash removal, cleaning common areas, maintaining the grounds area, or extermination of pests. Depending on the nature of the task, routine maintenance jobs may be scheduled on a daily, weekly, monthly, quarterly or seasonal basis. Every property presents an individual set of circumstances, but there are some general guidelines for routine maintenance scheduling.

Trash Removal

Prompt removal of trash and the maintenance of dumpsters and the surrounding area are key factors in keeping the environment clean and sanitary for the tenants. If trash is not removed regularly and if garbage. is strewn on the ground, there will be a problem with insects and rodents. Routine maintenance can stop the problem before it starts.

Trash removal should be scheduled at least weekly. The number of units to be maintained and an evaluation of the effectiveness of current garbage removal procedures will determine more frequent scheduling. It may be necessary to modify the trash removal schedule based on the average amount of garbage and the peak times when garbage accumulates. Since many people are not home during the week, there is less garbage produced on a daily basis than during the weekends. Garbage pickup should match the needs of the tenants.

Problems with roaches, mice and rats will be reduced if the trash areas are kept clean and sanitized. Trash receptacles should be hosed down regularly. Both a disinfectant and a deodorizer should be used at least twice a week. In addition, the dumpster area may require more attention during hot weather or at times when the scavenger service is not available.

Recycling trash is becoming an increasingly important priority. Maintenance staff will have to incorporate additional tasks into the routine maintenance schedule to handle separately paper, metal, glass, plastic, and debris from grounds work, such as grass, brush or soil. grounds debris separately. To provide environmentally safe trash removal, cans should be smashed. Newspapers must be bundled. Both glass and plastic should be contained in separate bins.

Because of their detrimental effect on air quality incinerators are no longer an option for disposal of trash or lawn waste. The routine maintenance schedule must insure the appropriate disposal of trash.

Cleaning Common Areas

The lobby, stairwells, hallways, tenant storage areas and elevators are all common areas that may be used by all the tenants. Laundry areas, recreational areas, utility rooms, and storage areas for housekeeping are classified as common areas as well. The condition of the common areas of the buildings is important, and they should be kept as clean as possible. How much of the budget can be allocated for cleaning supplies, equipment and personnel will affect the amount of detail work that can be done to keep the common areas clean.

Some general scheduling guidelines can be followed to insure the common areas are kept clean and inviting to tenants.

Daily

- Sweep and mop all common areas, spot clean, at least, windows and glass in the lobby area.
- Clean laundry room and recreational areas at least once a day.
- Mop elevators and wipe down the elevator cabinet.
- Clean and remove debris from front and back staircases.
- Vacuum heavy traffic areas.
- Special attention should be paid to areas people see on entering the building.

Weekly

- Sweep and mop utility rooms.
- Sweep and mop storage areas.
- Wipe and vacuum vents and registers.
- Hose down trash chutes.
- Clean up interior trash collection areas.
- Dust, wipe and polish Public areas
- Check and clean door closures and polish doorknobs.

Some tasks may be scheduled less frequently but still should be scheduled on a routine basis. Light fixtures need to be dusted and bulbs should be replaced. Floors need to be stripped and waxed. Walls need to be washed.

Grounds Area Maintenance

The condition of the exterior of the building and the maintenance of the grounds are essential components of an organization's routine maintenance plan Because the exterior of the property is always on display, special effort is needed to assure that the best possible image is projected. Litter and trash must be removed regularly. The grounds should be neat, with well-designed landscaping and properly maintained lawn area.

The grounds maintenance person must visually assess the property early each morning and again in the middle of the afternoon. Litter and trash must be picked up at least once a day. Cleaning the grounds should be scheduled early in the day. Often a second cleaning must be scheduled after school has dismissed and before the tenants' return home from work.

Scheduling of grounds area maintenance is determined by the landscape design, the climate, how specific areas of the property are used and the number of personnel hours that can be invested in grounds maintenance. Beautification of the property means that lawns, trees, shrubbery and garden areas must be maintained. Pruning and fertilizing must be scheduled on a seasonal basis. Grass must be watered and cut to maintain the lawns. Weed control in grass and gardens must be done on a regular basis Use of pesticides and herbicides must be carefully scheduled so they are applied both economically and effectively. The use of mulching mowers will result in reduced lawn refuse and environmentally safe fertilization of the area. Watering should be scheduled early in the day using soaker hoses to conserve water.

Snow removal will be scheduled during the winter season as needed. Applications of salt or a commercial melting compound should be scheduled to keep the walkways dry and free from ice.

Regular exterior inspections should also be part of the routine maintenance plan. Sidewalks should be visually inspected and hosed down if necessary. Stairs and porches should be checked to make sure they are safely maintained, no damage has weakened them, and foundations are in good condition. Exterior doors should be inspected and wiped off daily. Brass should be cleaned and polished on a regular basis.

Exterior maintenance tasks should be scheduled as frequently as possible. Maintenance activities that improve the look of the building are an investment that should be included in the routine maintenance schedule as often as permitted by budget and staff constraints.

Exterminating

Problems with pests are best handled by scheduling routine maintenance procedures that will reduce or eliminate infestation before it begins. Problems with roaches and rodents are reduced in areas that are kept clean. Trash must be picked up on a regular basis. Dumpsters and trash receptacles must be hosed down frequently. Staff should do visual inspections for roaches.

Housekeeping inspections can help identify problems before they get out of hand. Evidence of chewed wood may indicate a problem with rats or mice. Cleanliness throughout the property will prevent serious problems.

An exterminating company should be scheduled to provide a monthly evaluation of the property. Immediate steps should then be taken to eliminate any problems that are identified. Staff inspections of building and grounds can also identify problems that may need correcting. If an existing problem is critical, the exterminating company must be scheduled as often as necessary to correct it.

A routine extermination schedule should be developed based on past performance and current need. Documentation of frequency of exterminating service, cost, and quality of service will be valuable tools in planning for a pest free environment at a reasonable cost. Evaluation procedures and cost effectiveness will be essential components to determine an appropriate extermination schedule.

Work Orders Overview

Problems will still develop no matter how effective an organization's planning, routine and preventive maintenance procedures and preparation for emergencies. Normal wear and tear, damage done by residents and visitors, and unexpected repairs are part of the demands on any maintenance department. An organization's ability to respond to specific requests for work in a timely way is critical to keep tenants satisfied and to address problems while they are manageable.

All owners/managers need to develop a general policy to handle requests from tenants. A work order system can provide an efficient method for identifying work that needs to be done, categorizing the work, insuring that staff is assigned to handle the problem, and documenting the nature and location of difficulties and the procedures taken to correct them. When a resident calls with a work request, it is the responsibility of the owner/manager to respond to the request in one of three ways:

- An emergency work order.
- A routine work order.
- A preventive maintenance work order.

It is important that the person who takes the request is trained to handle the initial screening. This person must ask the correct questions to give the maintenance personnel adequate information about the problem. If there is an emergency situation, the secretary or dispatcher must transfer the call to the maintenance supervisor immediately. The maintenance supervisor can then make a visual inspection of the situation and decide what is to be done. Emergency work orders should be corrected immediately upon notification. The Department of Housing and Urban Development (HUD) requires that any situation requiring an emergency work order be handled within 24 hours.

If the problem is classified as routine maintenance, the work order should be incorporated into the daily request and respond maintenance plan. Personnel will be assigned to correct the difficulty as part of their regular duties. HUD standards require that routine work orders should be completed in no more than seven days from the date of notification.

Some requests, especially those generated by the maintenance staff, may be written up as preventive maintenance work orders. These work orders will be included in the preventive maintenance scheduling. Scheduling service for equipment would fall into this category.

Often preventive maintenance work orders require special parts and materials to make sure the work can be completed. The building's inventory of supplies should be checked against the work order to be sure everything is in stock. If not, the work order should be tagged and held until the part can be ordered. Once the maintenance supervisor is sure all the equipment and materials are available, the work order is scheduled.

Procedures

Many owners use a three-part work order system. This provides a set of checks to be sure the work is being performed in a timely way and it documents the process. When the secretary or dispatcher is contacted, the work order form is filled out a completely as possible. The more specific the information about the problem, the greater the ability of the staff to correct it without expensive extra effort. If a tenant reports a leak, the dispatcher needs to find out exactly where the leak is, how serious it is, and any damage it may cause.

The work order form is then turned over to the maintenance supervisor. If the problem is minor, the supervisor will keep the original page of the work order and proceed with scheduling the repair. However, it may be necessary to go and inspect the problem. Inventory must be checked and necessary materials should be ordered if they are not available.

When the purchase order is completed, a tentative shipment date should be included. The work order can then be tentatively scheduled based on the expected arrival date of the parts. Since the original work order sheet lists all the parts necessary for the job, it becomes a necessary part of inventory control. A bill of lading will indicate when the parts are in. Stock numbers should be double-checked, and routine or preventive maintenance should be scheduled. If the situation is an emergency, the part must be secured the same day so work can be completed as quickly as possible.

The second and third sheets of the work order go to the maintenance worker when the work is assigned. When the task is complete, the maintenance worker documents what was done; the date and time of the work; and any parts that were used. He or she then signs the completed work order and has the tenant sign as well. One copy of the work order should be left with the tenant for their records.

After sign-off, the maintenance person should enter the information on a daily log or report sheet. This daily log documents the work assigned, how much time it took to fix it, any problems encountered, and whether the tenant was home during the work. This recap sheet should coincide with the second sheet of the work orders. At the end of the day the recap sheets are reviewed by the maintenance supervisors. The maintenance supervisor should then approve and sign the recap sheet.

These logs enable the supervisor to evaluate the work being done and judge how many hours of staff time will be needed. The daily documentation is a valuable tool to identify patterns of work that should be incorporated into the preventive maintenance plan.

The signed copy of the completed work order should be returned to the maintenance supervisor. Signed work orders are recorded in the maintenance supervisor's log of completed work orders. This log should be reviewed weekly. The completed work order that has been signed by the tenant and the maintenance staff person should be filed in the apartment file.

Utilizing the Documentation

The work order system provides a wealth of information about the state of the property. Work orders in the apartment file insure that as much information on the unit as possible is available for a unit or housekeeping inspections. It is possible to do a complete assessment of the property simply by examining the unit files. The work orders will show categories of work that have been done in all areas of the building over a period of time. This will help the maintenance supervisor and the manager determine where major problems may exist. This information can be incorporated into the preventive maintenance plan and the source of the problem can be rectified.

The work orders system also provides an overview of the way personnel is being utilized. The work orders can indicate how the maintenance supervisor controls the work. By looking at the staff assignments, the amount of time personnel is spending performing each task, and the number of repeat complains, work orders can be part of a review of job responsibilities and performance.

The maintenance supervisor is responsible for making the work order system a functional management tool. When the work order system is used properly, it can help the agency provide service to tenants and assure the property is kept in optimum shape at the least expense. It becomes an organizing tool so the work flows smoothly. Consistent daily review of work orders keeps the maintenance supervisor in touch with the current condition of the buildings. The maintenance supervisor should occasionally inspect work after it has been completed on a random basis. This becomes a technique for quality control and it provides assurance that the work is being done correctly and as listed.

Owners who use a work order system for request and respond are building a maintenance team that works in partnership with the tenants to keep the property in good condition. The maintenance supervisor is only one part of the team. The work orders can help the entire maintenance staff focus on providing quality service while remaining accountable for their own performance.

Janitorial Overview

In addition to emergency, routine and preventive maintenance, the maintenance department has primary responsibility for housekeeping services and janitorial activities. To be effective, the maintenance department needs to assess the tasks that need to be done, the frequency of task performance, and the amount of time necessary to complete each task. Using this assessment, the maintenance supervisor can plan staff assignments to assure the buildings are maintained properly with the most effective use of personnel.

There are three basic procedures to be followed for effective janitorial service. They include monitoring the high traffic areas, performing routine housekeeping service and periodic maintenance.

Monitoring

Monitoring the condition of the building's common areas must be done regularly
throughout the day and evening. The common areas are highly visible, and an organization is judged on the condition of these areas. Common areas also receive the greatest wear and tear and are the most likely to look dirty and illkept. Beginning early in the morning, the common areas need to be checked and tidied up during and after each high traffic period. All trash and litter need to be removed immediately. Spills need to be cleaned up as quickly as possible to prevent danger of slips or falls. Surface soil needs to be removed to prevent stains from becoming imbedded in the surface. When the janitorial staff pays close attention to detail as part of their frequent monitoring of the common areas, the public sees the best possible view of your property.

Routine Housekeeping Service

The janitorial staff is responsible for the day to day housekeeping services. Regular upkeep of the building is a critical requirement for a well-maintained property. Housekeeping requires frequent brushing, sweeping, mopping, vacuuming, washing and polishing. A schedule to assure that areas are kept clean on a daily basis should be part of the routine maintenance program. The cleaning procedures the amount of staff time required for each area will depend on the frequency of use, the type of use it gets, and the material to be cleaned.

As the janitorial staff executes basic housekeeping tasks throughout the building, they are ideally situated to identify and correct minor maintenance problems. The more quickly problems can be identified and solved, the less likely they are to become expensive and difficult to fix. Part of the janitorial reporting system needs to include a procedure so work orders can be generated from problems identified during housekeeping procedures.

Periodic Cleaning

The janitorial staff is responsible for intensive cleaning procedures that are done on a periodic basis. The periodic cleaning is designed to remove accumulations of dirt and grime that are not generally removable during the frequent, ordinary methods of housekeeping. Periodic cleaning may use wet or dry methods depending on the surface to be cleaned. Periodic cleaning may include shampooing carpeting, stripping and waxing floors, and scrubbing walls and woodwork. These specialized cleaning procedures require careful attention to be sure that correct procedures are used.

Inspection Overview

An organization's management and preventive maintenance plans are designed to assure that tenants have a safe and sanitary environment and that the property is properly maintained. The only way to evaluate the condition of the property is to perform intensive inspections on a regular basis. Inspections should be based on the organization's goals and objectives and may focus on different aspects of the property. To insure thoroughness, a series of inspections may be done concentrating on structural conditions, plumbing, heating, grounds, and housekeeping. In addition, unit inspects may be necessary to look for fire hazards, repairs that need to be done, condition of appliances, and pest control.

Inspections should begin with a look at the property as a whole. Are the grounds and the facade neat and well maintained? Does the entrance project a welcoming atmosphere? Does the overall picture convey the image you want projected about your organization?

Grounds

Check the sidewalks, walkways and stairs for cracks and buckling. Driveways should be checked for cracks, buckling, oil spots and leaks of transmission fluid or antifreeze that need to be cleaned up. Blacktop should not show cracking. The Inspection sheet should indicate if blacktop needs to be redressed.

Check grass for brown or yellow spots. Review records of how often the lawn has been mowed and watered. List the dates that trees and shrubs have been fertilized and pruned. Make sure branches are not tangled into telephone or electrical wires and are not resting on the roof or in the gutters. Make sure shrubs are not growing wild. Be sure the branches are not a hazard for people who walk by them. Examine the bark and leaves of trees to make sure they are not diseased.

Fences

Fences should be erect and standing strong. Be sure there is no damage. No wires should be protruding. Look for sagging boards, paint deterioration, or dry rot on posts. Gates should latch properly. Hinges should be properly aligned. Adjustments should be made as needed. Refer problems to preventive maintenance program by filling out the appropriate work orders.

Playground Facility

Swings and park benches must be aligned properly. Check swings to make sure they are secure. The distance between swings should be adequate to keep children from bumping into each other. Slides should be solid. Sand or wood chips should be thick enough under the equipment to cushion a child's fall. Be sure equipment meets legal codes. Be sure to look for any damage that might injure children. Look for spaces where a small child could slip through or get caught.

External Security

Security of the building and grounds area should be reviewed quarterly. Check the external building perimeters security lighting. Be sure there are no bulbs that need replacing. Globes should be clean, and lighting fixtures should be free from bird nests and other debris. Be sure the back-up system is in working order to assure illumination of the property in case of power failure.

Be sure the managing agent's name and address are clearly identified near the entrance of the property. Residents' addresses should be available to police or fire department personnel. Check security procedures to assure that residents can be contacted without putting them in jeopardy.

Exterior Building Inspection

The exterior structural inspection should begin at the roof and work to the foundation. The inspection team should always look for things that are not as they should be. An inspection checklist will help personnel conduct the inspection in a systematic way, so that nothing is overlooked. The inspection checklist provides a dated record of the condition of the property. The checklist should have a place to include comments so the problem, its location, the severity of the difficulty and possible solution can be noted. Work orders are generated from the problems that are identified and then transferred to either the routine or preventive maintenance schedule.

When examining the roof, look for signs of structural deterioration, especially around the joints, the flashing and the gutters. If the roof is flat, look for cracks, blisters, holes, wrinkles, loose gravel or ponding (when the water sits in a depression). All can be indications of problems. If you have a shingled roof, look for loose shingles, joints and valley flashings. Leaks in the roof can cause tremendous damage if not taken care of in time. Cracks or blisters can allow water to cause dry rot. Wet insulation indicates that the roof is not water- tight. Holes can admit animals and should be corrected immediately.

Check vent pipes from the plumbing system. Be sure the seals around the pipes are tight and undamaged. Drain pipes should be tested to see if they are working properly and draining the roof as designed. Make

sure the foundation of the chimney is solid. Check to see if there are loose bricks that could fall back down the chimney. The flashing should be solidly sealed and tightly adjoined to the chimney so the water doesn't leak in. The chimney liner should be checked for soot. Chimneys should be inspected by a chimney sweep on a regular basis to be sure the inside is solid and not accumulating residue from the heating process.

Make sure the gutters and downspouts are in good shape. Is paint peeling? Are they rusty? Are there foreign objects blocking the gutters? Run a hose to see if the water is moving to the downspouts. Adjust the gutters so there is no free standing water. It is important to keep the gutters clean. Birds nesting in the gutters can be a real problem. Keeping the gutters clean will discourage pigeons. Look at the condition of the eaves and soffits.

Is there dry rot? What is the condition of the paint? How long has it been since the soffits, eaves and facia were painted?

When you have thoroughly examined the roof, look at the condition of the siding. Is it wood or vinyl? Are there cracks in the siding? Even small cracks can leak air and increase the heating bills. Water can follow the cracks into the walls and cause extensive damage. Examine the condition of tuckpointing on brick buildings. Look for peeling paint. Cracks and splits in the paint indicate the area was not properly prepared before painting.

Are porches and balconies properly lined up or are they sagging? Are banisters in good shape? Are they smooth or splintered? Are they firmly bolted to the wall? Porch railings need to be firm, and the distance between the slats should be so narrow a child cannot get them. The team needs to identify broken joints or damage that could cause continuing deterioration.

As the inspection team is scrutinizing the building, it is also important to see how well things work. Doors should close properly without interference. Striker plates, hinges, and door closure should be properly aligned. The closure and crash bar hardware of exterior doors needs to be in proper condition to adhere to safety regulations and fire codes. The inspection team must be sure that doors can not become a trap in an emergency. Check the windows for weather-stripping and caulking. Are any panes missing or broken? Doors should be checked for warping, and weather-stripping and caulking should be inspected as well.

Examine the foundation for crumbling in the concrete. Look for wet spots and leaks that could be causing internal structural damage. Make sure there are no holes that can admit pests. Look for cracks and missing mortar. If cracks have been repaired, make sure the repair work is still smooth, even and tight to the foundation material. If the foundation is brick, do a visual inspection to make sure it is level and that the mortar is in good shape.

It you have a maintenance area that falls outside the expertise of your staff, consider hiring a qualified expert to do the inspection. Tuckpointing, chimney inspection, and roofing may be areas that are beyond your staff's capacity. Develop a request for proposals for the service you want. Put the RFP out for bid. Contact at least three companies to find out the cost for a thorough inspection. After the bids are in, bring in the company that has submitted the best offer. After the inspection is complete, the company should submit a written report on their findings, what must be done to correct the problem, and any additional problems that may have been discovered during the inspection.

Interior Inspections

Once you have completed the external inspection, an initial structural inspection will lay the groundwork for the inspections of the electrical, plumbing, and heating systems. Begin in the basement. Look for cracks on the inside of the foundation. Does any inside wall show signs of splitting wood or termites? Look for signs of dry rot? Are the joists straight or are they sagging. Are there water stains or signs of rust that may indicate water damage? Check the floors for cracks or splitting. Floor drains should be clean and clear of debris. The ceiling should be inspected to identify damage resulting from problems with the foundation.

Stairs should not sag or have missing or loose treads. Do the steps OR woodwork need to be painted? Are the stairs worn and slippery? Do they need to be repaired or replaced? Handrails should be in place and firmly bolted to the wall at a comfortable height. Check the walls of the stairwell for cracks, buckling, dirt, or peeling paint. Check landings as well. Be sure the smoke detectors have been inspected once a month.

As you proceed from one floor to the next, the basic inspection sequence remains the same. Always look at the walls for peeling paint, abuse, water stains, and wall damage. Ceilings should be checked for cracks and water damage.

Floors require special consideration because of the diversity of floor types and coverings. Carpets should be neither worn nor torn. Look critically to see if they need repair or replacement. Look for dirt that is ground into the carpet or for stains. Check for the smell of mildew. Make sure the carpet is solidly attached to the floor and not pulling away from the floor or the walls. Note wrinkles or bubbles and write a work order immediately so no one will trip. Hazards must be handled as soon as they are identified to eliminate trips, falls and sprains.

Tile should be tight to the floor. Are the floors clean and shining? Look at the building records to identify when the floor was last stripped and refinished. Hard surface floors such as masonry, magnisite, marble, quarry tile, or slate should be well maintained and free from chipping or cracks in the mortar. If the surface is dull, the floor might need to be resurfaced. Check records for the most recent maintenance. If it has not been done recently, find out why.

Hardwood floors should not squeak. Squeaks can be repaired by nailing the floor to the subfloor or putting a shim between the joist and the subfloor to take up the slack. Is the floor in need of stripping? Is it marred from furniture or traffic? If so, the floor should be stripped, repaired and refinished. Smoothing the hard surface will take care of the problem. The floor then must be resanded, sealed and finished.

During the inspection, all doors should be examined for the condition of the hardware. Hinges should be properly aligned. The right hardware should be used in the right location. Locks should work freely and doors should not stick. Be sure each door is aligned so the strike plate and tumbler are properly positioned. The mortise lock sets on exterior doors are the security locks. They should be checked most frequently.

Electrical Inspection

Inspect all the duplex receptacles. Make sure the faceplate covers the receptacle. Take the plate off and inspect the wires with a flashlight to be sure they are properly attached and grounded. Visually inspect light fixtures to make sure there is no water or stain in the globes. Be sure light fixtures are hanging properly and are firmly attached to the ceiling.

In the basement, the circuit breaker distribution panel box should be checked. Be sure that everything on the panel door is properly identified. Fuses should be removed and inspected, and extra fuses should be available. Insure the circuit breakers are all locked in properly. Flip all the switches and flip back in position. Note if there is any repair work that has to be done. If any electrical work must be done, be sure to hang a highly visible sign on the circuit breaker box to be sure no one tampers with it while the electricity should be off. Complete the electrical inspection by looking for hanging or frayed wires and by checking the electrical conduit to be sure it is in good condition.

Plumbing

Water Supply System

Inspect the system for water leaks. The valve on the riser that distributes the water throughout the building should not show any evidence of leaking. Visually check the piping to the boiler and to the hot water tank. Check the valves for leaks. Make sure there is no dripping water.

It is only necessary make a visual inspection of the water tank and the boiler system during the structural inspection. The hot water tank should be clean and dry. Check to make sure there are no leaks under the tank. Check the temperature pressure relief valve to be sure it is not rusted. Check on the tank is to see when it was last drained and when thorough preventive maintenance was done. Be sure there are no gas leaks from gas fired hot water tanks.

Electrical hot water tanks should be checked to be sure the ignition control is working properly and the wiring is in good shape. Heating elements are checked during the preventive maintenance procedures. Check the piping to be sure it is properly lined up. Piping should never be forced or bent to make it fit.

On each floor, check bathrooms, storage areas, and public interior areas. Apartment inspections should also focus on identifying plumbing problems. Check all toilets. Flush to make sure running properly. Be sure the unit is properly aligned to floor. Tank top toilets and flush o meter toilets should cycle properly. Look at sinks, vanity, and tubs. Check for leaks in handles, spouts, foundations, piping or the P-trap. Look for wet spots, water damage, or water stains. Check for excessive rust. Check the valves for hot and cold water lines. Be sure there is no leaking. Sinks and tubs should be properly caulked. The appliance should be attached to wall firmly and without wobbles.

Sanitary Drainage and Vent Piping System

The sanitary drainage system carries waste away from toilets and other fixtures. It is connected with the main building drain that leads to the sewer. The system must be inspected once a year to assure proper drainage. The inspection should identify clogged lines, water leaks and other plumbing problems.

The vent system is designed to eliminate sewer gas and to prevent pressure build up in the pipes. Each plumbing fixture in the building must be vented. Inspect the vent lines to be sure they are not clogged.

Heat Ventilation and Air Conditioning

Boilers

Boiler inspections should be an on-going process. During the heating season, inspections should be done daily and properly documented. Routine inspections include checking the water gauge level, the relief valve and the thermostat. The relief valve should be tested weekly. For preventive maintenance, document latest unit blow down in order to prevent rust and corrosion.

Boiler ignition systems differ, depending on whether the unit is operated by steam or hot water. If you have a steam system, find out if it was balanced and how long ago. If the property has a hot water heating system, check the circulating pump. Look at the ports to be sure that each one is not rusted and that the flame is blue rather than yellow to be sure there is the correct mixture of gas and air. Document when the systems were inspected, serviced, and tested with a voltage meter.

Unit Furnace System

If the building is heated by individual forced air furnace systems, the first items to be checked are the motor and the motor belt. Examine the thermal couples and look at relay systems. Are the filters clean? Are the filters being changed every thirty days according to the date stamped on the filter? Document all inspections and repair as part of preventive maintenance.

When checking individual unit thermostats, take off the face cover. Check the calibration. Manually check that the thermostat will turn the unit on. A torpedo level can be used to measure the balance of the thermostat. Be sure to remove any dust and dirt. All radiator valves should be checked to be sure they are not leaking and that they are functioning properly. Check the preventive maintenance scheduling to find out when system was bled. Vents should be examined to make sure they are properly attached to the wall and free of holes, rust, soot, dirt and dust.

Air Conditioning

There are two basic systems for providing air-conditioning:

- central air or
- window and sleeve units.

Central Air

For central air conditioning system, the compressor, the motor and the fan should be checked. Check the on and off switch for correct wiring. Look at the records to find when preventive maintenance was done. When was the compressor last serviced? Was freon put in? Look at the seal. Check the preventive maintenance schedule for the central air conditioning system.

Window or Sleeve Units

For wall unit air conditioners, the compressor, the fan, and the pulley belt should be examined. Be sure enough filters and pulley belts are on hand in inventory.

Laundry Rooms

Laundry rooms should be checked for damage to the walls, ceiling and floor. Check the ductwork to be sure it is not filled with lint. Is the room well lit? Are all the lighting fixtures working properly? Is the room clean? Are there leaks under the utility tubs or around any of the washing machines? Regularly inspect washers and dryers. Examine the ignition system on the dryers and be sure there are no gas leaks. Be sure there is no dust and dirt around ignition system or vents. Refer to preventive maintenance documentation to make sure all appliances have been properly serviced.

Electrical Power Room

Check the cards on the power banks. Be sure there are no water stains or signs of leakage, which could cause electrical shorts and fires. Review the check sheets on each electrical power panel to be sure they have been examined regularly by the electric company. Check for cleanliness and proper lighting.

Fire Alarm and Sprinkler System.

Check the sprinkler system on a regularly scheduled basis. Test the fire alarm system quarterly. Review the preventive maintenance records.

Elevator Rooms

Elevators should be checked at each level. Look carefully at the elevator doors. How well are they aligned? Is there any warping? Do the doors close properly? Is the finish hardware in good shape? Check the motor. Determine when the relay system, motor, and microprocessor were last serviced. An elevator service log should be prominently displayed in the elevator room listing dates of service. Make sure the elevator room and the elevator pit are clean, dry and well lit. Check to see when the sump pump was inspected and serviced.

The elevator should be running smoothly, with even stops. All lights should be working. All floor buttons should be lit. Fans should be working. Alarm systems should be working properly. The elevator car should be clean. Telephones should be in working order in case the elevator gets stuck. Be sure emergency procedures are posted in case someone does get stuck in the elevator. There should be an emergency elevator key with the maintenance department and in the management office.

Inventory and Purchasing

Inventory

An inventory is the record of the furniture, supplies, and equipment of the company. Keeping a well-managed inventory allows an agency to identify and catalog its stock. It provides a method to control purchasing and encourages rapid turnover of supplies to maintain quality. Every agency should have a master inventory list that includes all the furniture, equipment, supplies, and appliances on site. Organize the master list by specific departments for clarity of analysis. It provides the documentation necessary for insurance purposes. While inventory control is the baseline used to assess cost efficiency, it is also a necessary tool for budget preparation.

The maintenance department needs a manageable system to identify items and quantities purchased and the frequency of each item's use. A running inventory can allow the maintenance supervisor to easily evaluate how supplies and equipment are being used and assure that purchasing is coordinated with current stock and available on a timely basis when work is requested.

It is important to establish an orderly storage system for the large and diverse quantity of supplies needed for proper routine, preventive and emergency maintenance. Items that are inventoried should be clearly labeled. Emergency, routine and preventive maintenance materials

should be coded with an initial indicating its category and use. In addition, the label should include the identification assigned at the time of the original purchase and an indication if it is to be used for housekeeping or maintenance. This identification number should be listed on the purchase order.

Inventoried items should be maintained in a proper storage area or stock room. The room should be secure, and one person should distribute the materials. Even in a small operation, one person should be in charge of stock to insure control and documentation of use. Label shelves by item and category. Once an item is taken off the shelf, put it on a work order to show where it was used and who used it. The stock clerk should compile the daily inventory from the work orders for the day. It is important that someone check what has been taken off the shelves. if supplies are not used up in one application, the work orders will indicate where they are being stored.

The maintenance supervisor should check the inventory daily. The running inventory sheet should be cross- referenced against the work orders for the final inventory sheet for the week. This allows the maintenance supervisor and the manager to track what stock that is being removed from storage and what must be replaced. This running inventory sheet is an important tool to be used in preparing purchase orders in a timely and cost- effective way.

Purchasing

Purchasing supplies and equipment for cleaning and maintaining the property is the responsibility of the maintenance supervisor. It is essential that supplies are purchased in a timely way so there is no lag caused by lack of materials. Purchasing decisions are should be based on acquiring products of adequate quality for the lowest possible price. The purchasing process should begin with a list of trustworthy vendors. Old purchasing lists, former vendors, information from hardware or vendor shows, and recommendations from other professionals provide places to start. Send appropriate vendors a cover letter and an initial specification sheet. This information should include exactly what service or materials you want. Add any clarification that will help the vendor identify your situation and requirements. The vendors will return a written bid for the product or service you are soliciting. It is a good idea to get at least three bids to be sure you are getting the best quality for the best price. You may want to talk to the three lowest bidders to be sure that you are getting the quality you want. Ask questions to find out if the purchase will be economical in the long run. Have it demonstrated if necessary. Be sure to find out if a service contract is necessary.

Once a decision is made, a purchase order must be filled out to document the purchase. The purchase order should have an identification number, the company name and address, and the contact person you have been working with. It should also include a description of the purchase, its use and the apartment being charged. The completed purchase order should go to the property manager, who should countersign as part of the checks and balances. In any purchase order system, numbered purchase order forms should be used. The maintenance supervisor should retain one copy for maintenance records, the property manager should retain one copy for accounts payable, and one copy should be filed in a purchase order file by number and month.

Quality Control

It is always essential to attempt to buy the best product at the best price on the market. That requires research and careful decision making. Buying quality means buying the best product for the money. Ultimately the choice must be based on a balance of price against length and quality of service from the purchase.

Quality control also requires documentation. A computer program, or a ledger can be utilized to keep track of purchases. Often the accountant keeps a copy of the lists of purchase dates and amounts. Products that are purchased directly must be backed up with receipts. These purchases are logged immediately upon purchase. Whenever possible it is more efficient to purchase in larger amounts based on projected need rather than directly purchasing items to complete a job.

Here are some hints to keep control of the content and quality of the organization's inventory.

- Prominently engrave or stamp tools for identification and to reduce the temptation to remove them from the premises.
- Periodically review inventory to be sure stockroom is not full of materials that are not going to be used.
- Check expiration dates to be sure that products are current and effective.
- Do not over purchase.
- Inspect each product to see how well it works. The maintenance supervisor should document staff reaction to the product and the positives and negatives to facilitate future purchases.