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Move-in, Move-out, Move on

As a property manager, you are constantly faced with coordinating the move-out of residents and preparing the unit for the move-in of a new resident. How effectively and efficiently you manage these processes affect the satisfaction of your residents, your property owners, and how quickly you can have a new resident providing income to your company.

This article addresses ways you can improve communication with your residents and owners, and speed up the move-in inspection process, the move-out process, and the turn/make-ready process.

PROPERTY INSPECTION: MOVE-IN

An inspection of the property should be conducted at the beginning and end of the term of each lease. The initial inspection is an opportunity to:

- identify any items not addressed during the make-ready process,
- establish rapport with the new resident,
- document the condition of the property, and
- set expectations for the use and care of the property.

Depending on your situation, this inspection could be performed by a property manager, by the new resident, or through a joint inspection by the property manager and the new resident. This inspection is best performed when the unit is empty, before the resident moves in, and when the walls and floors are unobstructed, providing a clear view of the current condition. A physical checklist should be used to document the state of the property upon move-in. Digital pictures are a great aid to record the way things are—particularly any problem areas. Video is also helpful and can capture even more information. A final item on the checklist should be a statement similar to, “This unit is clean and in an acceptable condition,” which the new resident should indicate and sign in agreement.

One challenge is how to best collect, organize, and retain the documentation associated with this initial inspection. Three common approaches include:

- maintaining a physical file containing printed copies of the checklist and photographs taken (an alternative, particularly if a video record is made, is a digital CD-ROM),
- implementing a document management system to store electronic copies of the records, or
- using an online inspection system (ideally incorporated into your property management software) to capture the information in real time.

This third alternative enables the new resident (and/or leasing agent) to access the inspection checklist online. Any photos or videos can be uploaded with the report. Some systems will accept images directly from a camera phone. A few advantages of this approach are:

- the inspection results are available immediately (no mail delay),
- work orders to remedy problems found can be generated directly and tracked as part of the make ready process, and
- the administrative costs of translation and filing are greatly reduced.

PROPERTY INSPECTIONS: INTERIM

Some property managers enforce an interim inspection process for longer running leases. These interim inspections provide several advantages including:

- resident can report problems and have problems repaired,
- owners are assured that their properties are being maintained properly, and
- when a move-out does occur, there is less maintenance work to be done for the unit to be rented again.

PROPERTY INSPECTION: MOVE-OUT

The inspection of the property at the conclusion of a lease should also be conducted after the tenant moves out and the unit is empty. The objectives of this final inspection are to:



- identify any wear or damage done to the property during the lease term,
- determine if any money will be withheld from the security deposit to cover any required repairs, and
- add any items to the make-ready process to be addressed before the next lease begins.

A typical challenge during this process is the determination of “normal” wear and tear (deterioration that results from the intended use of a dwelling, including breakage or malfunction due to age or deteriorated condition) versus damage (deterioration that results from negligence, carelessness, accident, or abuse of the premises or equipment by the tenant).

Important to the determination of wear and tear is comparison of the move-out condition to the move-in condition. Ideally, your property management system will display the condition from the move-in inspection directly on the move-out inspection form. Since these distinctions can be a source of contention between the property manager, resident, and owner, good documentation supported by written communications can save time and money in any potential dispute.

MAKE-READY PROCESS

Controlling the process of making a unit ready for the next resident is called the make-ready process. A make-ready process is a series of work orders that are

required in order to turn a unit after a resident moves out to make it ready for a new lease. These work orders can include tasks specific to the move-out that just occurred (i.e. inspecting the unit at move-out). Alternately, the process can deal exclusively with maintenance work required to turn the unit.

A standard move-out checklist is used to cover the common items to address. Items identified during the move-out inspection are added to this list.

If supported, use your property management software to document and track these steps. Work orders for additional work can be automatically generated from each of these steps. The status of these work orders can directly drive the tracking of the make-ready process and show when the unit will be ready for move-in. When tied in with your owner portal (refer to the *Connecting with the Investor* article run in the June 2009 issue of the *Residential Resource*), the owner is kept informed of the status of the unit and the progress towards re-renting the unit.

CLOSING COMMENTS

Automation and the drive to a paperless office provide many productivity and cost benefits. Although these moves are welcomed—even demanded—by the younger computer-savvy resident or owner, we must be conscious that many older residents are less computer literate and will need alternative methods to handle inspections and communications. 🏠

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A sample make-ready process could be defined as:

DAY	TASK	COMMENT
1	Inspect	Walk the apartment completing the move-out checklist. Make note of damage fees and assess any charges to the lease register.
	Initial Clean-up	Remove garbage, clean refrigerator and stove, clean bathrooms and other rooms to prevent deterioration of the property.
2	General Maintenance	Perform general maintenance items as noted on the move-out checklist.
	Replace/Clean Carpet	Refer to the move-out checklist to determine if carpet replacement and/or cleaning is required.
3	Painting	Perform painting as noted on the move-out checklist for the unit.
	Final Cleaning	Final cleaning to prepare unit for occupancy.
	Make-ready Inspection	Inspect that unit is ready for occupancy.