Property Management Agreements

Elements of Property Management Agreements

Trust Accounts

1. Setting up trust accounts
2. Regular review of trust accounts – reconcile every 30 days
3. Three types of trust account regulations:
   a) General Trust Account Provision
   b) Transactional Trust Accounting
   c) Property Management Trust Accounts

Elements of Property Management Agreements Cont.

Dealing with Rental Deposits

1. When must you hold deposits in a trust account?
2. Returning deposits upon termination
3. Record keeping and security deposit accounting

Important Elements of Management Agreements

- Fee Schedule
- Limited but clear authority/agency
- How much repairs you can authorize
- without consent?
- Ability to select tenants and sign leases
- Approval to evict
- Serving notices and fees
- Discourage owner relationships w/tenants

Important Elements of Management Agreements

- How funds are handled (when, where, etc)
- Insurance requirements, fire, E/O
- Cancelation term (30 day out)
- Changes with 30 day opt out
- Assignability if you sell
- Can you represent the tenant and how?

Additional Things to Consider defining…

- No verbal agreements
- Follow up email documenting any phone call or discussion
- Record calls?
- Leasing only service?
- You are fiduciary to owner/not tenant

Dealing with Rental Deposits

1. When must you hold deposits in a trust account?
2. Returning deposits upon termination – how many days?