



# Guide to Self Managing Commercial Property



## Property & Marketing Preparation.

Congrats on the newly acquired commercial property! Now you need to get your space ready for tenants!

- **Initial rent market analysis** to ensure the rent is comparable to others in the market.
- **Coordinate any needed repairs** to ensure the property is in rentable condition.
- **Photograph property**, clear, focused images for use in advertising/marketing.
- **Video tours/floorplan creation** to add in advertising campaigns.
- **Create & post property on multiple listing services, social media sites.**
- **Respond to all inquiries** submitted by phone, email, social media message, and in person.
- **In person property showings** to whomever requests them.



## Tenant Placement & Relations.

Finding and keeping the right tenant is critical for your property.

- **Tenant screening** requires checks of criminal, financial, eviction and employment records and inquiries into past rental experience.
- **Conflict resolution** will be very important in your relationship with tenants. You will need to be able to respond to all disputes quickly and professionally to prevent escalation.
- **Tenant satisfaction** is crucial to reducing turnover. Have a plan to regularly check in with tenants to make sure their needs are being met.
- **Keep tenant communication channels** open to handle complaints, requests and updates efficiently.



## Leasing.

You will need to be able to guide future tenants through the entire leasing process while observing all the latest legal regulations.

- **Draft and manage all lease agreements.** You will negotiate terms, ensure legal compliance and initiate and complete renewals.
- **Determine what utilities** are tenant-paid or landlord-paid.
- **Coordinate move in and move out** by scheduling inspections on both ends to protect you and the property.
- **Regularly review lease terms** to find opportunities to retain good tenants by offering rent incentives for long-term leases or upgrades to improve the property.



## Rent Collection.

Setting up a system to manage rent collection and delinquent accounts will save heartache later.

- **Rent payment** will need to be easy for the tenant, online is best, with due dates and payment instructions clearly stated in the lease.
- **Late fees** are detailed in the lease and are automatically added to the tenant's ledger.
- **Reminders** are set up to nudge those that are late with payments.



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### Property Maintenance & Repairs.

Be prepared for all manner of emergencies with HVAC systems, plumbing, roofing, electrical, pest infestations, etc.

- **Establish protocol** for tenants to notify you of maintenance needs.
- **Schedule routine inspections** to check the property for maintenance issues.
- **Be available 24 hours a day!!** Some issues have to be addressed immediately, regardless if they happen on the weekend nights or holidays.
- **Handle repairs as they arise**, either on your own or with a professional. Don't forget about seasonal maintenance (landscaping, hurricane clean up, snow removal, exterior cleaning).
- **Gather estimates** from several vendors for large ticket repairs or system replacements.
- **Implement a schedule for preventative maintenance** to extend the life of major systems and avoid costly repairs.
- **Manage relationships with vendors** for cleaning, security, landscaping, and other services to keep property running smoothly and to ensure your property is a priority for them.
- **Liability mitigation** ensures tenants are aware of their responsibilities for damages or repairs.



### Property Inspections.

Regularly scheduled inspections help keep the property in good shape.

- **Develop inspection schedule** either quarterly, biannually or annually.
- **Notify tenants** of upcoming inspection.
- **Create inspection protocol**, know what systems you are checking and what criteria you are measuring them with.
- **Document findings on inspection report** with photographs.
- **Schedule any needed repairs or maintenance** uncovered in the inspection. Coordinate with tenants.
- **Share report with tenants** and explain any changes needed in the treatment of the property.



### Accounting & Financial Management.

Commercial property management often involves intricate financial aspects.

- **Collect and maintain security deposits** in trust throughout the tenancy. Commingling funds is illegal.
- **Pay property's bills:** Vendor, utility, service, tax, insurance invoices will all need to be paid in a timely manner.
- **Keep track of expenses for tax purposes.**
- **Know how your property is performing** with monthly reports showing all the income and expenditure accrued by your property.
- **1099 reporting** at the end of each year, create a comprehensive report showing all the income and expense categories for your property. Also create 1099 for all vendors paid \$600+.
- **Use property management software.**



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### Legal Compliance.

- **Stay up to date with** local zoning laws, building codes and other regulations affecting commercial properties.
- **Adhere to all fair housing laws** in all advertising and marketing.
- **Ensure property is adequately insured.** This includes property, liability, and others depending on nature of tenant's business. Regularly review policies and coverage limits to make sure you are protected.



### Security & Safety.

- **Security systems** ensure the property is as safe as possible. Consider surveillance cameras, alarm systems and adequate lighting.
- **Comply with local health and safety regulations.** This includes fire safety, emergency exits and addressing hazards.
- **Provide tenants with emergency plans** for fires, natural disasters, or accidents that occur on the property.
- **Provide tenants with emergency contact details.** Be aware that they may contact you 24 hours a day.



### Advertising Vacant Properties.

- **Attend to any repairs** highlighted in move out inspection for previous tenant.
- **Retake marketing photos** if there are changes to the space from the previous photos.
- **List the property** on commercial real estate websites.
- **Highlight property** on social media sites.
- **Contact commercial property brokers,** schedule showings or open houses so they will highlight the property to their clients.
- **Show property** to all interested parties.
- **Respond to all inquiries** about property in a timely and professional manner.



### Eviction.

The dreaded conclusion to a non-stellar tenant. The entire process can take between 40 and 90 days.

- **Prepare and serve eviction notice.** Tenant must be notified of the reason for eviction and given time to fix the issue or leave.
- **File a complaint** with the county courthouse.
- **Serve the tenant** with the complaint and summons.
- **Attend court hearing** to present your argument in court.
- **Obtain a writ of possession** if court rules in your favor.
- **Determine how to deal** with tenant equipment and trade fixtures following a default.
- **Retain legal counsel** experienced in litigating commercial lease disputes.

This is not an exhaustive list, unique situations arise all the time in property management.

If this sounds overwhelming, let Aloha Wilmington handle it for you!!