

Property Management

You make money when you buy... ..it is an old real estate truth.

You make wealth when you put the proper management team in place... ..it is an absolute real estate truth.

Having a property manager that is diligent, meticulous, trustworthy and knowledgeable will make your properties more profitable in the long run. Period. OSRG has teamed with Great Richmond Rentals, finally formalizing what had been a long term informal relationship.

Great Richmond Rentals is now managing over 1,000 properties in the Greater Richmond Metro area. While apartments make up the majority of the properties managed, GRR also manages single family homes and owners associations.

Services

GRR makes the following promises:

- motivated and aggressive leasing to minimize vacancy
- diligent monitoring of repair and maintenance expenses
- prompt response to all maintenance calls
- competitive fee structures
- accounting and bill payment options

A Case Study

In December 2004, GRR was approached by an owner and asked to manage a 32 unit problem apartment complex in Richmond's East End. When the management contract was signed, there were 15 of 32 units vacant with only 8 tenants paying rent. Current rents were \$365.00 / month for a 2 bedroom, 850 square foot apartment. GRR was tasked with the following:

- identify the problem tenants/squatters/drug dealers and evict them
- rebuild the tenant base
- clean up the property
- increase rents
- decrease vacancy
- lengthen the average tenant stay

GRR developed the following 5 point plan:

1. Increased police/security presence - During the first sixty days GRR met with the Richmond Police Department's 1st Precinct liaison and hired off duty police officers. Powerful outdoor lighting was installed to improve the nighttime safety and visibility. These actions resulted in several arrests and make a statement that illegal activities would not be tolerated.
2. Zero Tolerance - From day one of GRR's involvement, tenants expect to see pay or quit letters on the 6th of each month, enforced late fees for any late payments, unlawful detainer/eviction on the earliest allowable date and extensive use of "rent with reservation" for habitual offenders.
3. Phased Renovations - The next 60 days consisted of light renovations to several apartments to attract a new tenant base to the vacant units and increase the number of residents. As the vacancy decreased, heavier and more quality renovations were undertaken to allow for substantially higher rents.
4. Aggressive Tenant Screening - GRR's aggressive adherence to a tenant screening policy where applicants were expected to be employed and earning three times rental amounts, satisfactory references and a credit score absent of rental and utility judgements, quickly provided the complex with a solid tenant base.
5. Curb Appeal - Once a tenant base was established, exterior repairs were undertaken and landscaping and grounds were enhanced. Other exterior repairs and improvements were done at this point aimed at long term health of the complex.

At the end of 12 months, the property was 100% occupied at an average rent of \$500/month. Expenditures on security decreased by roughly 50% and capital improvements increased using the increased revenue.

As of end of year 2007, the owners elected to refinance allowing for \$300,000 cash to be extracted while still maintaining positive cash flows in excess of \$2,000 monthly after debt service. The property now historically accepts 3-5% rental increase with a negligible effect on vacancy and deposits are \$16-17,000/month and increasing annually.