

# General Maintenance Issues for Owners

Georgia Landlord Tenant Law (title 44) requires the landlord to keep the property in good repair and maintain all appliances (and any other improvements left behind by the owner) in good operating condition. The law prohibits landlords from passing any maintenance on to the tenant. This law goes on to say, “Landlord shall be liable for any injuries the tenant experiences handling maintenance the landlord did not maintain.” (see Georgia Landlord Tenant Law on our site)

Stipulation #8 of the management agreement makes Crown responsible for looking out for the property as it relates to these issues. We intend to handle repairs and keep the property in safe and in habitable condition. In that regard here are some issues you should keep in mind:

**1. Spending Limits:** Stipulation #8 gives Crown the obligation and authority to maintain the property in accordance with the law and the lease. A \$200 maintenance spending limit allows Crown to spend money on the property to protect the property and tenant without waiting for the owner’s approval, except in certain cases such as: a) emergencies as defined by Crown, b) issues of safety for the tenant and/or the property, c) rent-ready issues negotiated in the process of approving a lease, and d) maintaining utilities.

**You will be notified before we address any repair item unless it is on a weekend or holiday, or an emergency.** On repairs we expect to be under \$200 you will always be notified, but we will not wait for a response. On repairs over \$200 we will generally wait for a response unless it becomes critical to make a decision. The management of this requirement is more difficult than it sounds. Often we have a repairman at the property trying to decide what to do if a repair is going to exceed the \$200 limit. Sometimes the repairman has an HVAC system torn apart or a stove dismantled and they discover the problem, identify the costs and know it is going to exceed \$200. We generally make a decision based on our attempts to save you money. We may try to reach you but not always. If we cannot reach you, or it happens after business hours, we are often forced to make a decision. “Fix it while the contractor is there, or send him home, because we cannot reach the owner” is a decision we are forced to make on a regular basis. Each trip costs money and we try hard to keep the costs down. Sometimes we will make a decision that will cost over \$200 in an attempt to save you money on another trip charge. Sometimes, no matter what we do, owners are mad at us for spending money. Please remember that we are always acting in your best interest, whether you agree with us or not.

**2. Getting Estimates or Getting Quotes:** Generally, contractors will not travel to a property to give a ‘quote’ (a hard number) on small items. Atlanta traffic is brutal and a two-hour trip to quote a \$300 repair becomes a billable event. If you require a quote (as compared to an estimate) on small items, you can expect a higher number as they are including two trip charges instead of one. As a matter of policy we do not request a quote for items under \$500; we ask for an “estimate” from a contractor we use and trust.

## **3. Rehab, Restoration and Renovations**

Stipulation # 9 attempts to distinguish the difference between managing ‘normal breakdowns,’ which the management fee pays us to handle versus overseeing major projects (those that exceed \$500). Property managers are not trained in construction and mechanical issues, so we are not your best source to oversee big jobs. When we step out of our scope of service of managing ‘normal breakdowns,’ we step into the arena of ‘general contractor work.’ You can handle these types of projects yourself, or have another company do it for you. Another choice is to allow us to recommend someone to oversee the work. When you have Crown oversee general contractor jobs, we will add a

10% rehab premium to the invoice as stipulated in our agreement. You are always in control of these projects so you can use anyone that you want to oversee them. If the property is occupied during these projects, a licensed and insured vendor must be used. Because most of these types of renovations happen during vacancies, you have the freedom to do it yourself and try to save some money.

**4. Emergencies:** Crown has the responsibility, and your authority, to a) decide what is an emergency and b) handle it in such a way as to provide maximum protection for the occupants and the property. We will contact you as soon as practically possible. However, emergencies seldom happen on schedule and rarely give us time to get your permission before we respond. Our motto is to ‘act first, then notify the owner.’ The issue we face most often is HVAC. Most of the time your insurance covers emergencies so contacting you happens after we have responded to the problem. We have had 10 house fires, one body bag, one gun shot incident, many kitchen fires, lots of trees on houses, tornados ripping off roofs, and cars rolling into houses. We understand emergency issues and know how to handle them.

**6. Insurable Claims:** Our management fee does not pay us to oversee insurance claims unless they are small. If Crown is to oversee insurance claims we will add the 10% rehab premium. Your insurance company will generally pay that fee. We do not contract for the work and wait for the money. You must advance the funds for the work and chase your insurer for reimbursement. You can use anyone that you want to oversee insurance claims.

**7. Minimum Account Balance:** To facilitate maintenance issues, owners must keep a reserve with Crown at all times. The amount of that reserve is determined by how difficult it might be to reach the owner for money in case of an emergency and/or physical repairs to the property. If the property is in general disrepair, Crown may require a larger account balance to handle said repairs. Georgia trust account laws prevent us from incurring an expense on a property without having money in the trust account to pay for it. We are not able (or willing) to bankroll repairs and wait for reimbursement.

**8. Using Your Own Maintenance Contractors:** Crown screens its contractors to make sure they have all the insurance, worker’s compensation, and the expertise to do the job. We will not send a vendor into a home without checking them out first. Therefore, we will not use your vendors. Because we do a large volume of business with each vendor, we have clout with Crown vendors, but not with your vendor. We can get our vendors to do things on Saturdays, Sundays and holidays that we can’t get your vendor to respond to. We cannot use your vendors when the property is occupied. However, when the property is vacant, or for outside work, you can use anyone you want.

**9. Charges for move-out inspections and Turnkey Estimates:** When a tenant moves out, Crown will do a move-out inspection to identify the damages that we will deduct from their security deposit. Property managers seldom have the experience necessary to properly identify the costs of all repairs such as replacing vinyl, replace a broken light fixture, or refinishing hard wood floors. A contractor who does the work is better qualified to estimate these charges. When contractors are utilized to do estimates, a charge is incurred. We have trusted contractors and will put you in touch with the right people to do punch lists and oversee the work.

Maintenance is a tough part of the management business. We would love to pass it over to the tenant but Georgia law does not allow it. We would love to have the owner decide on everything so we don’t have to but that is not practical. The management agreement mandates that we keep the property in habitable condition for the use and quiet enjoyment of the tenant. The Landlord Tenant Act mandates many of our responses. The lease and common sense controls the rest. We do the best we can to keep

all parties interests in mind but ultimately you are our client and we will do everything we can to act in your best interests. Your input is always appreciated and welcome.