

## **Ask Dr. Cash Flow**

### **Reduce Maintenance Calls and Increase Cash Flow**

Q: Dear Nick: I find that I am spending more and more time doing repairs on my rentals. It is to the point that I don't feel like an investor any more (because I don't have time to buy property any more). I feel more like a handyman. How can I spend less time doing the small repairs? I don't want to hire a full time maintenance man. Don P., Plano, TX.

A: Dear Don: You sound like you went from being Mr. Goodwrench to Mr. Tiredwrench. Let me start off by telling you that you are not alone. Many investors get caught in the trap of repairing instead of finding properties. In fact, for many, the more you own the more you repair, the less you buy. Here are a couple of suggestions that may help.

My rental agreement states that appliances are on loan from us and are not included in the monthly rent. The tenants then have two alternatives to choose between ...

Look for retired trades people who are looking for odd jobs. I like retired professionals like plumbers, electricians or all around handy persons. You can find them by writing to their union halls or going to senior citizen centers, VFW posts, Bingo Halls or building supply stores.

Besides finding someone to do the work, look at what items have the most breakdowns and repair calls. In my nearly 20 years of investing, I have found **three major areas that get the most repair calls**. In order, they are plumbing, locks and doors and appliances. Here is how I've dealt with them.

**Plumbing:** I've found that running water can be an extremely expensive problem if it isn't dealt with quickly and correctly. Leaky faucets are a common culprit. I have found that I can drastically reduce these problems by replacing all faucets that need repairs with Delta two-handed faucets. I've chose Delta because they are easy to turn on and off and they can't be wrenched shut (which tenants have a tendency to do). They are very easy to repair as they all use the same kit. For \$6 to \$8 you can change the cartridge and the seats for a truly drip less faucet and this is a repair that a 10 year old could make.

Plugged drains and sewers are another problem. I've dealt with this by using a competent, reliable sewer and drain company which will go to the rental, open the drains and bill me. (Note: My rental agreement states that the tenant will pay the cost for any plugged drains or sewers).

**Locks and Doors:** I have found that the most common problem here is tenants that have locked themselves out. Some of them then break the door down to get in and then claim that someone broke into their apartment. One way that I've dealt with this is to remove all locks that can be locked without a key. By having to use a key to lock the door, the tenants won't just slam the door, locking their keys in the house. My rental agreement also states that the tenants are responsible for any door that gets broken, no matter how it gets broken. I also tell them that it will be cheaper for them to break a window to get in than breaking a door.

Appliances: My rental agreement states that appliances are on loan from us and are not included in the monthly rent. The tenants then have two alternatives to choose between:

Option A: The tenants will pay for all repairs and service calls, *or*

Option B: The tenant will pay \$10 per month for appliance insurance and we will be responsible for all repairs. Note that in both Option A and Option B it is the owner's sole discretion on whether the appliances should be repaired, replaced or removed.

Since I have focused on these three problem areas and have implemented the above policies, I have found that our maintenance calls have been drastically reduced. The most dramatic change has resulted from the policy to replace all faucets that need repair with Delta faucets. In the eight years since we started doing this, I've never had a call on one we've replaced. Remember, by reducing your maintenance calls, you free up your time and increase your cash flow.

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