

## **Crisis Management or Active Management (It's Your Choice and Your Bottom Line) by Tina West**

Many properties suffer both physically and economically as a result of crisis management, the type of maintenance performed only after something goes wrong. Rather than acting with a plan in place, managers are sometimes forced to react due to a lack of planning. Examples include negligence of machinery requiring routine maintenance and checkups. Regular interval maintenance results in less cost than complete replacement of a broken or worn down piece of machinery.

As a manager or owner, you are the one who can ensure constant, ongoing maintenance, thus avoiding most crisis maintenance situations. By taking the time to create a maintenance plan, you can ultimately affect the bottom line of your property. With proactive or preventive maintenance strategies in place, you can be sure to protect the value of your asset.

Maintenance is defined as: "Keeping in an existing state; preserving from failure or decline." **The goal of ownership is to maximize your NOI** and maintain a sharp image for your property. Preventive maintenance also supports leasing efforts, as well as forming a good foundation for resident and management relationships.

Good maintenance and property upkeep will keep prospects coming in and will result in fulfilled residents. Obviously, successful leasing and renewal efforts will allow you to achieve higher rents and occupancy levels. Additionally, preventive maintenance tends to minimize costs, the net result being higher NOI and satisfied owners!

Pulling a maintenance plan together takes time initially; however, once in place, a preventative maintenance program can be smooth and organized. Outlined below is a program of planned maintenance that can be used to avoid crisis management and allow for proactive management.

### Maintenance and Equipment Rooms

Your quest for proactive management begins with the condition of your maintenance shop, whether it is a corner of the garage, or a well equipped facility in a large complex. Organization and cleanliness of your maintenance area reflect the organization of your property. In addition to being a fire hazard, chaotic disorganization of your inventory and supplies can lead to overspending and eat up excessive time. Bins and shelving can be purchased for minimal cost. All tools and parts should be labeled for ease in locating and inventory purposes. This will allow for efficient and timely response to maintenance requests and will ultimately provide great gains in the long run.

### Inventory

Maintain a list of property equipment and machinery. Items that should be in the inventory include fans, motors, valves, pumps and other repair parts. Basically, anything with moving parts and items that may require maintenance should be noted on your inventory. Be specific on your inventory log and include items such as make, model and serial numbers. If your equipment carries a warranty, log the warranty coverage dates. As a property owner or manager, you should know what equipment is on the property and where it can be found. You should update your log each time a new piece of equipment is purchased.

Once you have a complete inventory list, you need to create a maintenance plan, noting each piece of equipment and when the maintenance should be scheduled. You can utilize the manufacturer's instruction books or solicit expert advice from the manufacturer. Some items will require that you utilize outside contractors to perform routine maintenance. This is important to know, as some warranties may be void if you do not follow their instructions and allow other parties to conduct maintenance. Other equipment can be maintained in-house.

### Apartment Inventory and Maintenance

Your preventative maintenance plan needs to take into consideration items that are within the apartments and the maintenance required to off-set crisis maintenance. There are many things that should be on your list. Following are a few key items to include.

- Plumbing - Replace washers and valves periodically. Inspect the ball cocks and flapper valves in the toilet tanks. You should maintain enough inventory to replace these parts as needed. One way you can do this is to inspect the items and make repairs when you are already in a unit for another maintenance item. Maintain a log and list the items replaced and the dates of repair.
- Fans - Bathroom and kitchen fans will need to be lubricated to ensure smooth operation.
- Filters - Heating and A/C filters should be changed several times each year.
- Caulking - The grout between tiles in the tubs and showers can loosen and may allow for water to seep in. This can result in loose floor tiles or vinyl. Each time an apartment is prepared for a new resident, carefully clean and re-caulk the entire area between tiles as well as between the toilet and floor.
- Property Inspections - Property inspections are a tool that should be used to ensure the highest aesthetic standards and will allow also for quick attention to safety defects or hazards. You should walk your property daily for community policy violations, aesthetic improvements and safety hazards, but you should also schedule semi-annual and annual property inspections which include a full written report of your findings. You must not forget to conduct evening inspections that will allow you to ensure proper lighting throughout your property.
- Seasonal Maintenance - Seasonal maintenance efforts include roof conditions and potential deck leaks and flooding due to heavy rains. Each year, you should conduct roof inspections prior to winter months to check for roof failure or needed repair and replacement. By maintaining a log of roof, gutter and downspout repair and replacement, you will be able to minimize the number of roof leaks occurring as a result of heavy rains.

Additionally, you should note areas on the property where water seems to settle. These areas should be checked for clogged or broken drainage lines and repaired before they result in physical or personal property damage.

- Deferred Maintenance - Deferred maintenance is maintenance which takes into account items that need repair sooner or later but have not yet been addressed. An example of this would be water heaters. If you have several heaters fail in one year and you know that 20 others were purchased at the same time, you should plan for replacement of these the following year. By keeping a log of these items, you will not only be able to better budget your maintenance the following year, but you will be able to defer your crisis maintenance.

**Taking Action** - As a property owner or manager, you must commit to taking action sooner rather than later. Start today by scheduling a property inventory walk. Involve any available staff in the process. Once you have a complete inventory, you can prepare your plan. I recommend breaking the steps into smaller, manageable phases.

You are responsible for maintaining your own, or your client's asset. By thorough scheduling and upkeep of a preventive maintenance program, you will be ensuring "ownership" of your property. Ongoing maintenance inspections and programs cost less than programs entailing crisis management. You will also see significant changes in occupancy and turnover rates. A better-maintained property will attract more residents and keep your existing residents pleased with their decision to reside at your community.

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