

## EP34.We have Two New Listings to Share and More Listener Questions

Welcome to the Landlord Logic Show, hosted by John Tiner. John is the owner and CEO of Tiner Property Management, a three-generation family business since 1976. Tiner Property Management expertly manages over 1,000 properties in the greater Sacramento area to place quality tenants quickly while minimizing your risk. John stays up to date on all the new laws and regulations and shares his knowledge with do-it-yourself landlords each week.

The Landlord Logic Show with the Tiner Property Management Pros. Joining us now, John Tiner, along with his wife and business partner, Jenny Tiner.

Well, welcome to the Landlord Logic Show. We're so glad you're with us today in the studio with me is my wife, Jenny. Welcome, Jenny. Thanks, John.

Hi, everybody. So we host this Landlord Logic Show in hopes of helping the general public, those people who have rental properties, better understand how to do it, what the new obligations are, what the best practices are. But we are a property management firm. We do a little bit of real estate sales too, but predominantly we are a property management firm. And we are managing almost 1,300 properties. Today, we saw 1,295. So we're just about to cross that threshold. We started this show about a year ago, and we were just over 1,000 at the time. So we're growing quickly. This sales market that's a little tough now, a lot of people who can't sell are renting. So we have a lot of people coming to us for that. And then we make it very turnkey for landlords. So if you're doing it yourself, that's fine. You should do it very knowledgeably, and that's why we're sharing today. But a lot of people also say, hey, I would just like to hire somebody that can take care of that for us, and that's what we're here for. And so we have nearly 1,300 properties. We're doing less than one eviction a year, which is not luck. That just means we're really good at selecting the right tenants. But it's more than that. We also find the very good vendors that can do repairs for the properties, coordinate all that for owners. We handle all the tenant complaints and issues that come up. And, you know, with that many properties, there's a lot of them. And then handle all the accounting for you, both on a monthly basis and on a year-end basis for your tax accountant. Everything you need to know is wrapped up. And then we also do a lot of compliance. A lot of the show ends up being about new laws and new things that we have to comply with, and we share those things. But we do all that for owners who hire us.

So if you want to reach out to us, please call 916-974-6003. Or from your cell phone, dial pound 250, say the word Tiner. That'll send you some information and will also ring through to us. And of course, our website is [tiner.com](http://tiner.com). There's a lot of valuable information on there that you can check out too.

A little bit about our company, going off of what John said, is we're a three-generation company. John's parents started the company, and we are a full-service residential property management company in the greater Sacramento area. And we make it easy for you. We find your tenants. We screen them. We do sometimes a lot of rehab work. We write over \$3 million of work orders

a year. So we have fantastic vendors. They are not employed by us. They're subcontractors. John feels that that's a conflict of interest if a property management company has a maintenance division. So they're all subcontracted. So we write work orders, we get the repairs done, we bill it, and then at the end of the month, we pay our owners. So most of them are paid online. Very few take checks now. But just make it easy. Then at the end of the year, we also do a year-end summary. Super easy for your taxes, for your CPA. And we're also taking those phone calls because who wants a phone call at 3 o'clock in the morning on a weekend, on a holiday? Well, we have a 24-hour, seven days a week maintenance line. So we take those phone calls. We handle those emergencies and assign them to the vendors. Take care of that because... that's not fun. I have my own rental property, and I've had to take those calls. And so I don't anymore because my company manages it.

It seems like pipes invariably break at two in the morning.

Yeah. It's just the luck of the draw. And you get those calls, and somebody's got to be able to help get that stopped right away. Or roof leaks or something. Major storms. You know, we have trees down. Those kinds of things. But when that happens, we take care of everything for the owner of the property, coordinate with the insurance companies, and get the work done as quickly as possible, coordinate with the tenants because they've been disrupted, and handle any credits they're due because of not being able to use the house for a few days. And we just make it seamless for owners so they don't have to be involved and they can go on about their life, do what they're good at, and we take care of everything for them.

And that's one thing John just slightly touched on was compliance.

Well, it's not just compliance. It's compliance, compliance, compliance. There's a lot of it.

There's a lot of it. I always say, like John wakes up sometime on a Tuesday and a new law gets brought in that we didn't know about because somebody decided to write a law and just pass it and make it effective. They are put upon us, right? So we spend a lot of our time analyzing legal blogs and also thinking about not only is what is the law, but how should we handle this in a way that is compliant, but still in the best interest of the owner. What's the smartest and best practice to build around this new law so that we're in compliance, but we're also doing what's best for the owner. That's what I spend a lot of my time on.

Yes, he does. John's not an attorney, but he has a very good legal mindset. So part of the job as a property manager is you really have to keep up on those laws, because if you don't, there can be some very big financial consequences with it. Big.

Yeah. So speaking of that, there's one that I want to mention. And this is a phase-in law. It's something that started in April. The first phase kicked in. Landlords have to take photos of the property when a tenant vacates the property. They have to take photos of it before they do any work. And then they have to take another set of photos of any cleaning or repairs that were done, damage that was done, that they're going to charge the tenant for after the work is completed, kind of a proof that the work was actually done. But there's another, a third set of photos that must be taken every time. And that one that comes into play now is that you must take pictures before occupancy, so before the tenant moves in. And of course, as soon as we

say that, a lot of landlords say, well, I didn't take pictures before my tenant moved in. It's not retroactive. So if you have a tenant moving in, then you have to take these before occupancy photos. And it's hard to know in advance, you know, what is the tenant going to damage? So you've got to take the photos that make sense. And we kind of know from doing thousands and thousands of tenants in and out of properties, you know, a lot of the damage gets done. You know, cabinets get damaged, door holes in the walls, ovens aren't clean many times, refrigerators and microwaves. We know where the dirt tends to hide.

So we take pictures of these things before tenants move in. Also, the yards. A lot of times, the yards are in great shape when it may be when a tenant moves in. And if they haven't maintained it, if you don't have the three sets of photos, you cannot charge them for cleaning or for damage, no matter how legitimate it was. So it's really on the owner to be compliant and do what the law now requires of you. And if you don't, you just have to give the full deposit refund back. A lot of landlords are saying, oh, I didn't know that. Well, ignorance is no excuse, right? You have to know. If you're a landlord, you have to know that. It's kind of like if you missed the 21-day deadline for the refunding deposit after a tenant moves out, it doesn't matter how much damage they did. The judge is going to say, you missed the deadline. It's the law. Give them back their full deposit refund. And if you're not fortunate, you could even be charged triple damages for holding it in bad faith. So it's very important to understand the laws and to be compliant with them. Otherwise, you're forfeiting your right to be able to deduct from a tenant's deposit. And that can be thousands of dollars that are at stake there. So it's very important that you do your due diligence so that you're able to avail yourself of that security deposit when they vacate.

Yeah, and then one thing that what Tiner Properties does is we have a program that is called Z-Inspector, and it's a fantastic program. We use it for our home inspections, but we also use it for move-outs and making sure that those pictures are taken and we're in compliance with that. So, you know, we're a big company, but I think that other people might be able to use that Z-Inspector. Anybody could use it. But it does nice things. It organizes the pictures, same picture in the same area, and puts them on one report when the tenant vacates so they can see the before occupancy, when they vacated, and when the work was done, you know, all together in one report. And you have to provide those pictures to the tenant at the time you make the deduction. It's not something that you provide if they ask for it. You have to provide it with the deduction. So it date stamps the photos, which is an important aspect. You have to prove when they were taken. And it also is a storage mechanism. So it's stored in the cloud safely. You don't want to lose your photos. So managing that whole process well is an important part of what we do. But this is something that we didn't have to do last year. And it's something that we have to do now. And we see that this is happening over and over, where regulation is requiring us to spend more and more hours to manage the same property. It's a big task. And it's not something that we voted on. It was one of those that we just woke up, and it was like, well, here you go. It was passed into law by our legislature. Thanks, lawmakers. Not.

So we did have something interesting happen this last week. We had a tenant vacate one of our properties we managed down by McKinley Park. We have managed this property for 33 years, and the same tenant stayed there all 33 years. I remember meeting the owner. My dad and I sat

down with him in his dining room, and he was talking about having this property, turning this property that he lived into a rental property. And we told him, you know, all about our services and how we would take care of it. We just happened to find a tenant that was one that loved it and wanted to stay. And she figured, you know, she treated it kind of like her own, her own property. And then after 33 years, she's bought her own home. And I kind of, I kind of have to say, really, she's buying a second home. She bought the first home for the landlord, and now she's buying her own home at this point. So it's been a long, long time. I think it's very neat that we would have a tenant that would stay that long, too. She loved it. She raised her kids there. She had a lot of memories. I walked through with her when she moved out, and she said, My daughter was born on the bed here. I think it was an accident, but that kind of thing happens. But a lot of memories around that property. But we're getting it ready now and fixing it up. The owner did not do many repairs that weren't absolutely necessary to keep it habitable during the whole 33 years. So at this point, it's very dated and needs a lot of work.

Well, it was habitable, but it was things, you know, just not many improvements. So the kind of repairs he made were fixing the heating and the air conditioning, and if there was a plumbing leak, he fixed it. We had a backup one time where the sewage backed up in the master shower and flooded the whole carpet area and stuff, so he fixed that. So he did what it took, but he didn't upgrade anything. The tile on the kitchen floor is pretty cracked up, and the appliances are dated and old. I think there's some avocado green in there and some of those things that have been there for a long, long time. But it's a charming home in the McKinley Park area, right? And most of the neighborhood has properties where they've added a thousand square feet and made them beautiful, and they're worth a million dollars or more. I can't wait to see someone take this and flip it. And I hope they list it again so I can see it. Or just make it beautiful and live in it, right?

Yeah, yeah. It's going to be a neat one. But we're going to be selling it for about \$650,000 when the market value of the comp says \$750,000, you know, because of the condition, dated condition. But someone could easily spend \$100,000 or \$200,000, and then this property could be worth a million dollars or more. Very charming.

Yeah, when I saw that notice to vacate come across my desk, and I had met with the tenant before, and I thought, well, I thought she was never going to move. Like, what's up? And I asked a bunch of people at my office, and she's been there so long, so a lot of people knew her. And then nobody really knew. And I asked the owner, and he didn't know. So what do I do? I call her. I met her. And asked her, Why are you moving? And then she said she bought a house. Well, I'm also a realtor. And so I was just happy for her that she bought a house too. We're losing her as a tenant, but it was really happy for her. And then I had said, just kind of talked about some of the process of what happens when she vacates and the tenant responsibility, making sure she gets in contact with her property manager for some of that stuff. But one of the things I asked her was, I said, So, okay, so you live there this long. What was your deposit? And what did you start your rent at? And her deposit was \$600. And I think her first rent was \$750, I think.

Yeah, normally you would have collected a deposit larger, but her rent was around \$750 or \$800 when she first moved in. And it was up to almost \$3,000 when she moved out. When she had asked about the deposit refund, I was like, Oh, okay. 600. What was your starting rent at? So I won't ever see that, yeah.

After 33 years, we kind of consider almost everything's going to be normal wear and tear. You can't count anything for damage at that point. So we're happy. We gave her a full refund, by the way, and expedited it. Gave it to her right away. Just felt like that's what we should do for a tenant that's been there that long. That's our longest tenant we have ever had. It's our all-time world record for tenant properties, a 33-year tenant. That's longer than a long mortgage, right? Yeah.

Yeah, it is.

Yeah. So we're happy for her and happy for the owner. Kind of changed his plans to fast pace that to get on the market. He's going to be paying a capital gains, and he knows this, and he's willing to do it. He's going to be paying a capital gains of almost a quarter million dollars to sell that property. But what a wonderful problem.

Right. It's a good problem. He's made a lot of profit on that. And somebody else helped purchase the property for him. That being said, he could have done a 1031 exchange where the taxes are deferred. But it's his choice, and some landlords right now are wanting to get out of the market. And for whatever reason, he wants to do that. So we educate him on all that. So we've done many of those before.

So if you want more information on our property management services, real estate services, go ahead and give us a call. Our phone number: 916-974-6003. Or you can check our website out at [tiner.com](http://tiner.com). And that's [T-I-N-E-R.com](http://T-I-N-E-R.com). We have a lot of fantastic resources on there. Or you can also hit. If you're listening from your cell phone, then you can hit pound 250 and say the word Tiner, and then we'll give you a call back.

As we talk through some of these new laws and best practices, some of you do-it-yourself landlords are going great. You're taking notes and you're going to implement a lot of these kinds of things in your own properties. But other landlords are hearing this, and you're going. This is just too much to keep track of. I'd really like to hire a professional who's vested and does this every day, reads all the legal blogs, and stays up to date on all that. Well, if you want to call us for that, we're ideal for you. So we'd be happy to help you next time. And then on an ongoing basis, we help coordinate the repairs. We do all the accounting for you so that you have everything you need for your tax person. We just make it really turnkey for you and easy. You get a check deposited directly into your account every month, and then you don't worry about anything. You worry about your life. You do what's best for you.

On your mobile phone, dial pound 250 and say Tiner. Leave your name and number, and we'll provide you with a free e-book with 16 questions you should ask your next property manager. Again, dial pound 250 and say Tiner. Learn why a good property management company doesn't cost; it pays.

Here again are your hosts, John Tiner, along with Jenny Tiner, on the Landlord Logic Show. Welcome back to the Landlord Logic Show. Jenny and I were just talking a little bit about a listing that we had that we're going to be selling in McKinley Park soon, but we have another one that was really interesting, and I just want to mention it now because it's a rare opportunity. The seller of the property that I'm talking about was in the military, so he got a VA loan. He's getting older now, and he's going to go into a care home. And so he's going to sell this property that had a VA loan on it. There's about a \$300,000 balance on it. And the neat thing about this is the VA loan is fully assumable. So if someone could assume this loan at 2.25%, it's like being able to travel back in time to the most optimum time to get your mortgage, right? And be able to buy it that way. But it would require the buyer to qualify under the VA loan guidelines, which are usually quite reasonable compared to conventional loans. So, if you are a veteran or an active service member looking for a great deal with low interest, this might be a perfect opportunity for you.

Assuming the loan means you take over the seller's mortgage exactly as it is, including the low interest rate and the remaining balance, instead of getting a new mortgage with today's higher rates. That could save you tens of thousands of dollars over the life of the loan.

Now, of course, there are some things to keep in mind. The buyer would need to meet the VA's credit and income requirements to assume the loan. Also, the seller is responsible for the loan until it's assumed, so it's important that everything is handled properly with the lender.

If you're interested in this property or want to learn more about VA loan assumptions and whether you might qualify, give us a call at 916-974-6003 or visit our website at [tiner.com](http://tiner.com). We're happy to guide you through the process and help you make the most of this unique opportunity. And remember, whether you're a landlord managing your own rentals or a buyer looking for a great deal, staying informed and working with experienced professionals can save you money and headaches down the road.

Thanks for joining us today on the Landlord Logic Show. We hope you found this information helpful. Don't forget to dial pound 250 and say "Tiner" if you want that free e-book with the 16 questions you should ask your next property manager.

Until next time, I'm John Tiner.....and I'm Jenny Tiner. Thanks for listening!