Improving Apartment Turnarounds

THE COMPLETE PROCESS

PRESENTED BY: DAYTON DAVIS
“One person can make a difference and every person should try”
1. Management Concerns

Apartment Turnaround – An Overview

Apartment Turnaround is an inconvenience to those in the real estate business, but it is an essential part of property management.

Why is unit turnover important? For those in private property management, the main importance is the loss of revenue and cost of the turnaround. For those in public housing, the primary importance is the HUD Public Housing Assessment System (PHAS) scoring. Secondary, are the loss of revenue and the cost of the turnaround.
Why do we have vacancies in Public Housing?

- Residents moving out of assisted housing into private housing
- Residents moving from PHA’s into Section 8 housing
- Eviction of residents
- Resident requests for transfer
- Necessary transfers when conditions threaten the life, health, or safety of residents
- Transfers as a result of accessibility apartment size
- Administrative transfers to achieve size appropriate unit size
- Mandated programs requiring transfer such as HUD’s Deconcentration initiatives
What are other factors tied to vacancy?

- Vacancy represents a window of opportunity for modernization &/or cyclical maintenance such as painting, floor replacement, or major capital maintenance such as cabinet replacement.
- Vacancy presents an opportunity for a detailed inspection.
B. Legal Possession of the Property & Abandoned Property

- Middle of the Night Move outs – When is a unit considered abandoned? When does the unit go back to the PHA? Is it at the end of the month after potential abandonment or when the keys are turned back in? What does your lease say?

- The eviction process and when possession takes place – Past Due Notice, Notice to attend court

- Abandoned Property is defined as personal items/effects, personal property such as furniture, clothing, kitchen and bath items, portable appliances, etc. that will willfully left behind (or abandoned) and the owner has no intention of retrieving.
Typical examples of abandoned property includes: couches, chairs, tables, TVs, beds, dishes.

How long should you keep abandoned property?
A. Some consider property abandoned at possession.
B. Some keep property for 30 days, including carefully cataloging, taking photos, etc.
C. Some 6 months, some one year.

What to do with abandoned property?
- Donate it to local non-profit organizations
- Throw it away
- Sell at auction or some other method of disposition
- Store it an amount of time so the person has a chance to come get it.

What about rent to own appliances / furnishings that are left in the apartment?
C. Unit Turnaround & PHAS Scoring

For those in Public Housing, just a quick overview of the Public Housing Assessment System (PHAS). Basically, housing authorities are scored in four key areas. These are:

- Physical Inspection (PASS) – 30 Points
- Financial Assessment (FASS) – 30 Points
- Management Operations (MASS) – 30 Points
- Capital Funds (CFP) – 10 Points
D. Working with the Leasing Department

What relationship do you have with your leasing department? Advantages of a good relationship:

Getting a “Heads-Up” from the Leasing Department on potential move-outs or evictions. The coordination between the two departments is critical in decreasing vacancy time.

Getting timely notice of actual move-outs from the Leasing Department. Knowledge of both move-outs with notice, and those using the court system. Who looks out in the field for move-outs.
Getting the status of the waiting list per bedroom size for the potential move–outs so that you know whether you might have extra time to do more extensive renovations to some apartments.

Coordinate with the Leasing Department relayed to PM that might need to be done on a particular apartment related to your long–term maintenance plan for that apartment.

Several days can be saved just by working in harmony with the Leasing Department. The key is prioritizing. For example: If the unit turnaround crew works on work orders for apartments based totally on age of work orders. The Leasing Department tough has a waiting list for 1 & 2 bedroom apartments, but has no such list for a 3 – 4 bedroom units.
When doing unit turnarounds, you will be using chemicals especially for cleaning. You will use chemicals to clean toilets, sinks, stoves, and possibly clear drains. Care in properly using chemicals is important because improper use of chemicals and cleaning products can cause skin problems, breathing problems and long-term health problems. Understanding how to use chemicals and cleaning products is important related to the cleaning job you are doing and potential effects they have on you personally.
Material Data Safety Sheets (MSDS) are required by federal are to be provided by manufacturers and distributors of chemicals and cleaning products to both workers and emergency personnel with proper procedures for handling or working with a particular substance. These sheets should contain Physical Data (melting point, boiling point, flash point, etc.), Toxicity, Health Effects, First Aid, Reactivity, Storage, Disposal, Protective Equipment, and Spill/Leak Procedures.

In short, they are meant to give you information that will keep you safe! They are particularly helpful when spills occur.
It is **HIGHLY RECOMMENDED** that all agencies obtain MSDS’s on cleaning products and chemicals they use. The information should be reviewed for accuracy and completeness and then shared with all staff members who use or are exposed to these products. This information can be given to all employees and or posted. If the MSDS information is located in some form of book, this book should be in a place accessible to all employees.
Using two-way radios (or cell phones in this modern age) can be very effective for a couple of reasons related to unit turnarounds.

- First – you may be in an apartment and find that you need a part or cleaning product that you forgot or you may need advice from a co–worker or supervisor on solving a particular problem.

- Second – Personal Safety related to doing the “Trash–out” of the apartment. Also you may be in a unit doing an inspection or performing work and a disgruntled resident who has been either or moved out in the middle of the night returns to get something that they left behind. You may have to a co–worker for assistance in dealing with this disgruntled person.
- In addition -
It might also be a good idea of having two people do the initial inspection of the vacated apartment so that you do not have a “my word against your word” situation related to items left in the apartment, damage charges or possible evidence of criminal activity.
THE TURNOVER: A COORDINATED EFFORT
During the resident move out, a thorough inspection must be made of the apartment to document the actual condition in which the apartment was left by the resident. This inspection report should be compared to the initial move–in inspection report to determine resident damage and wear and tear usage. The inspection report will also be used to prepare a game plan to “turn the apartment over” for rent by the next resident.
The pre-move out inspection – A possibility, if proper notice is given by resident

The move-out inspection

The quality of work inspection

The pest control inspection

The move-in inspection
The Unit Turnaround Status Board

- This is not a “Board of Commissioners,” but literally a strategy board that is on the wall that tells anyone on the Unit Turnaround team the status of a unit turnaround. This should be updated at the end of each day or more often if necessary. Although we may use the computerized work order system to officially track our turnaround process, this serves as an ever changing “war board” to constantly track progress. There are apartments coming on and going off daily.

- This board is especially handy for communication with the Leasing Department, particularly if you are in the same office.
Scheduling Cleaning, Maintenance, Painting and Floor cleaning

**Preferred Order of Work**

- Pre-cleaning – debris, furniture, other
- Maintenance – Including PM
- Painting
- Cleaning
- Floor cleaning
- Re-surfacing any counter top
The unpredictable nature of unit turnaround requires you to use all your resources available. This includes outsourcing the trades necessary to support an in-house crew to get these apartments turned around.

To get the benefits of contractors, there needs to be enough work to the contractor to assure efficient and timely completion. Most contractors know that they will be getting the worst of the apartments.
Following your Procurement Policy

- Make sure you are following your procurement policy when making purchases for services with outside vendors.
- What is your small purchase limit?
- What is your medium purchase limit? How many quotes do you need?
- What is your large purchase limit? At what point do you request bids or proposals.
- Do you have access to State Contracts or possible purchase agreements with the City or County government.
- Develop your specifications
- The Contract –
  - Make surer there is a time limit to a particular portion of the work.
  - Make sure there are liquidated damages.
  - Make sure “General Conditions” are part of the contract.
Know your properties. History and a good work order / inventory system is the best predictor of material usage. For example: There may be some items you replace every time an apartment is vacant, such as shower curtain, furnace filter (regardless of the filter change schedule), lock change, etc. If the organization performed 300 unit turnarounds during the year, then your inventory manager can use 300 as a basis for this year. When budgeting, use previous years’ amounts as a predictor to fund unit turnaround items.
Dealing with Time and Budget Constraints

- Saving Time and Money
- Dedication to Excellence – Determine to what standards you are going to present your properties to the public
  Poor………………………………………………………..Excellent
- Will your resources allow you to meet this standard throughout the year?
- Are your procedures effective?
- Is your communication and coordination with Leasing the best it can be?
- For a Maintenance Supervisor, is Down Time, Make Ready Time the best it can be? How can it be improved?
Steps in Turnaround

- Receive move-out inspection or work order, proceed to apartment
- Change locks, initiate apartment assessment (if using a contractor, this would be the time to call)
- Empty all debris, remove furniture, empty refrigerator
- Clean out kitchen cabinets, take out or replace cabinet liner
- Broom clean entire apartment

- Maintenance of entire apartment, (faucet repair, tub/shower repair, cabinet/countertop, accessories, light, switches, receptacles, GFCI’s, call for aids’ etc.)

- Patch walls/ceilings for painting
Exterior

- Check/clean porch areas
- Check/clean light fixtures (bulbs)
- Check exterior door and storm/screen door
- Check/replace all damaged window screens
- Check all windows for damage or broken glass
THE MOVE-OUT INSPECTION AND LOCK CHANGES

Documenting Damages and Discarded Items

- Charging residents for damages – preset charges or actual cost + materials
- Abandoned items?
- Cleaning / Painting charges?
The Maintenance Check List

**Electrical**
- Outlets
- Light switches
- Light fixtures

**Kitchen**
- Faucet/sink area, drains, supply lines/valve
- Counter/cabinets
- Range/refrigerator
- Range hood
- GFCI

**Bathroom**
- Faucet/sink area, drains, supply lines/valve
- Counter/cabinets
- Tub/shower, drain
CONTINUED:

- Toilet
- Exhaust fan
- GFCI

Living Area/Bedrooms
- Walls/ceiling/floor
- Doors/windows

Safety Issues
- Fire extinguishers
- Smoke alarms
- Carbon Monoxide alarms

Other
- Heater/furnace
- Water heater
A vacant unit does present an opportunity to do things you may not otherwise do. Painting is one of those items. During the unit assessment consider several things in the evaluation process.

- Look at the previous move-out inspection or work order history. Was the entire unit painted, or just touch-up at that time?
- Are the current colors consistent with what you want or are currently using?
- What about the paint finish. Do you want to go from flat to semi-gloss?
- Do you need a stain killer, such as Kilz? (Is there nicotine damage)? Should it be Latex or oil base?
- If you are patching walls, will your current paint (even the same color) match what is there now?
- Is a patch appropriate, or do you paint the entire wall or room?
- Does ceiling need painting?
Documenting Lock Changes

- Must be done in a well documented and detailed order.
- New locks must be identified as to key number, unit number.
- Old locks – put them back into inventory, making sure that sure that lock number is identified as returned in the books and the keys destroyed.
- Works best if one person is in charge of issuing new locks and returning old ones.
The Importance of Sanitation

- As owners, we have a responsibility to provide a safe and sanitary unit.
- Potential problems:
  - Germs and Bacteria
  - Fungus – Mold/Mildew
  - Pests

Clean Windows

- Inside and outside of windows should be cleaned
Clean Doors

- Interior and exterior doors need to be cleaned using the procedures that you would use to clean walls. All of this should be factored into the time that it will take to clean the unit.
Walls, Ceilings, Vents, Light Fixtures, etc.

- Wipe down walls that are obviously dirty as long as walls are covered with semi-gloss latex paint or oil enamel.
- Remove cob-webs from corners
- Remove dirt/dust and rust from vents as necessary.
- Remove dirt /dust from light fixtures and globes as necessary.
Floors (Carpet, Vinyl, Tile)

Kitchens: Stoves, Ovens, Refrigerators, Cabinets, Sinks

Begin with clutter cleanup
- This will clear out the clutter and give you room to do the actual cleaning projects.

Dust down the ceiling and corners of wall
- Determine if the walls need washing in dirty spots. Spot wash, remembering air vents, doorknobs, doors, switch plates. Walls will likely need to be washed more often in the kitchen than the other rooms.
- Dust and clean the ceiling fan.
- Take down mini blinds to wash.
- Apply oven cleaner to oven and then clean refrigerator.
- Clean and wipe down kitchen cabinets including drawers.
- Wash down countertops in the kitchen.
- Sweep and mop all floors.
- Wipe down and clean range and range hoods.
- Clean Refrigerator
  **Warning:** Never use harsh or scouring pads in or on the refrigerator.
- Wipe down and clean dryer vents.