

# **The WholePM Franchisee Playbook:** Mastering “The System” for Massive Profits

## **Message from the Author**

When I started Whole Property Management with an old laptop and a cheap \$200 website, I thought I knew something about managing rental properties. Boy was I wrong. My journey was a long one, full of painful and expensive lessons. The failures and successes I realized along the way are what shaped and honed the WholePM System, which is laid out for you in this book.

Property management is not for the faint of heart, but I think that’s a good thing. The uncomfortable aspects of our business and its inherent tendency for contention are one of the biggest reasons we will always be in demand. I challenge you to view that as a driver of business, not a reason to get discouraged.

If you’ve got the guts to manage rental properties (which, if you’re holding this book, I bet you do) and the intention to follow the system described in this playbook, the sky is the limit for you. But before we look up there, we need to look down at the nitty gritty details of how it’s done. Let’s get started.

## **Foreword**

## **Introduction**

I can almost smell the sterile, gray, fluorescent-lit cubicle I was sitting in on the 14<sup>th</sup> floor of a Denver high rise in early 2015. Developers in the West skip labelling a 13<sup>th</sup> floor, the number of the floor I was in reality sitting on. In China, the 14<sup>th</sup> floor is skipped because in Mandarin, 14 sounds like “will die” or “certain death”. Not good either way. Or maybe it was.

A few years before, fresh out of the Army, I bought my first house with not a penny down (a huge benefit of the VA Loan). Immediately I began renting out three of the four bedrooms and did not personally pay a single dollar towards the mortgage or utilities. In fact, I actually pocketed beer money. This will serve as a good introductory example of a principal I strongly believe in:

**“The greatest lie ever told is it takes money to make money.”**

— *Mark Cuban*

(More on that later. A lot more. In fact, the entire reason WholePM exists as a national competitor - its entire identity - is that it is *the most efficient, most profitable property management system on Earth.*)

I had been advising friends and acquaintances on how to rent their properties, how to price them, etc. when the idea, obvious in retrospect, came to me to charge people for this. Admittedly, my ambition was quite small. I did not think the cubicle would be escaped any time in the near future, but my cocktail napkin math told me that managing just a handful of rental houses would get me a shiny new sports car, insurance and all. Maybe even a modest boat. It ended up getting me a lot more than that, most notably, one final ride down the elevator from the 13<sup>th</sup>/14<sup>th</sup> floor.

I was not born a businessperson. I was born a hard worker. Or, it may be that my father and mother instilled that in me at an early age. Business principles were something I had to learn as I went. The point is that I did not hit the ground running as I built my PM business. I treated it as a side project until I truly realized what I had. This means you should expect to grow significantly faster than I did.

I've always been a fast worker and having finished all the work my day job required of me in about 2 hours, I spent the other hours working and building what would eventually become WholePM. By the time a couple years had passed, I was making more from my "doors" than I was from my (Fortune 100) cubicle. Finally, I had the nerve to quit, ride the elevator down, and get serious about my business.

Fast forward down the road a bit and WholePM is making seven figures in gross revenue. That may seem underwhelming compared to some other businesses, but property management is best described as a snowball. It starts slowly, but begins to build momentum, speed, and significant size over time.

Profit per door is not astronomical, but it is recurring with relatively little effort once that door is signed on. A couple or few hundred bucks per month is not a lot of money...until you multiply it by hundreds or thousands. The power of our system is not so much in how much revenue you will make, *but how much of it you will keep.*

Some businesses require you to kill what you eat. You have to close sales or contracts every single month if you want a paycheck. With WholePM, once a door is signed on, you are extremely likely to have that paycheck every month for 5, 10, 15 years, or longer.

WholePM is a particularly good fit for folks who are not salespeople. I had realized there was a lot of money to be made in real estate, but the thought of yucking it up with clients and potential clients as a Realtor (something I would have to pretty forcefully fake), was a non-starter. I knew property management was a better fit for my personality and organizational skills.

Rather than relying on finding and retaining congenial, magnetic, self-driven (and surely well-paid) salespeople, your WholePM location will add doors through its *Google ranking*. This does cost money, but not nearly what you would pay Mr. Slickman. Salespeople are not typically successful in adding many doors in our industry anyway.

You, as a new WholePM franchisee, will skip the painful lesson-learning that slowed my growth, by way of the well-honed processes laid out in this book and in our Standard Operating Procedures. To paraphrase John Hewitt, all a franchise really is, is a system. Even before

meeting John or franchising this business, I pounded this into my employees' heads. I remember the first PowerPoint I ever made on the topic, and to this day I refer how we operate as The System (capitals for intrigue).

If you are reading this book, you've likely already bought into the idea of this system. Now it's time to actually put it to use.

## **Chapter 1**

### **Principals of Efficiency**

WholePM exists as a national competitor because we are the only brand that places its primary emphasis on efficiency. In the simplest terms, efficiency means more money in your pocket per door.

To make money, revenue must come in, but it must also *not leave*. The two overarching principals we'll talk about to achieve this end are:

- 1) Anything you and your team do **must produce revenue**
- 2) Anything you pay for must produce **significantly more revenue** than it consumes

### **Principal 1**

You may have read this principal and muttered "duh" under your breath. Yet, nearly every other property management company I interact with regularly engages in needless activities that consume their time and produce no revenue. These interactions are typically during the transition of properties from their company to ours at the direction of the homeowner who has just fired them.

You likely already have a good idea of what property management entails – if not direct experience actually doing it. What we are paid to do is simple: we are paid to ensure a rental property is occupied and producing the most revenue possible while sparing the owner from involvement in this effort. If we are successful in doing this, we make revenue in the form of management fees, leasing fees (from both the Owner and the Tenant), and ancillary fees.

Tasks that achieve this goal are photographing a property, listing it, employing our suite of tools to market and lease it, inspecting it, moving tenants in, collecting rent, hiring the plumber, and so on. But what are tasks that do not contribute towards this goal? Some common notable examples are:

- 1) Meeting an owner or vendor on site

- 2) Doing something a robot can do (well)
- 3) Doing something a tenant can do
- 4) Paying a property's taxes, mortgage, HOA bill, or utilities
- 5) Acting as middleman between tenants and vendors or HOAs
- 6) Engaging in long sales calls with potential owner clients rather than having video presentations and FAQs
- 7) Refereeing disputes between tenants or neighbors
- 8) Re-keying properties after every move out (required in a couple states)
- 9) Providing landlord references for previous tenants, particularly on long forms
- 10) Engaging in unproven, fanciful approaches to gaining doors

To elaborate a little:

*Meeting an owner or vendor on site*

Meeting an owner on site may be needed during the sales phase, although I encourage you to minimize this once you have begun to reliably add doors. FaceTime/Zoom are much more efficient options if an owner wants you to have eyes on the property. For the purpose of doing rent estimates (providing an owner what you believe the property will rent for), looking the property up on Zillow is often all that is needed.

Once the property is under management, some owners may want you to meet them on site to inspect or discuss the property. You should avoid this like the plague. Rather than meeting them, instruct them to inspect the property at their convenience. The ensuing arguments or questions can then be discussed in a thought-out manner over email rather than a sputtering conversation on site.

Aside from this (can you guess what I'm going to say next?) it produces no revenue.

If an owner insists, your Management Agreement stipulates that this comes with a respectable hourly charge. This will often moderate said insistence.

Meet a vendor on site? Why? Vendors should coordinate times for appointments and access to the property directly with the Tenant. This is accomplished with our suite of tools. You'll also have a lockbox on site at all properties so vendors can get in when a tenant is not present...with their permission of course.

If a vendor needs to show you something, they can use a camera.

### *Doing something a robot can do (well)*

Don't worry, AI is not going to take your job. But it will allow you to spend less money and hire less people.

The most obvious example of this is showing properties. Why would you drive to a property to show it to a prospect when they can self-tour it? It costs you time and money, and rest assured, most prospects do not want you there.

Self-tour platforms allow the tenant to register and receive a one-time code to view a property on their own, on demand, at their convenience. A competitor's research showed that self-tours lasted 3 times longer than agent-led tours, and you don't need to be a Harvard-trained psychologist to imagine why. These platforms are absolutely indispensable to The System and thus to your profitability. If an owner won't allow self-tours, don't manage his properties.

Our listing platform, in which the self-tour system is integrated, automatically sends applications links, requests for feedback, and redirects them to your other listings if they indicate they're not interested, or the property gets leased. This should not completely replace manual follow up, which adds a touch of humanization, but it's a good example of how automation saves you time...and time is money.

Our suite of tools also includes Property Meld, which uses AI to troubleshoot maintenance and repair issues with Tenants 24/7, sometimes resulting in the issue being resolved with zero human involvement.

Here's an example of something a robot does not do well. You will be solicited by prospective vendors selling you A.I. call centers. These are inherently annoying and unhelpful to renters and owners, so avoid them until such a time as the technology advances to a point where that is not the case. Instead, use your team of VAs to answer the phones as part of their duties as your Assistant Property Managers or Maintenance Coordinators.

### *Doing something a tenant can do*

Tenants can transfer their own utilities, do their own mid-lease property inspections (using an app like RentCheck), mow their own yard, do their own snow removal, and handle their own maintenance/repairs responsibilities (listed out in your Lease). Don't accept an owner who wants you to hire out lawn care because they're "worried about their lawn". Even if you were willing to do the extra work, once you grow, you cannot effectively administer unique processes for each property. Each property should be managed exactly the same.

You may need to make exceptions to this rule and others like it while you are building up to your first 50 doors.

### *Paying a property's taxes, mortgage, HOA bill, or utilities*

A property's mortgage payment, taxes, and HOA fee should always be on autopay from the owner's own checking account. Never manually pay these bills on their behalf. Utilities should be paid directly by the tenant. If utilities are shared (for instance, a duplex), charge a flat utility fee to each unit, do not allow an owner to forward you the bill and manually enter the bills on a tenant's ledger.

#### *Acting as middleman between tenants and vendors*

If you have 20 properties that need sprinkler systems activated, you should provide a list of 20 addresses and 20 tenant phone numbers to your sprinkler vendor, so that they can contact and schedule appointments directly with the tenant. Why would you act as middleman?

#### *Engaging in long sales calls with potential owner clients rather than having video presentations and FAQs*

Create a discovery video and concise video responses to all common owner questions. Otherwise, each sales call could last 30 or even 45+ minutes.

#### *Refereeing disputes between tenants or neighbors*

These are civil issues which do not involve you as the Property Manager. If a neighbor complains to you about a tenant in your managed property being too loud, refer them to the police.

#### *Re-keying properties after every move out (required in a couple states)*

This does not reduce risk enough to justify the effort on your part and expense to the property owner.

#### *Providing landlord references for previous tenants, particularly on long forms*

This is a classic example of doing something that produces exactly zero revenue or benefit to you. If you can reply to an email quickly with a verbal thumbs up for that previous tenant, great. But fill out a long form? No way.

#### *Engaging in unproven, fanciful approaches to gaining doors*

To get your first doors, you are going to have to engage in anything and everything possible. That means networking, getting on sites like BiggerPockets, going to events, etc., all things which have a low effort-to-success ratio. So, this statement does not apply until you've already added say, 25-50 doors. Afterwards, you should focus your time, effort, and money on the proven method of increasing your Google ranking which is achieved by paid SEO management and gaining as many (good) Google reviews as possible. Your Google review count and rating plays a large part in your Google ranking.

## Principal 2

Expenditure is inevitable in this business because we have to purchase, or subscribe to, tools that allow us to perform our job. The point of Principal 2 is to only pay for what you absolutely have to, and only pay for things which add significantly more revenue or benefit than they cost.

Let me give you a real-world example. My Denver location had a contract with a company called Latchel, which is essentially a call center that would take emergency maintenance calls after hours. This service cost us \$600 per month. The idea was that if something dire happened over night, Latchel would be able to send a vendor out in the middle of the night.

I learned, though, that the only actual scenario where a vendor would be sent in the middle of the night was in the extremely unlikely case that a pipe burst, and the tenant couldn't find the shut-off. This did not happen once. Any other scenario would just involve the tenant going to a hotel (if applicable, like a heater failure) to await us addressing it during business hours.

We were paying \$7200 per year, and did for many years, for a service that provided very little benefit. We fired Latchel and provided tenants emergency instructions via our phone tree, website, and the maintenance request tool...which cost us nothing.

Here's a common one – renting office space. Your local PMs should work from home; it's what they want, it's more productive since it spares them commute time, and it saves you a boatload of money. To get a business address, you'll first use a UPS Store mailbox so your business plots on Google Maps at a commercial address, not your house. This will cost you about \$25/mo.

Only transition to a rented shared office or cubicle when you have equipment you need to store in a common location that PMs can access, store keys, serve as a pickup and drop-off for keys, etc. This expense should be absolutely minimal. A nice office will not get you doors. The location of where your office address plots on the map WILL affect where you get doors from. You will find that people will tend to hire a PM that is closer to their property...so pick your location thoughtfully.

Another example: branded clothing or swag for your team. Does your PM need to wear a WholePM branded shirt to a move out inspection? How do you recoup that expense? You wearing a branded shirt to a meeting in-person or via Zoom might add credibility, but your employees?

An example of an excellent cost-to-benefit ratio is our Customer Relationship Management (CRM) tool, Lead Simple. It costs about \$110 per month and houses all your owner leads, sending them automated email and text campaigns to keep you top-of-mind and demonstrate your value and expertise. This tool provides far more value than it costs.

Regularly scrutinize your expenses. Ask yourself, how much value am I deriving from this? Is there a better, cheaper alternative? Does my local employee need to be the one doing this, or can it be done by a VA?

## **Chapter 2**

### **Practical Keys to Efficiency**

These tools and policies are how WholePM beats the competition in terms of efficiency, and how you will keep more of the money you make. They are:

- 1) Self-tours
- 2) Remote labor (offshore/nearshore)
- 3) No cash or check payments accepted and no paper
- 4) Tenants self-perform inspections
- 5) AI-assisted maintenance / repair processing platform
- 6) Accept the right properties

#### *Self-tours*

We've already talked about this above. This is one of the most significant money savers in our business. When you're just starting out, you may need to accept properties, like controlled-access condos, where you cannot use a self-tour lockbox. You'll have to go and conduct that tour yourself, and that's fine. Once you begin to grow, making exceptions like this will become increasingly problematic and costly.

#### *Remote labor (offshore/nearshore)*

Easily the biggest money saver of any of the Keys to Efficiency. You cannot pay a US-based person to do a job that a VA in Mexico or the Philippines can do at a fraction of the cost. If the Tenant Turner self-tour lockboxes eliminate your need for a showing agent, and your maintenance/repair tickets are handled by VAs, your only need for US-based staff will be when your door count grows to a point where you can no longer conduct all pre-listing visits and move-in / move-out inspections yourself. This is when you'll add your first US-based Property Manager.

Your US-based PM will accomplish three, and only three, tasks that cannot be completed by a VA.

- 1) *Prior-to-listing visit.* Walk through the property before listing to ensure its rent ready, install the lockbox and For Rent sign.
- 2) *Pre-move-in inspection.* Walk through the property several days before move-in to ensure it's clean and ready for the new tenant.
- 3) *Post-move-out inspection.* Walk through the property to determine any security deposit deductions for tenant damage, and determine what work and cleaning, if any, is needed to re-list the property.

If your US-based PMs will sign leases and make decisions on behalf of owners (rather than you), they will need a real estate license, something a VA cannot hold.

### *No cash or check payments*

Your tenants must pay rent and fees electronically via their Buildium Tenant Portal. The process of accepting, depositing, and manually recording check payments from Tenants will be unsustainable after you manage just a handful of doors. Cash is out of the question. Transporting cash to a bank would be a classic and very costly example of a violation of Principal 1, *everything you do must produce revenue*.

Payments via the Tenant Portal are automatically deposited and recorded on the appropriate ledger. If the inability to accept cash is especially problematic in your market, Buildium does have an add-on feature called Pay Near Me, which allows a Tenant to pay cash at a participating location (such as Walgreens or convenience stores) for a small fee. The payment is then recorded automatically in Buildium just as if it were an EFT payment via the Tenant Portal.

### *Tenants self-perform inspections*

The Rent Check app is used to have tenants perform their own move-in, move-out, and mid-lease inspection. While you or a PM still does your own move-in and move-out inspections as well, Rent Check prevents you from needing to go or send a PM for an annual mid-lease inspection which is costly to you and annoying to the tenant.

### *AI-assisted maintenance / repair processing platform*





The Property Meld add-on to Buildium uses A.I. to reduce workload for your VAs. It troubleshoots common issues with tenants so that in some cases, they are able to solve the issue themselves without assistance from your or a vendor. While that's the minority of cases, it collects needed info and photos via the A.I. dialogue that saves you time.

### *Accept the right properties*

Rental properties can generally be divided into four categories, Class A through D. Here's a very generalized comparison:

## PM-Focused Property Classifications (A–D)

*"How easy is this thing to rent and keep running smoothly?"*

Class	Definition (PM Lens)	Ease of Leasing	Maintenance Load	Tenant Risk	PM Difficulty
 <b>Class A</b>	High-appeal, move-in ready, minimal repairs, updated systems and finishes	Very Easy	Very Low	Low	★ Easiest
 <b>Class B</b>	Clean and functional, a bit dated, but no major flaws. Rent is fair for condition.	Easy	Low–Moderate	Low–Medium	👍 Manageable
 <b>Class C</b>	Looks tired, older systems, minor issues likely. Still rentable, but attracts price-sensitive tenants.	Moderate	Moderate–High	Medium	⚠️ Challenging
 <b>Class D</b>	Lots of deferred maintenance, curb appeal problems, regular repair requests, high turnover.	Hard	High	High	✖️ Painful

You will only want to accept Class A through C+ properties. The higher the involvement needed for a property, the less your profit margin on that unit is.

Accepting the right properties also means:

- 1) Accepting only properties that work for self-tours (high rise condos cannot, for instance)
- 2) Accepting only owners that won't demand special treatment or departure from your system

You may, and likely will, have to be flexible on this rule during your climb to your first 50 doors.

### A Word on Organization

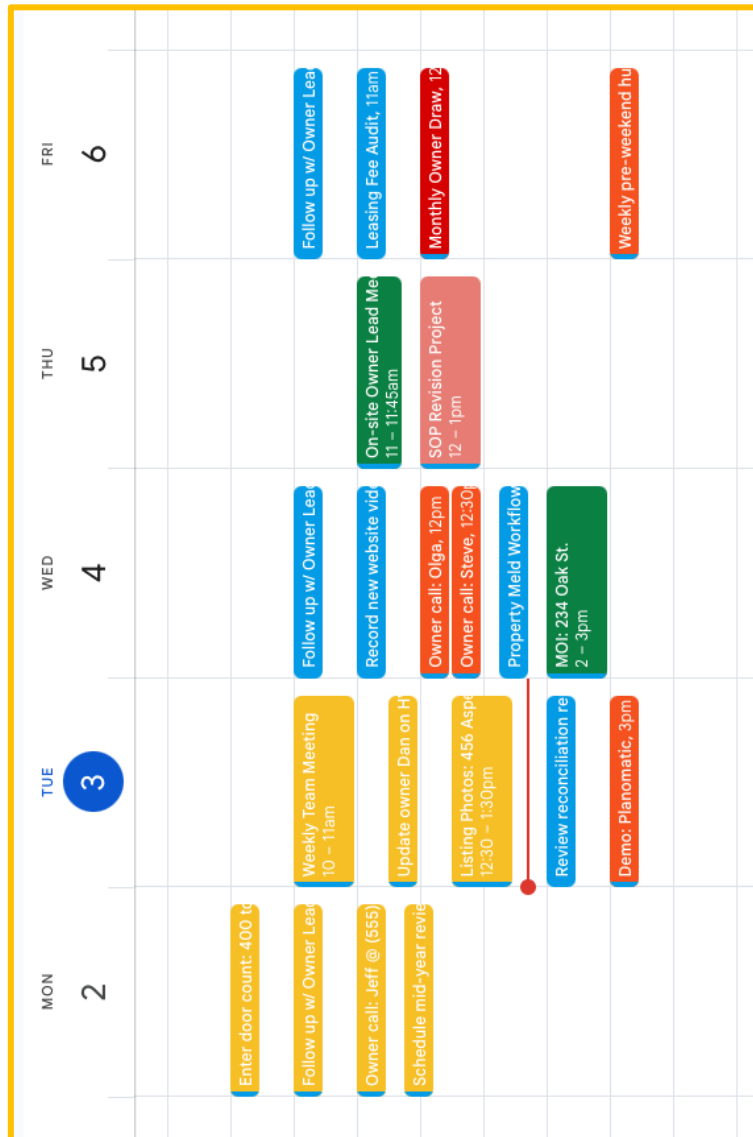
Organization, or the lack thereof, tends to be a significant determining factor of whether a PM company thrives or fails. Organization is very simple to define - organization is not forgetting things. Unorganized businesses are inherently inefficient.

If you don't systemize the way you and your team run your day, things will "fall through the cracks" and two things will happen: owners will fire you, and you will earn 1-star reviews, seriously harming your ability to attract new business.

Fortunately, organization is relatively easy to master. It involves, at its core, essentially only one thing...writing things down.

The Google Calendar is a great option to organize your business around. If you choose this tool, which I recommend, force your team to use it. Here is an example of one approach:

- General tasks are blue
- Calls or video conferences at hard times are orange
- Anything requiring you to physically drive somewhere is green
- Special projects are pink
- Especially critical items are red
- Items are turned yellow when complete



If it must be done, it must be written down.

### Chapter 3

## **Your First 90 Days**

Some franchisees will begin with an existing base of doors they already manage. Some will purchase an existing portfolio. But most will build from the ground up, with zero doors, like I did. This is more difficult, *but very cheap*, to do.

Your first door will likely be your hardest to get. Why would a client sign on to be your very first? This seems like an inherently bad idea. My very first door was the result of going to a BiggerPockets event (BiggerPockets is an online community for real estate investors, offering educational content, networking forums, etc.), buying folks beers, and eventually convincing one to allow me to manage her one and only rental property for a hilarious discount. I still remember her name to this day.

Getting your first doors will require creativity and an excursion into the land of salesmanship and networking that you will not need to continue once your Google ranking begins to be established. Google ranking takes time, though, so other methods must be employed in the meantime.

*Ways to get your first 20 doors*

### **1) Friends and family**

It is generally not a good idea to manage properties belonging to friends and family, but they may have referrals. You will be asked by potential clients, “how many doors do you manage”. This number needs to not be zero, so you may need to accept doors from friends or family despite the rule that it’s usually a bad idea to mix family and business.

### **2) Google ads**

You will have started your SEO spend right from start, but you won’t yet be ranking on the first page of Google. An admittedly poor substitute for ranking is ads. But if you can’t have one, you should at least try the other.

### **3) Rental property owner forums on Facebook and BiggerPockets**

Comment and contribute to present yourself as a subject matter expert and potential resource.

### **4) Offer huge incentives**

There is nothing wrong with admitting that you are a newer WholePM location, and as a new owner incentive, you are offering to waive the first three months of management. Or get even more aggressive. Remember, you will make revenue from this owner AND the tenant that occupies their property, for many years.

### **5) Offer Realtors large referral fees**

If a Realtor can make \$1000 for referring a PM client to you, they may actually consider making the effort. This will come way down once you are more well-established.

## **6) Go to networking events**

This usually has a very poor effort-to-success ratio but may be necessary to add your first doors. This is how I added my very first few!

## **7) Sell the benefits of working with a very small PM company**

You manage only a handful of doors, imagine the level of service that owner and tenant is going to get. You'll also need to allay their fears that you being a new company means you're inexperienced. Since you're a WholePM franchisee, you already have our tried-and-true system in place along with all of the best tools available in our industry.

*Things that won't get you doors*

### **1) Social media**

In my experience, social media presence adds zero value. When was the last time a plumbing company's Instagram story, or number of Facebook followers, had anything to do with who you called to replace your toilet?

### **2) Social media ads**

Don't even think about it.

### **3) Print advertising**

Rental property owners are a small subsection of the general population. Print advertising is not highly targeted, and you should expect to sign approximately zero doors for your spend.

### **4) Being a big shot and buying radio or TV ads**

Fortunately, most of you won't have the money to try this lunacy. Or if you do, you'll read this first. Again, rental property owners do not represent a big enough percentage of the population to merit mass advertising, much less the percentage of those who are looking to hire a PM.

I have actually heard short-lived radio ad campaigns from well-funded competitors...yet another example of the old adage that a fool and his money are soon parted.

### **5) Cold calling rental property owners**

I was so eager to gain my first doors that I tried this. It is pointless and fruitless.

## *Summary*

Your first few months is all about doing anything and everything to add your first doors. This is the age-old chicken or the egg problem - you can't get doors without managing any! Don't let the difficulty in signing these discourage you, this will not be the norm once you are established. Your number one goal is to rank on the first page of Google, ideally in the top 3 organic results, for the top 3 search terms in your area (for example, "property management companies Dallas").

That is achieved through SEO spend and by gaining as many Google reviews as possible. This takes time, and in the meantime, you'll need to resort to more time-consuming means.

## **Chapter 4**

### **Growth**

The growth of your WholePM business can generally be thought of as having three components.

- 1) Google ranking
- 2) Addition of tools
- 3) Addition of staffing

#### *Google ranking*

Once you begin to add doors, word of mouth will begin to produce occasional additional doors for you. But do not expect this to represent a huge lead source regardless of how good you are. Let me say this in the absolute clearest terms possible: *your Google ranking will determine your lead flow*. Period.

You must spend money, from the start, on Search Engine Optimization (SEO). This is part of our suite of tools and will be explained to you in detail. I cannot stress this point enough. In the previous week from when I am writing this paragraph, I signed on 13 properties, and that is solely the result of my business's Google ranking.

My number one regret is that I did not discover this principal sooner; my business would have grown exponentially faster. The good news here is that many of our competitors either do not know this fact, or balk at the cost.

SEO spend does not violate Principal 2 because it does produce more money than it consumes. However, the snowball analogy is again relevant here. It may be 1 or 2 years before you feel the tailwind SEO will create for your business, but when you feel it, it is swift.

SEO (Search Engine Optimization) is the process of improving a website's visibility in search engine results to attract more organic (unpaid) traffic. It involves optimizing content, keywords, site structure, and backlinks so search engines like Google rank the site higher when users search

for relevant terms. Backlinks are links from one website to another. In SEO, they act like "votes of confidence" — when other reputable sites link to your site, search engines see it as a sign that your content is trustworthy and valuable, which can improve your rankings.

Besides SEO management, which you will pay a third party to do, your Google review count and rating is another big contributor to your ranking.

Your Google review count and rating directly impact your local SEO and visibility in Google search results — especially in the "Local Pack" (the map and business listings that appear for local searches).

Here's how they help:

### 1) Review Count & Rating Boost Local Rankings

Google's algorithm favors businesses with more reviews and higher average ratings. Quantity + quality signals popularity and trust.

This is especially important for "near me" or city-specific searches (e.g., "property management Denver").

### 2) Keywords in Reviews Help SEO

When customers mention services, neighborhoods, or pain points, those keywords can help Google understand your relevance. While you can't control the words owners, vendors, or tenants use in their reviews, you can control the words you use in your review response. Your response should include keywords such as "property management" and your market, e.g. "Phoenix".

A response might look like this:

Hi [Reviewer's Name],

Thank you so much for your 5-star review! We're thrilled to hear that you're happy with our property management services here in Denver. At Whole Property Management, we're committed to providing personalized, reliable care to every owner and their investment. Your trust means a lot to us!

If you ever need anything or have questions about your rental property, maintenance, or leasing in Denver, don't hesitate to reach out. We're here to help you maximize your rental income while minimizing the stress of property management.

Thanks again for choosing Whole Property Management — your go-to Denver property manager!

### 3) CTR & Engagement Signals

A business with lots of 5-star reviews is more likely to be clicked, which improves click-through rate (CTR) — another signal Google watches.

### *Addition of tools*

Our tools are principally software-based platforms that reduce the need for manual processes and labor.

They are:

- 1) Buildium
- 2) Tenant Turner
- 3) Property Meld
- 4) Rent Check
- 5) Slack
- 6) Dialpad

0-50 doors

You will start off with Buildium, Tenant Turner, and Rent Check. You may choose to add on Property Meld, which currently \$1.60 per unit per month, or wait. You won't need Slack for instant messaging your team since you won't have one yet. You can wait on your VoIP system, such as Dialpad, and just use your cell for now.

51-200 doors

Now it's time to add on Property Meld if you haven't already. You'll want Slack for internal communication and Dialpad so all team members have a company phone number and you can have a phone tree in place for call routing.

200+ doors

You may want to use a third-party photographer or a service like Planomatic unless your PMs are good at photography, or you have time to personally do all the photos. Good listing photos do matter.

### *Addition of staffing*

Your staffing has three components. You, remote staffing, and local staffing. Notice the order in which I listed those.

*First is you.*

I firmly believe that the best startup capital is sweat equity.

When you have just started your WholePM location, you should do most of the work. Not only does this agree with the principles of efficiency, it ensures you thoroughly understand what exactly your company does. It ensures your mastery of all tasks before you begin hiring people and attempting to train them on said tasks. I managed nearly 60 properties before I hired my first person, remote or local, and this was before I integrated self-tours!

I should acknowledge that some WholePM franchisees will begin with preexisting portfolios, and that this advice is not for them.

*Second is remote.*

Once you have 50 doors, it's time to bring on your first Virtual Assistant (VA). VAs are offshore or nearshore full-time employees that fill jobs that don't require boots on the ground. They are broken into two categories:

1) Assistant Property Managers or "Maintenance Coordinators"

These VAs, staffed by a company we will refer you to, handle the tasks of processing tenant maintenance requests and seeing them through to completion. Calling the plumber and submitting the invoice to your bookkeeper does not require boots on the ground in your location, something you cannot afford even if you object in principal or out of fear or ignorance. This is a violation of Principal 2. Hiring US-based employees to complete tasks that do not involve physically being at a property, or holding a real estate license, means your spend is significantly above the revenue that employee produces.

*Third is local staffing.*

You recently paid an Initial Franchise Fee. I paid the amount of that fee many, many times over in the form of lessons learned...particularly in the form of money paid to local employees before I actually needed to hire them. Your greatest expense, by leaps and bounds, will be to employ a human being that lives in the United States of America.

Don't let me seem cynical or political, I am neither. And don't believe you can grow without local employees, you cannot. But the addition of local staff, should you care about Principal 2, should be your last step after self-managing the business and hiring remote staff.

The time at which you need to hire your first Property Manager (US-based, vs. the remote Assistant Property Manager (APM)) is when you are no longer practically able to conduct all pre-listing walkthroughs / lock box installs, pre move-in inspections, and post move-out inspections. The inability to complete these three tasks is the reason you will need to hire your first US-based Property Manager. You are now paying about \$1.30 on each dollar your PM makes in salary.

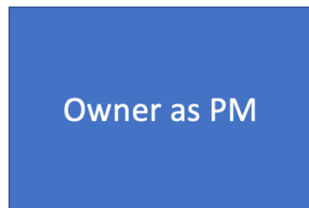
## Chapter 5

### Staffing Models: Portfolio, Departmental, and Hybrid

There are three different ways to organize your PM business: *portfolio*, *departmental*, or *hybrid*. Departmental means that one person or department handles a single task for the entire company, such as leasing or maintenance request processing. A portfolio system means you break your doors up into groups and a single person or team handles all tasks related to those doors. Hybrid is of course a mix of the two.

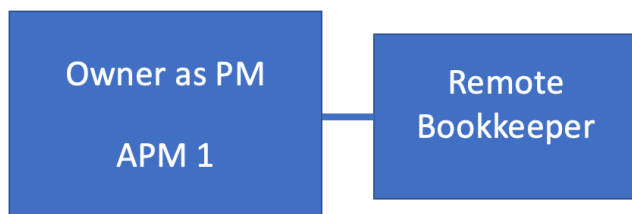
Let's look at Approach 1, a **portfolio** system where the Owner begins with zero doors, and slowly adds staff as they grow.

0-50 doors: Owner/Operator (Franchisee) only



51-100 doors: Owner/Operator plus:

- 1) Remote bookkeeper (OJO Bookkeeping, Philippines-based)
- 2) One remote APM (Anequim LLC, Mexico-based)



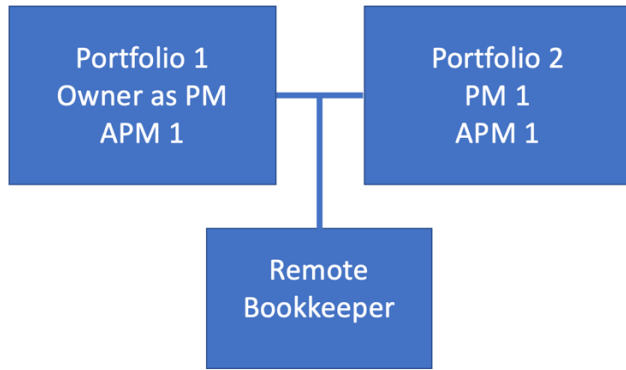
101-220 doors:

- 1) Transition to portfolio model
- 2) Hire first US-based PM around 150 doors
- 3) By 220 doors, you have two portfolios capped at 110 doors each, each with a remote

APM

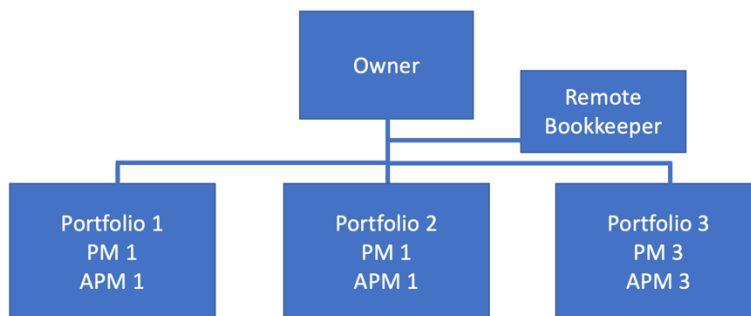
- 4) Owner/Operator serves as PM for Portfolio 1, PM employee serves as PM for Portfolio

2



221-330 doors:

- 1) Owner/Operator replaces himself or herself as Portfolio 1 PM with a second local employee
- 2) Create Portfolio 3 to accommodate growth beyond 220 doors
- 3) Around 300 doors, you should have 3 PMs and 3 APMs; this will result in a dip in your net profit
- 4) Remember, always hire in anticipation of need, rather than in reaction to it



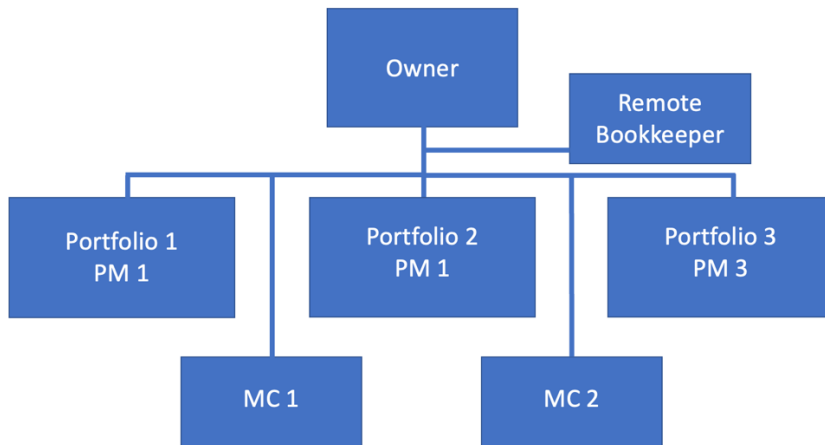
This then is repeated *ad infinitum*. Depending on the type of properties you manage, how difficult they are to lease, how often they turn over, how often they break, etc., you will have to “feel out” where your door cap is per portfolio. Starting with a goal of around 100-110 is a good starting point.

The portfolio system tends to offer the best level of service since it has a dedicated PM that the property owner can go to for questions on any and all topics.

A **departmental** system means you will have a single person or team handle all leasing tasks, another handles all maintenance tasks, etc., for all doors. This is a cheaper way to operate but can cause burnout and a lower level of service.

The third approach is **hybrid** which mixes the two. If you're really sharp, you may have noticed that in the diagrams depicting the portfolio model above, that example is already slightly hybrid, since the remote bookkeeper handles all bookkeeping tasks for the entire company.

Let's look at an example of a hybrid approach you may consider:



In this example, the portfolios do not have dedicated Assistant Property Managers (remote employees based in Mexico, staffed by Anequim LLC or similar company), but rather those same staff members act as Maintenance Coordinators for all doors, taking on new maintenance tickets in a round robin. You can see that this approach may allow you to employ less staff.

If your overall operation is humming along nicely, with maintenance tickets being closed out relatively quickly and efficiently through effective use of Property Meld, this may be the best approach.

## **Chapter 6**

### **Profit Models**

Below, I will provide three very basic profit models at three milestones, 50, 200, and 500 doors, based on the portfolio staffing model. Then, we'll add in some additional expenses.

#### *50 doors*

At 50 doors, you have not hired a VA or brought on OJO Bookkeeping, but this will happen soon. You are doing everything.

We're going to use \$250 per month as the average total income per unit when we include and average all fees such as the leasing fee, renewal fee, Resident Benefit Package income,

application fees, etc. This is lower than our average under current pricing at the original Denver, CO location, and yours may be lower or higher. It's an easy figure to use for demonstration's sake.

- $\$250/\text{month} \times 50 = \$12,500/\text{month}, \$150,000/\text{year}$
- Payroll = \$0
- Systems Expense (Buildium, Tenant Turner, Rent Check, Property Meld) = \$500/month, \$6,000/year
- SEO Spend = \$1,500/month, \$18,000/year

**Owner net income: \$126,000**

**Profit margin: 84%**

*200 doors*

At 200 doors, under a portfolio system, you are the PM of Portfolio 1 and have hired a local PM to manage Portfolio 2. You each have a VA, and you are paying OJO Bookkeeping for services, as needed, billed by the hour. Your total capacity, assuming a 110-door cap per portfolio, is 220 doors.

- $\$250/\text{month} \times 200 = \$50,000/\text{month}, \$600,000/\text{year}$
- PM 2 = \$70,000/year
- VA 1 = \$24,000/year
- VA 2 = \$24,000 year
- OJO Bookkeeper = \$500/month, \$6,000/year
- Systems expense (add Slack for messaging and Dialpad soft phone system) = \$650/month, \$7,800/year
- SEO spend = \$1500/month, \$18,000/year

**Owner net income: \$450,200**

**Profit margin: 75%**

*500 doors*

At 500 doors, under a hybrid system you have 5 portfolios, each handled by a local PM, and three VA Maintenance Coordinators. Your total capacity, assuming a 110-door cap per portfolio, is 550.

- $\$250/\text{month} \times 500 = \$125,000/\text{month}, \$1,500,000/\text{year}$
- Locals PMs x 5 @  $\$70,000/\text{year} = \$350,000/\text{year}$
- VAs x 3 @  $\$24,000/\text{year} = \$72,000/\text{year}$
- OJO Bookkeeper =  $\$1,500/\text{month}, \$18,000/\text{year}$
- Systems expense =  $\$1,500/\text{month}, \$18,000/\text{year}$  (*this is far below the cost of Buildium plus other tools at this door count, however you are utilizing Enterprise Bank and Trust which, in lieu of paying you interest on the large sums of security deposit and rent money you deposit with them, which would be illegal, they pay your Buildium invoice -your biggest system cost - for you directly*)
- SEO spend =  $\$1500/\text{month}, \$18,000/\text{year}$

**Owner net income: \$1,024,000**

**Profit margin: 68.27%**

Let's play with this one a little. Let's say your local labor cost is higher, and/or you've given some of these folks raises, and you provide benefits. We'll call your total cost per PM  $\$85,000/\text{year}$  rather than  $\$70,000$ . Some of your VAs have also now received pay increases. We'll throw in  $\$2000/\text{month}$  for miscellaneous expenses – these could be things like legal fees, company events, rent for a small office or cubicle, etc.

- $\$250/\text{month} \times 500 = \$125,000/\text{mo}, \$1,500,000/\text{year}$
- Locals PMs x 5 @  $\$85,000/\text{year} = \$425,000/\text{year}$
- VAs x 3 @  $\$26,000/\text{year} = \$78,000/\text{year}$
- OJO Bookkeeper =  $\$1,500/\text{month}, \$18,000/\text{year}$
- Systems expense =  $\$1,500/\text{month}, \$18,000/\text{year}$
- Misc. expense =  $\$2000/\text{month}, \$24,000/\text{year}$
- SEO spend =  $\$1500/\text{month}, \$18,000/\text{year}$

**Owner net income: \$919,000**

**Profit margin: 61.3%**

In the 500-door scenario, you are not maxed out on door count for your staffing which can handle 550.

These are, of course, just models. You'll have to purchase equipment, like lockboxes and Tenant Turner Codeboxes for self-tours, and will have other miscellaneous expenses. Even shaving off another several percent, we're still **above the 50% profit margin mark**, which is WholePM's goal.

## Chapter 7

### Pricing Models

You will charge property owners three main fees:

- A monthly Management Fee
- A Leasing Fee when you lease the unit to a new Tenant
- A Lease Renewal Fee when you secure a new lease with an existing tenant

#### *Monthly Management Fee*

Traditionally this is a percentage of rent, typically 7-12% based on the market. However, charging a **flat fee** has a couple advantages:

1) It encourages higher-end properties to sign up with you. Let's say your flat fee is \$229/month, and your competitor charges 9% of rent. Who is the owner of a \$4,000/month house going to sign up with?

2) It gets charged during periods of vacancy between tenants – you can't do this on a percentage model.

#### *Leasing Fee*

This is a percentage of rent, based on your market.

#### *Lease Renewal Fee*

This can be a percentage or a flat fee, but due to the ease of this process, a relatively small, reasonable fee is recommended.

#### *Other fees*

At WholePM, we do not nickel and dime our owner clients (or tenants for that matter). Avoid miscellaneous fees like onboarding fees which are an obstacle to an owner signing on, annual

“technology fees”, etc. A reasonable annual fee is a Tax Filing Fee of around \$10-\$15, which covers your cost to file each owner’s 1099-MISC form and keep some profit.

*Guarantees*

Consider guarantees against the non-payment of rent, property damage beyond the amount of the tenant’s deposit, and eviction costs. These can be great selling points.

Example of a multi-tier Pricing Model with a flat management fee and guarantees:

	CORE	PLUS	WHOLE 9 YARDS
<b>Mgmt Fee</b>	\$109	\$169	\$229
<b>Leasing Fee</b>	100%	50%	25%
<b>Renewal Fee</b>	\$399	\$299	\$199
<b>Eviction Protection</b>		✓	✓
<b>Damage Protection</b>		✓	✓
<b>Rent Protection</b>			✓

**PM Perks**

*Credit card points*

Many of the maintenance and repair jobs your team completes on your managed properties will be invoiced and paid via check or EFT during your monthly “payout day”, when owners and vendors get – you guessed it – paid! Some purchases or vendors will require credit card payment on the spot, however. By putting all of these purchases, such as appliances, on your company credit card, you keep the points. If you use American Express as your company credit card(s), those points can be spent directly on Amazon.

*Enterprise Bank & Trust*

Enterprise Bank & Trust operates a specialized Property Management division that provides you significant perks in lieu of paying you interest on the large sums of security deposit and rent funds you keep on hand with them. EB&T will pay your subscription costs for, most notably, Buildium, which can be thousands of dollars per month. The amount they will pay is dependent on the amount you have on deposit.

**Conclusion**

You and I are in a great business. Demand for property management remains strong and can’t be easily threatened by A.I. or self-management platforms. People either don’t know how, or don’t want, to do our jobs. Many of those who try will later find this out and call you. For reliable, recurring monthly income, this is one of the best possible ways to achieve it.

You're not just opening a business — you're buying into a proven system designed to help you skip the trial-and-error. You're not guessing. You're building on something that already works.

Show up determined every day, don't quit, and follow The System. Be proud of our brand and protect it jealously. WholePM is now yours as much as it is mine.

Enough talking, let's get to work.

Tyler Howell  
Founder and President, Whole Property Management