SOP: Tenant Relations & Leasing

Effective Date: [Date]
Last Updated: [Date]
Department Responsible: Leasing Department / Property Management

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1. Purpose

The purpose of this Standard Operating Procedure (SOP) is to establish consistent and professional practices for:

- Attracting, screening, and selecting qualified tenants

- Handling all aspects of leasing, from application to lease signing

- Promoting positive tenant relations and retention

- Managing move-in and move-out processes efficiently and transparently

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2. Scope

This SOP applies to:

- All residential and commercial properties under the company's management

- All employees and agents involved in tenant relations, leasing, and occupancy management

- Interactions with prospective tenants, current tenants, and departing tenants

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3. Definitions

- **Application Processing:** The evaluation of prospective tenants based on credit checks, background checks, income verification, and references.

- **Lease Administration:** The oversight of lease creation, renewals, rent increases, and lease term enforcement.

- **Move-In Process:** The series of steps from a signed lease to a tenant's possession of the unit.

- **Move-Out Process:** The official handover of a unit back to management or the owner at the end of a tenancy or lease term.

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4. Roles and Responsibilities

Role	Responsibility
Leasing Manager	- Oversees marketing and leasing initiatives. - Monitors application screening results, approves or denies prospective tenants. - Resolves escalated issues with applicants or tenants.
Leasing Agent	- Shows available units, communicates with applicants. - Collects rental applications and necessary documents. - Prepares lease documents and coordinates signing.
Property Manager	- Collaborates with the Leasing Manager for rent-setting strategies and lease renewals. - Handles tenant disputes beyond the Leasing Agent's authority. - Supervises move-in and move-out inspections in coordination with maintenance.
Maintenance Department	- Assists with move-in and move-out inspections. - Addresses maintenance or repair issues raised by tenants.
Finance / Accounting	- Processes security deposits, rental payments, and refunds. - Maintains accurate records of tenant accounts, late fees, and other charges.

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5. Procedure

5.1 Tenant Screening and Application Processing

1. **Marketing and Advertising**
   - List available units on approved platforms (company website, listing sites, social media, etc.).

   - Highlight key features (rent, location, amenities) and ensure compliance with Fair Housing guidelines.
2. **Application Intake**
   - Provide standardized application forms to prospective tenants (online or in-person).

   - Gather necessary supporting documents (ID, proof of income, references).

3. **Screening Criteria**
   - **Credit Check:** Pull credit history from approved agencies.

   - **Background Check:** Review for criminal history or prior evictions, following local regulations.

   - **Income Verification:** Ensure monthly income meets company's standards (e.g., 3x monthly rent).

   - **References:** Contact current/past landlords or employer references.
4. **Approval or Denial**
   - Summarize findings and present to the Leasing Manager if needed.

   - **Approval:** Notify the applicant within the agreed timeframe (e.g., 3 business days).

   - **Denial:** Provide reason for denial, if legally required, and follow Fair Credit Reporting Act (FCRA) guidelines for adverse action notices.
5. **Documentation**
   - Save all screening documents to the Property Management System (PMS).

   - Retain application materials for the legally required duration.

5.2 Lease Administration

1. **Lease Preparation**
   - Use the company's standard lease template.

   - Confirm accuracy of key details (rent amount, lease term, security deposit, pet policies, etc.).
2. **Lease Signing**
   - Offer electronic signature options or an in-person signing appointment.

   - Collect the security deposit, first month's rent, and any applicable fees (pet fee, parking fee, etc.).

   - Provide signed copies to the tenant and retain a digital copy in the PMS.
3. **Lease Renewals**
   - Track lease expiration dates in the PMS and notify tenants 60–90 days before lease end.

- Send renewal terms or rent increase notifications in writing, following local regulations.

  - Update the PMS with new terms once the renewal is signed.
4. **Rent Adjustments**
   - Review local regulations and market conditions before adjusting rent.

   - Provide written notice to tenants within legal timelines.
5. **Lease Enforcement**
   - Issue warnings or notices for lease violations (e.g., noise complaints, unauthorized occupants).

   - Escalate severe or repeated violations to the Property Manager for further action (e.g., eviction process if necessary).

5.3 Tenant Move-In Process

1. **Pre-Move-In Inspection**
   - Inspect the unit thoroughly to document current condition and identify needed repairs or cleaning.

   - Use a standard inspection checklist and take photos or videos for reference.
2. **Welcome Packet**
   - Provide the new tenant with essential information:
     - Contact details for maintenance and emergency.

     - Community rules and regulations (parking, trash disposal, amenities).

     - Move-in checklist and any local utility registration requirements.
3. **Key Handover**
   - Ensure all keys, fobs, and access cards are working.

   - Obtain tenant signature on the "Key Receipt Form."
4. **Move-In Confirmation**
   - Update the PMS with the official move-in date.

   - Inform the maintenance team or front desk (if applicable) of the new occupant.
5. **Follow-Up**
   - Within the first week, contact the tenant to verify satisfaction and address any concerns.

5.4 Tenant Move-Out Process

1. **Notice of Intent to Vacate**
   - Tenant provides notice (based on lease terms, e.g., 30 days).

   - Confirm receipt and send move-out instructions to the tenant.
2. **Pre-Move-Out Inspection (Optional)**
   - Offer a walkthrough to point out potential damages or cleaning expectations.

   - Provide a cleaning/move-out checklist.
3. **Final Inspection**
   - Conduct a thorough inspection within a specified timeframe after move-out.

   - Document the unit's condition using photos, noting damages beyond normal wear and tear.
4. **Security Deposit Reconciliation**
   - Calculate deductions for damages, unpaid rent, or cleaning costs if applicable.

   - Send an itemized statement and any remaining deposit to the tenant within the legally mandated window (e.g., 21 days).
5. **Property Turnover**
   - Schedule any necessary maintenance or repairs promptly to prepare the unit for re-leasing.

   - Update the PMS to mark the unit as vacant and ready for marketing.

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6. Tenant Relations and Customer Service

1. **Communication Channels**
   - Maintain open lines of communication through email, phone, and online portals.

   - Respond to tenant inquiries or complaints within 24–48 hours.
2. **Conflict Resolution**
   - Listen actively to tenant concerns and document all issues.

   - Attempt resolution at the Leasing Agent level; escalate to the Property Manager when needed.
3. **Tenant Engagement**
   - Keep tenants informed about property improvements, community events, or policy changes.

- Conduct periodic tenant satisfaction surveys to gather feedback.

4. **Service Standards**
   - Aim for high customer satisfaction by being professional, courteous, and consistent.

   - Provide clear instructions and timelines for any tenant-related requests or procedures.

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7. Safety and Compliance

1. **Fair Housing Laws**
   - Adhere strictly to all Fair Housing regulations.

   - Avoid discriminatory language in ads, applications, or tenant interactions.

2. **Local and State Regulations**
   - Stay updated on rent control laws, security deposit limits, and notice requirements.

   - Train staff regularly on relevant laws and best practices.

3. **Data Protection**
   - Safeguard tenant personal information (credit reports, IDs) in compliance with data privacy regulations.

   - Limit system access to authorized personnel only.

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8. Documentation and Record-Keeping

1. **Application & Lease Files**
   - Maintain digital records of applications, leases, and supporting documents in the Property Management System (PMS).

   - Archive expired or closed files according to the company's retention policy (e.g., 3–7 years).

2. **Inspection Reports**
   - Store pre-move-in and move-out inspection checklists, photos, and notes in the PMS.

3. **Tenant Communication Log**
   - Keep a record of significant communications (complaints, disputes, notices) for each tenant.

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9. KPIs and Continuous Improvement

- **Occupancy Rate:** Track the percentage of leased units across the portfolio.

- **Average Days to Lease:** Measure time from listing to lease signing.

- **Application Approval Rate:** Compare total applications vs. approved tenants.

- **Tenant Satisfaction Score:** Gather feedback via surveys or reviews.

- **Renewal Rate:** Track how many leases are renewed vs. total leases expiring.

Review KPIs quarterly to identify trends, address challenges, and implement process improvements.

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10. Training Requirements

- **Leasing Staff:** Regular training on sales techniques, Fair Housing laws, and customer service.

- **Property Managers:** Ongoing updates on local regulations, conflict resolution methods, and market trends.

- **Maintenance Team:** Coordination with leasing for unit readiness and inspections.

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11. Approval and Revision

Name/Title	Signature	Date
COO	[Signature/Initials]	[Date Signed]
Leasing Manager	[Signature/Initials]	[Date Signed]
Property Manager	[Signature/Initials]	[Date Signed]
Legal Counsel (if required)	[Signature/Initials]	[Date Signed]

End of SOP