// ON TRIAL

Is Maintenance Even in Your Management Agreement?

The true cost of coordination, and why we give away the biggest part of the job.

Deb Newell, PhD-ABD | MX Summit 2026

THE CHARGE

On trial today: your management agreement. Not a person. A document.

The charge: it promises the owner maintenance will be handled, and it pays you nothing to handle it.

You are the jury. I will enter the evidence. At the end, you vote.

The only person the verdict lands on is you.

// OPEN THE CASE • GOING ON RECORD

Exhibit: The Room

Before evidence, the jury goes on record.

On your phone: what do you charge today for maintenance coordination?

- **A** Nothing, it is in the management fee
- **B** A markup on maintenance spend
- **C** A flat coordination fee
- **D** A per-project or turn fee

[LIVE POLL]
JOIN LINK + RESULTS

// THE STAKES

The Biggest Part of the Job

Maintenance is where most of the team's time, the owner's money, and your reputation live.

$2.2M ~30% turns

From the field: an 874-unit portfolio spent about $2.2M on repairs and maintenance in one year and turned roughly 30% of units.

$1M $0 captured

Another firm ran about $1M in annual maintenance activity with zero coordination revenue captured.

SHARE OF TEAM TIME SPENT ON MAINTENANCE: [VERIFY & CITE].

// THE STAKES

What Did You Actually Sell?

OWNER ASSUMES

What owners think they bought: someone to handle everything, maintenance included.

CONTRACT SAYS

What the agreement usually says: authority to coordinate, access to the property, and a spending limit.

Authority and access are not the same as compensation for the work.

The contract grants permission to do maintenance. It rarely pays you to run it.

Exhibit A: The Standard Clause

- § Typical language: provide all services necessary for proper management, including periodic inspections, check on maintenance, alterations, and repairs as reasonably required.
- § Typical language: execute service contracts for the operation, maintenance, and safety of the property as Broker deems reasonably necessary.
- § Compensation: a flat percentage of collected rent. Coordination is assumed inside it.

Translation: unlimited coordination, priced at zero.

// ENTER THE EXHIBITS

The NTE Line Is a Control, Not a Paycheck

$500

CONTROLS SPEND

What it does: caps what you can spend before calling the owner. It protects the owner.

$0

PAYS FOR COORDINATION

What it does not do: pay you for receiving, troubleshooting, dispatching, following up, and invoicing.

The NTE governs spend. It says nothing about the cost of your coordination.

MOST AGREEMENTS SET A NOT-TO-EXCEED LIMIT, COMMONLY AROUND $500.

EXHIBIT B // ENTER THE EXHIBITS

Exhibit B: The Model That Gets It Right

FOLDED INTO THE %

Coordination is assumed inside a flat percentage of collected rent, as in Exhibit A.

BILLED SEPARATELY

Some agreements carve maintenance out of the management fee and bill it directly.

Example provisions: coordination duties that expressly exclude repair, cleaning, materials, and on-site time.

Maintenance billed at an hourly rate plus materials; turnovers billed depending on amount of work.

An additional 10% of the project's total cost for overseeing the project.

Same activity. One agreement prices it at zero. The other treats coordination as the billable service it is.

Call It the Right Thing

~~Project Management Fee~~

↓

Maintenance Coordination Fee

Do not call it a Project Management Fee. Counsel has flagged that this implies you are acting as a general contractor, with the liability that carries.

The label protects you and describes the real service: coordinating the work, not performing construction.

Confirm the wording with your own attorney for your state.

// WITNESS TESTIMONY

Who Actually Controls the Maintenance?

Owners running their own turns and asking to approve every scope before work starts.

Owners dictating which vendors you must use.

Real case: an owner directed his own vendor, coordinated the work, did not tell the office, and the vendor turned out to be unlicensed.

CONTROL SITS WITH

OWNER

WORK STILL SITS WITH

YOU

- Intake
- Access
- Invoicing
- Re-rent clock

You still handle intake, access, invoicing, and the re-rent clock. You capture nothing for it.

// IN THEIR OWN WORDS

“We're doing all this coordination for you, and you've been charged nothing. We're working for free at this point.”

Said in a real owner conversation while restructuring an agreement.

// THE FORENSIC ACCOUNTING

Let's Do the Math: A Time Study

Method: activity-based costing. Count the coordination touch time a work order actually consumes, then price it.

Your fully loaded coordination minute: coordinator salary, plus about 25 to 30% burden, divided by worked minutes per year.

Your software (AppFolio, Rentvine, Buildium) is the accounting and record layer. It does not do the coordination. The person does.

Every figure that follows is a plug-in. Replace it with your numbers.

THE FORMULA

(Salary × 1.28) ÷ worked minutes
= loaded cost per minute

A $70k to $80k loaded coordinator is roughly $0.55 to $0.65 per minute.

$0.60 PER MINUTE • METER RATE

// THE FORENSIC ACCOUNTING

Scenario 1: An Occupied Service Request

COORDINATION METER

$54.00

01	02	03	04	05	06	07
Receive and log, clarify with tenant, triage: about 10 minutes.	Troubleshoot and diagnose, photos, decide repair vs dispatch: about 15 minutes.	NTE check and owner approval, send and follow up: about 15 minutes.	Dispatch: select vendor, schedule, confirm tenant access: about 15 minutes.	Follow-up: vendor status, tenant confirmation, quality check: about 15 minutes.	Invoice handling days later, review, code, enter, pay, often a second person: about 15 minutes.	Close-out and documentation: about 5 minutes.
$6.00	**$15.00**	**$24.00**	**$33.00**	**$42.00**	**$51.00**	**$54.00**

Scenario 1: The True Cost

METER FINAL

$54.00

$500 repair + about $54.00 coordination = the real number

Coordination touch time: about 90 minutes, across several days, across at least two people.

At about $0.60 per loaded minute: roughly $50 to $60 of coordination cost for one routine request. [illustrative]

If the owner dictates the vendor, you still spend most of it and capture no markup.

A '$500 repair' is really $500 plus your unpriced coordination.

// THE FORENSIC ACCOUNTING

Scenario 2: A Turnover

MANAGEMENT FEE DURING VACANCY

$0

COORDINATION METER

$199.80

01

Move-out notice processing and scheduling: about 20 minutes.

$12.00

02

Move-out inspection, schedule, conduct or review, scope: about 30 to 45 minutes.

$34.80

03

Scope and estimate, deposit disposition on the 21-day clock: about 45 minutes.

$61.80

04

Owner approval on scope and budget: about 30 minutes.

$79.80

05

Multi-trade coordination (clean, paint, flooring, punch), schedule, access, sequence: about 60 to 120 minutes.

$133.80

06

Progress follow-up across trades over days: about 45 minutes.

$160.80

07

Invoice handling across multiple vendors: about 45 minutes.

$187.80

08

Rent-ready confirmation, marketing handoff, close-out: about 20 minutes.

$199.80

SPANNING 2 TO 4 WEEKS

// THE FORENSIC ACCOUNTING

Scenario 2: The True Cost

Coordination touch time: about 4.5 to 7 hours per turn, across weeks, across multiple people.

At about $0.60 per loaded minute: roughly $150 to $270 of coordination cost per turn. [illustrative]

Management fees are charged on rent received, so during the vacancy you often collect nothing.

Most agreements attach no turn fee. The most labor-intensive event in the business is frequently done for free.

COORDINATION COST

$199.80

MANAGEMENT FEE + TURN FEE

$0

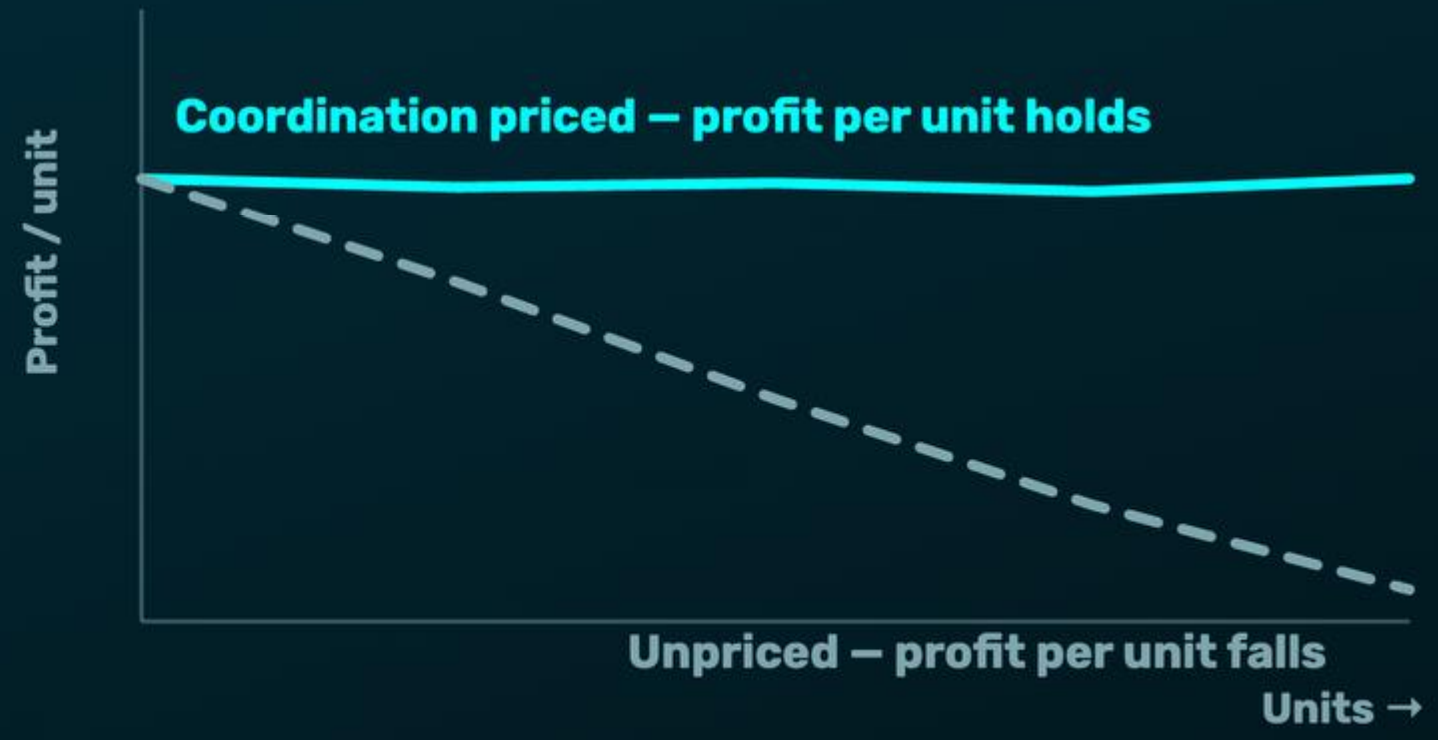
The Scaling Trap: DLER and Profit Per Unit

A portfolio manager can only carry so many units before maintenance forces added support.

Every coordinator you add raises direct labor cost.

If no coordination revenue offsets it, your Direct Labor Efficiency Ratio worsens and profit per unit falls as you grow.

Growth without a coordination fee makes the maintenance problem bigger, not smaller.



// THE REMEDY

Rewrite the Deal

01 Name and price coordination as a Maintenance Coordination Fee.

02 Keep the NTE as a control. Stop treating it as your compensation.

03 Add an owner-controlled-maintenance clause: define what you still do, require they keep you informed, and price it.

04 Decide deliberately on turn and vacant-unit fees instead of defaulting to free.

// THE REMEDY • OPTIONS, NOT A MANDATE

Ways to Price Coordination

01 Flat monthly maintenance coordination fee per unit: predictable and easy to explain.

02 Percentage markup on maintenance spend: scales with activity; watch owner sensitivity.

03 Per-project coordination fee, for example 10% over a set threshold: matches effort on big jobs.

04 Turn fee: pays for the largest event directly.

05 Vacant-unit fee after a set number of days: covers oversight when rent is not flowing.

// THE REMEDY

Do This Monday

START HERE **Calculate one number first: your fully loaded coordination cost per minute.**

Run one real service request and one real turn through the time study, using your own data.

Pull your current agreement and find the maintenance and NTE language. See what it actually pays you.

Draft the Maintenance Coordination Fee and have counsel confirm the wording for your state.

Pick one owner and one fee to pilot.

Is Maintenance Even in Your Management Agreement?

The agreement grants authority, access, and a spending limit.

It does not pay for the coordination. It often hands the work to the owner.

Maintenance is in your agreement in name, not in dollars.

The charge: stop giving away the largest part of your job by accident. Make it a decision.

The Verdict Is Yours

Second vote: what will you charge for coordination after today?

- **A** Nothing, it is in the management fee
- **C** A flat coordination fee
- **B** A markup on maintenance spend
- **D** A per-project or turn fee

[FIRST VOTE • SECOND VOTE]

LIVE RESULTS • ILLUSTRATIVE

Questions

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Contact • handle • worksheet download