MX Maintenance Summit **2026**

Building a Maintenance Company Inside Your Property Management Business

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// SPEAKER

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Director of Maintenance
Zenith Properties NW & HighPoint Contracting Specialties

BACKGROUND

Home Inspector in Washington & Oregon

InterNACHI Certified Master Inspector

THE COMPANIES

Zenith Properties NW – 500+ primarily Single-Family Homes in SW Washington – Founded 2009

HighPoint Contracting Specialties – Founded 2022

Joined in 2022

// THE CASE

Why have an in-house maintenance company?

The goal is not to own every repair. The goal is to own the right repairs and the operating experience.

Vendor-dependent space —— **Managed maintenance company**

- → Less waiting on availability and callbacks
- → Cleaner documentation and owner communication
- → Better control over resident experience
- → A chance to capture margin - only if the numbers work

In-house maintenance is not just a cost center. Done right, it becomes an operating control point.

Speed
RESPONSE TIME

Control
QUALITY AND SCOPE

Margin
BILLABLE WORK

CORE IDEA

Control is the business case. Profit is earned only after control exists.

// ULTIMATE PREMISE

An in-house maintenance company should make property management easier, not create a second chaos engine.

A practical decision framework for building an in-house maintenance operation without accidentally creating a low-margin distraction.

// STRUCTURE

What are HP and Zenith?

Zenith Properties NW

- Property management
- Owner relationship
- PM policy and approvals

→

Shared work-order record

One source of truth for request, scope, status, communication, photos, and billing.

←

HighPoint Contracting Specialties

- Maintenance execution
- Technician scheduling
- Job costing and quality

BENEFITS

- Clearer accountability
- Faster priority control
- More consistent resident experience
- Better data on scope and cost

DRAWBACKS TO MANAGE

- Complex boundaries
- Financial opacity if books are messy
- More people to lead and train
- More temptation to take bad jobs

> Rule of thumb: separate the companies legally and financially; connect them operationally at the handoff points.

// ORIGIN

Why start HP?

A separate maintenance lane can turn recurring pain into an operating advantage.

The pressure was not one big reason

It was the same small failures repeating across work orders.

1 **Vendor delays**
No guaranteed priority when the market is busy.

2 **PM/Coordinator time drain**
Coordinators and managers chasing updates.

3 **Owner friction**
Harder to explain scope, pricing, and timelines.

4 **Resident experience**
Slow or unclear maintenance becomes a retention issue.

HIGHPOINT WAS THE OPERATING ANSWER

Create a company that could own the work, the schedule, the documentation, and the economics.

> Important distinction: HP was not created so Zenith could dump every hard problem on an internal team.

// TIMELINE

History of HP and Zenith

1. **Zenith PM foundation**
   Owner/resident service expectations become the operating baseline.
2. **Maintenance pressure**
   Volume exposes vendor delays, documentation gaps, and owner approval friction.
3. **2022: HP established**
   HighPoint becomes the separate maintenance lane.
4. **Subcontractor phase**
   Capacity grows through outside trade partners.
5. **Technician-led phase**
   Core work moves toward controlled internal execution.
6. **Future niche**
   Growth is anchored in repeatable rental maintenance, not every contracting job.

> The key lesson in the history: the maintenance company had to mature from "get the work done" to "run a real operating business."

// PHASE ONE

Early days

The first version of the maintenance company is usually more manual than expected.

What the early days really test

- ? Can the work order move without living in one person's head?
- ? Can the technician document enough for the owner, PM, and invoice?
- ? Can the business separate busy activity from billable work?
- ? Can the team say no before the job becomes a loss?
- ? Can the team stay profitably busy through slow periods?

EARLY CONTROLS TO BUILD IMMEDIATELY

1. Intake and triage rules
2. Scope and approval thresholds
3. Technician documentation standards
4. Material receipt capture
5. Completed-to-billed workflow

// CAPACITY

Using subcontractors

Subcontractors can solve capacity while creating new control problems.

Subcontractors are a capacity lever.

They are not automatically an operating system.

WHERE SUBCONTRACTORS WORKED WELL

- Licensed trades
- Specialty work
- Emergency overflow
- Work outside tech capacity
- Jobs with unusual equipment or risk

WHERE THE MODEL STRAINED

- Scheduling uncertainty
- Inconsistent documentation
- Owner update gaps
- Harder callback accountability
- Margin and markup ambiguity

THE LESSON

Keep a vendor bench, but do not let the bench become the system. The system needs to define the scope, expectations, documentation, and billing.

// TRANSITION

Transition to using technicians only

The better framing: tech-first for core work, subcontractors for exceptions.

1

Classify work

What belongs in-house?

2

Standardize scope

What is the expected finish?

3

Hire core techs

Generalists with documentation discipline.

4

Build route density

Less windshield time, more billable time.

5

QA and bill fast

Close the loop while details are fresh.

What changed operationally

The team could train to Zenith/HP standards

Documentation became more consistent

Scheduling and priority were more controllable

Margin became larger and more measurable at the job level

Intercompany transfers helped to minimize disruption

GUARDRAIL

Tech-first does not mean reckless internalization. Licensed, high-risk, specialty, and low-margin work can still belong outside.

Who doesn't like a good P&L review?

80% Subcontractors

	Sep 23	% of Income
Ordinary Income/Expense		
Income		
42601 · Services Income	64,192.58	100.0%
Total Income	64,192.58	100.0%
Cost of Goods Sold		
50400 · Construction Materials Costs	4,223.79	6.6%
50999 · Cost of Goods Sold	28.93	0.0%
53600 · Subcontractors Expense	34,432.20	53.6%
Total COGS	38,684.92	60.3%
Gross Profit	25,507.66	39.7%
Expense		
60100 · Auto and Truck Expenses		
60102 · Fuel	236.99	0.4%
60103 · Auto Lease	615.26	1.0%
60105 · Maintenance	53.85	0.1%
Total 60100 · Auto and Truck Expenses	906.10	1.4%
60400 · Bank Service Charges	105.95	0.2%
63300 · Insurance Expense	23.56	0.0%
63400 · Interest Expense	64.47	0.1%
64900 · Office Supplies	241.82	0.4%
65000 · Online Software	14.12	0.0%
66000 · Payroll Expenses		
66001 · Federal 941 Expense	651.26	1.0%
66002 · WA UI Expense	133.83	0.2%
66003 · WA FMLA Expense	-0.01	-0.0%
66004 · WA L&I Expense	74.90	0.1%
66005 · Federal 940 Expense	0.00	0.0%
66100 · Wages	8,633.25	13.4%
66101 · Health Insurance	417.50	0.7%
66102 · Life & AD&D	3.44	0.0%
66000 · Payroll Expenses - Other	3.80	0.0%
Total 66000 · Payroll Expenses	9,917.97	15.5%
66700 · Professional Fees	8,823.59	13.7%
67100 · Rent Expense	1,884.31	2.9%
67300 · Small tools and Equipment	479.80	0.7%
68200 · B&O Tax	304.41	0.5%
68600 · Utilities	553.24	0.9%
68700 · Recruiting/Hiring	251.42	0.4%
Total Expense	23,570.76	36.7%
Net Ordinary Income	1,936.90	3.0%
Other Income/Expense		
Other Income		
70100 · Credit Card Rewards	1,125.72	1.8%
Total Other Income	1,125.72	1.8%
Net Other Income	1,125.72	1.8%
Net Income	**3,062.62**	**4.8%**

100% Technicians

	Dec 25	% of Income
Ordinary Income/Expense		
Income		
42601 · Services Income	64,333.27	100.0%
Total Income	64,333.27	100.0%
Cost of Goods Sold		
50400 · Construction Materials Costs	10,447.80	16.2%
Total COGS	10,447.80	16.2%
Gross Profit	53,885.47	83.8%
Expense		
60100 · Auto and Truck Expenses		
60102 · Fuel	688.32	1.1%
60105 · Maintenance	635.17	1.0%
60100 · Auto and Truck Expenses - Other	285.64	0.4%
Total 60100 · Auto and Truck Expenses	1,609.13	2.5%
60400 · Bank Service Charges	72.00	0.1%
63300 · Insurance Expense	1,468.76	2.3%
63400 · Interest Expense	574.09	0.9%
65000 · Online Software	393.85	0.6%
66000 · Payroll Expenses		
66001 · Federal 941 Expense	1,515.78	2.4%
66002 · WA UI Expense	111.34	0.2%
66003 · WA FMLA Expense	0.04	0.0%
66004 · WA L&I Expense	212.26	0.3%
66005 · Federal 940 Expense	2.48	0.0%
66100 · Wages	13,081.68	20.3%
66101 · Health Insurance	1,311.28	2.0%
66102 · Life & AD&D	13.76	0.0%
66103 · Bonuses	951.80	1.5%
66104 · 401K Company Expense	431.46	0.7%
66105 · Management Labor	2,469.18	3.8%
66000 · Payroll Expenses - Other	4,593.00	7.1%
Total 66000 · Payroll Expenses	24,694.06	38.4%
66600 · Post Box Fees	20.07	0.0%
66700 · Professional Fees	250.56	0.4%
66800 · VA Expense	1,927.00	3.0%
68100 · Telephone Expense	104.21	0.2%
68200 · B&O Tax	302.98	0.5%
68600 · Utilities	-2.65	-0.0%
Total Expense	31,414.06	48.8%
Net Ordinary Income	22,471.41	34.9%
Other Income/Expense		
Other Income		
70100 · Credit Card Rewards	269.24	0.4%
Total Other Income	269.24	0.4%
Net Other Income	269.24	0.4%
Net Income	**22,740.65**	**35.3%**

// THE NUMBERS

Measurables and profit / revenue numbers

The maintenance P&L starts at the work order.

REVENUE | LABOR | MATERIALS/SUBS | GROSS MARGIN | OVERHEAD | NET PROFIT

NUMBERS THAT MATTER WEEKLY

1. Billable utilization rate
2. Days from work order received to completed
3. Callback / rework rate

Use Net Revenue After COGS (Cost of Goods Sold) as your baseline, not Gross Revenue

CORE FORMULAS

Gross Profit = (Gross Revenue – Cost of Goods Sold)

Technician Utilization Rate = Billable Hours / Paid Working Hours x 100

Technician Callback Rate = Billable Hours / Callback Hours x 100

> Visibility is the difference between an operating business and a busy maintenance department.

// TARGET

The Peter Lohmann formula for a profitable maintenance company

Maintenance gross revenue target

40h x 4.33 x Billing Rate x # Techs x Utilization x 1.2

40h	4.33	rate	techs	util.	1.2
FULL-TIME HOURS	WEEKS / MONTH	HOURLY CHARGE	NUMBER OF TECHS	TECHNICIAN UTILIZATION RATE	MATERIALS FACTOR

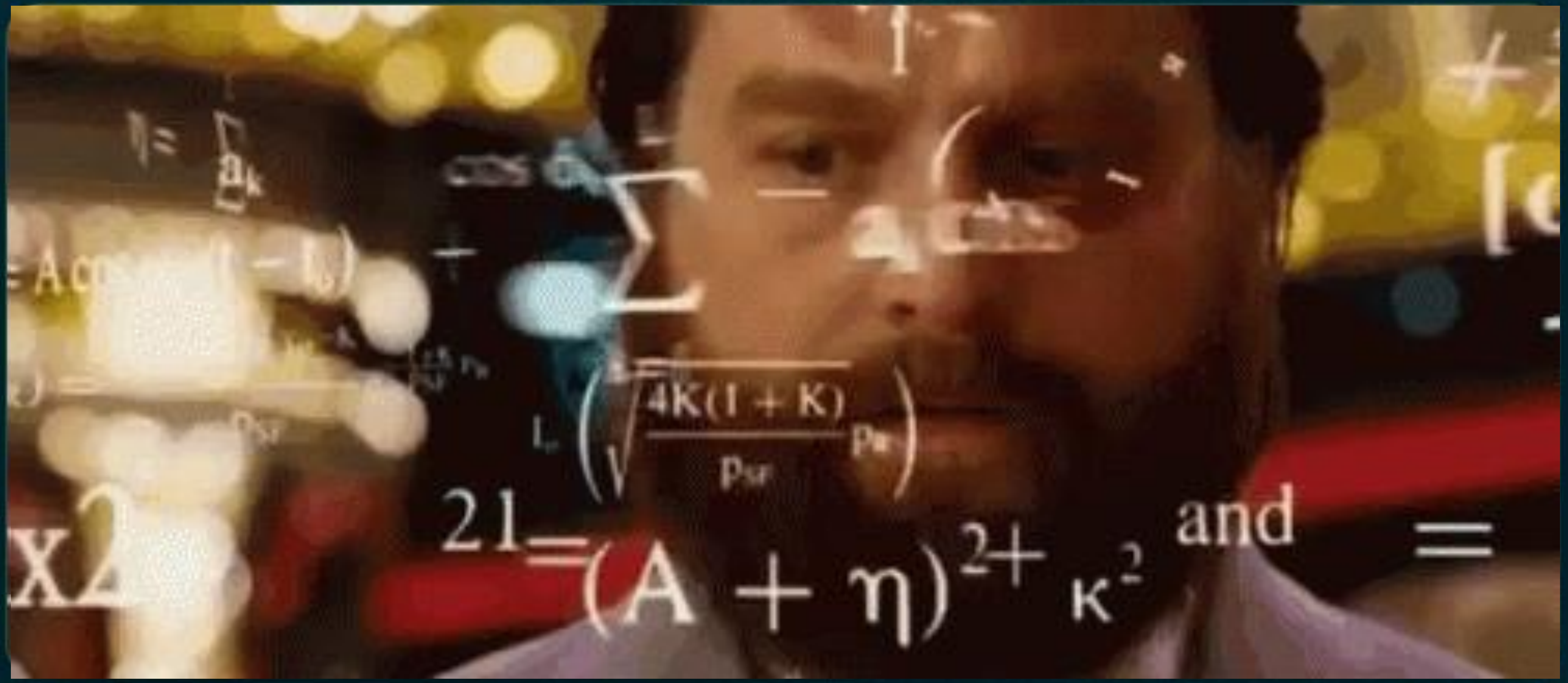
EXAMPLE ONLY

4 techs x $95/hr x 92% utilization = about $72.6k/month target revenue

If actual revenue is below the target, look for leaks:

- Low billable hours
- Unbilled materials
- Work orders sitting unbilled
- Discounts, callbacks, and slow approvals

Formula and example attributed to Peter Lohmann. Use company-specific billing rate, utilization, tech count, and material data.



Let's Calculate Your Rate!

40h x 4.33 x Billing Rate x # Techs x Utilization x 1.2

// PEOPLE

Hiring lessons and building a team

The wrong hire can erase the margin the model was supposed to create.

Right person, right seat.

Be picky. A maintenance company scales only as fast as trust and documentation can scale.

Integrity
Owns their role.

Aptitude
Can troubleshoot and learn.

Documentation
Photos, notes, receipts.

Resident empathy
Works in occupied homes.

Hiring principle: do not fill a seat just because the schedule is painful today.

Management principle: a good tech still needs a clear scope, a clear standard, and a clear path to bill.

Festina lente – Make Haste Slowly

The Right Person/Right Seat will make your organization hum

The Wrong Person/Wrong Seat will make your organization grind to a halt

Keep your finger on the pulse of your technician team and plan ahead

"Slow is smooth and smooth is fast"

- U.S. Navy Seals

// ORG

Remote support and team structure

Zenith PM team

Owner relationship

Approval rules

Policy lane

Operations Manager

Owns quality, capacity, margins, and escalations

HighPoint field team

Technicians

Work execution

Photos and notes

REMOTE SUPPORT LANE

Intake – triage – approvals – scheduling – documentation QA – billing checks – vendor coordination

> Do not confuse support with ownership: every step needs a named accountable owner.

// THE NO-LIST

What NOT to do as an in-house team

NO

Sometimes the most profitable job is the one you do not do.

Do not let the in-house team become a dumping ground.

Do not take every job

No work is free just because it is internal.

Do not blur licensing or risk

Sub out work beyond license, skill, insurance, or risk tolerance.

Do not subsidize owners

If you miss labor, materials, or admin cost, you are paying for the repair.

Do not bypass the workflow

Side channels create missing approvals, weak evidence, and billing gaps.

Do not ignore burnout

A great tech can become an ex-tech when the lane is chaotic.

// FOCUS

The Syndrome Observation: what are the important numbers?

If everything is important, nothing gets managed.

"When everyone's super... no one will be."

- SYNDROME, THE INCREDIBLES

OPERATIONAL TRANSLATION

If every KPI is critical, no KPI changes behavior.

Choose the numbers that trigger action

1

Utilization Rate by Tech

Are we on pace?

2

Callback Rate by Tech

Are we protecting quality?

3

Median Repair Time

Are we being efficient?

4

Tenant Ratings

Are we providing excellent service?

Build margin and outline expectations

Define the margin floor before the job starts - then manage the trade-offs.

Do not chase the highest number. Build a durable model.

Margin floor

Minimum gross margin
Hourly rate / trip fee
Material markup

⇄

Retention and capacity

Tech pay and burnout
Owner price sensitivity
Resident satisfaction

CLEAR EXPECTATIONS TO DEFINE

What is the lowest margin you will accept?
What requires owner approval?
What work is excluded?
What documentation is required?
What speed promise is realistic?

SPIKE-AND-CRASH WARNING

Pushing for the highest short-term margin can create price resistance, tech churn, lower quality, and owner distrust.

// SCALE

Growing pains

What breaks at 1 tech may be different from what breaks at 4 or 8 techs.

Growth reveals weak handoffs.

CONTROLS THAT ANSWER GROWTH PAIN

Daily technician standing morning meeting • Tech scorecards and coaching • Clear rules for when to sub out

Billing lag

Work is complete, but invoices wait.

Team expansion

More techs expose weak scheduling and training.

Quality control

Standards drift without a feedback loop.

Selling to owners

Owners need a clear value story and pricing logic.

PM adoption

PMs need confidence in the lane, not side-channel fixes.

Growth principle: every new tech adds capacity and management load. Plan for both.

// NICHE

Continued expansion and future goals / our niche

Growth should sharpen the niche instead of expanding into every possible job.

Our niche: disciplined residential rental maintenance.

Repeatable work. Clear expectations. Strong documentation. Faster feedback loops.

Niche clarity
Know what your team does best

Standards
Document the finish line

Capacity
Add techs only when support is ready

Margin
Profitable work funds better people and systems

Data
Review revenue, utilization, callbacks

Trust
Owners and PMs understand the value

Disciplined expansion

Future growth is not just more volume. It is better volume: jobs we can execute, document, bill, and stand behind.

// CLOSE

Closing thoughts

The maintenance company succeeds when control, team, and numbers mature together.

Own the process before you add capacity.

1. Separate companies but connect the handoffs.
2. Build the control system before scaling the bench.
3. Hire slowly; the wrong tech creates hidden cost.
4. Know the revenue target and the leakage points.
5. Protect the niche: the best internal team still needs a no-list.

FINAL THOUGHT

In-house maintenance is a powerful advantage only when it is managed like a business.

Q&A

Thank you!