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FORM: Weekly Summary of Landlord-Management Activities – IRS Regulation

1.469-5T(f)(4) For the week ending ___/___/___

NAME OF PROPERTY OWNER _____

MANAGEMENT ACTIVITY	HOURS
1 Analyze the rental market, including vacancies.....	_____
2 Analyze type of tenant (quality-wise) the property will attract (within fair-housing)....	_____
3 Analyze if the current market supports raising rents.....	_____
4 Analyze if cosmetic improvements can be made for higher rents.....	_____
5 Analyze if structural improvements can be made for higher rents (eg red floor plan)..	_____
6 Analyze if rents can be increased by catering to certain types (within fair-housing)...	_____
7 Check for any special tenant programs (such as Section 8 or assisted housing).....	_____
8 Market the property for rental.....	_____
9 Show the property for rental.....	_____
10 Decide the rental terms for tenant leases.....	_____
11 Take, accept and process tenant applications.....	_____
12 Thoroughly screen tenants by interviewing them.....	_____
13 Thoroughly screen tenants by checking prior landlord and job references.....	_____
14 Thoroughly screen tenants by checking out where they live or talking to neighbors.....	_____
15 Approve tenants, in accord with fair housing rules.....	_____
16 Disapprove prospective tenants in accord with fair housing rules.....	_____
17 Prepare the leases.....	_____
18 Review leases with tenants.....	_____
19 Move-in processing.....	_____
20 Move-out processing.....	_____
21 Clean & prepare units for rental.....	_____
22 Collect rents.....	_____
23 Handle any tenant evictions.....	_____
24 Handle any other tenant problems.....	_____
25 Initiate new rental & tenant selection policies (in accord with fair housing).....	_____
26 Review to reduce turnover costs via vacancies with better management.....	_____
27 Create management efficiency by separating/transferring utilities to tenants.....	_____
28 Create management efficiency by looking to use unutilized space (eg: attic)	_____

Weekly Summary of Landlord-Management Activities Cont.. for Week Ending ___/___/___

- 29 Review additional source of income from storage facilities..... _____
- 30 Review/collect additional sources of income from laundry facilities..... _____
- 31 Review/collect additional sources of income from vending machines..... _____
- 32 Review additional sources of income suggested by other landlords or publications..... _____
- 33 Review additional sources of income from option upgrade (ie: washer & dryer)..... _____
- 34 Plan or implement additional sources of income or resident retention programs..... _____
- 35 Review management strategies with other landlords (landlord discussion forum)..... _____
- 36 Review management strategies with other landlords (association meetings)..... _____
- 37 Do, review, or discuss renovations for property expansion..... _____
- 38 Train, hire, consult with or fire assistants, management company or managers..... _____
- 39 Recruit, hire, train, consult with or fire maintenance personnel..... _____
- 40 Supervise any assistants, managers, maintenance personnel or other management..... _____
- 41 Approve all capital or repair expenditures for management efficiency..... _____
- 42 Decide how makes or is to be responsible for repairs, maintenance & improve..... _____
- 43 Initiate/review strategies for property security, safety, and sanitation..... _____
- 44 Create management efficiency with a program of preventative maintenance (PM)..... _____
- 45 Review any property maintenance and service contracts (heater, pest control, etc.)..... _____
- 46 Set up purchasing procedures for maintenance supplies and materials..... _____
- 47 Shop and purchase maintenance supplies and materials..... _____
- 48 Review the reserve for the replacement of improvements, appliances, etc..... _____
- 49 Personally inspect the property for maintenance and management efficiency..... _____
- 50 Personally talk to the tenants for maintenance and management improvement..... _____
- 51 Review the insurance needs of the property for management efficiency..... _____
- 52 Reduce operating expenses without loss of property quality or safety..... _____
- 53 Review and update overall property management and operational procedures..... _____
- 54 Review property management or tenant tracking software programs..... _____
- 55 Review and /or update leases, applications and other rental forms..... _____
- 56 Read property management publications..... _____
- 57 Attendance at management seminars, conferences, boot camps and cruises*..... _____
 (*document hours for these activities by using separate form, which details attendance and classes at Real Estate Education Event)
- 58 Other_____ _____

TOTAL HOURS..... _____

In doing the above it is my intention to comply with the recording keeping requirements of Regulation 1.469-5T(f)(4) and IRS Publication 925 for the management and operation of my rental activity

 (Signature of rental property owner) (Date)

Real Estate Professionals

Eligible real estate professionals can treat rental real estate activities as nonpassive activities. Therefore, they can deduct rental real estate losses from other nonpassive income. The \$25,000 active rental loss limitation does not apply to these taxpayers.

Eligible taxpayers. Individuals and closely held C corporations must materially participate in their rental real estate activities to qualify for unlimited loss deductions.

The following requirement must also be met:

1. More than 50% of the individual's personal services during the tax year are performed in real property trades or businesses in which the taxpayer materially participates, and
2. The individual spends more than 750 hours of service during the year in real property trades or businesses in which the taxpayer materially participates.

Material Participation. To meet the material participation test in the items 1 and 2, above, taxpayers can elect to combine all interests in rental real estate and treat them as one activity. The election is made by filing a statement with the original return declaring that the taxpayer is a qualifying taxpayer for the taxable year and is making the election pursuant to Section 469(c)(7)A). Once the election is made, it is irrevocable unless there is a material change in the taxpayer's facts and circumstances.

Real property trades or businesses. Any real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing or brokerage trade or business.

► **Caution:** Services performed as an employee in real property trades or businesses do not count unless the employee is at least a 5% owner.

For married couples filing a joint return, the spouses' activities can be combined to determine whether they materially participate in their rental real estate activities. But, one spouse must separately satisfy the more-than 50% of personal services and the more-than 750 hours tests. Then income and losses from rental real estate activities in which there is a material participation (as previously defined) are nonpassive.

A closely held C corporation satisfies the eligibility test if more than 50% of its gross receipts are from real property trades or businesses in which the corporation materially participates.