

## **PROPERTY MANAGEMENT**

### **What is Property Management?**

Property Management means the physical, administrative or financial maintenance and management of real property, or the supervision of such activities for a fee, commission or other compensation or valuable consideration, pursuant to a property management agreement. NRS 645.019.

### **What is a Property Management Agreement?**

Property Management Agreement means a written contract between a client and a broker in which the broker agrees to accept valuable consideration from the client or another person for providing property management for the client. NRS 645.0192

### **What is a Property Manager?**

Property Manager means a person engaged in property management who, as an employee or independent contractor, is associated with a licensed real estate broker, whether or not for compensation and has obtained a Property Manager Permit. NRS 645.0195

### **What activities may a licensed real estate agent perform?**

A real estate licensee may rent, lease or lease option real estate and perform all activities necessary to represent their client, either the owner or the renter, leading to the conclusion of an agreement to rent, lease, or option the property involved. These activities include, but are not limited to, advertising a property, preparing the lease, rental or option agreement, having a credit check run on the prospective tenant, checking the tenant's references, doing a walk-through inspection with the tenant and negotiating the price and other terms and conditions of the agreement.

A real estate licensee may also accept an initial check for rent and deposits required by the rental, lease or option agreement. The check must be made out to the owner, property manager or escrow company. The real estate licensee's fee or commission must be made out to the broker with whom they are associated at the time of the transaction.

A real estate licensee may, during the listing and sale period, arrange for a listed property to have pool or yard maintenance, be cleaned and repaired. An agent may

also arrange for and coordinate repairs agreed to during and as a part of the sale negotiations.

### **What activities must be performed by one who holds a Property Manager Permit?**

Once an agreement to rent, lease or option has been concluded, an unpermitted real estate licensee may not be involved in any aspect of the physical, financial, or administrative management of the real estate which has been rented, leased or optioned. Issues which arise during the term of a rental, lease or option agreement must be handled by the owner of the property or a permitted Property Manager who has agreed to manage the property. Involvement with payments or collections, during the term of the rental or lease also require a property management permit. An unpermitted real estate licensee is also prohibited from engaging in the management of real estate during periods between rentals, leases or other transactions.

A permitted property manager must enter a written property management agreement with the client pursuant to NRS 645.6056 before commencing the management of any real estate. This agreement must be approved and signed by the permitted broker or designated broker salesman.

### **What actions may be taken if unlicensed property management activities are conducted which require a license?**

It is unlawful for any person, limited-liability company, partnership, association or corporation to engage in the business of, act in the capacity of, advertise or assume to act as, a (a) Real estate broker, real estate broker-salesman or real estate salesman within the State of Nevada without first obtaining the appropriate license from the Real Estate Division as provided for in this chapter; and (b) Property manager within the State of Nevada without first obtaining from the Real Estate Division a license as a real estate broker, real estate broker-salesman or real estate salesman and a permit to engage in property management. NRS 645.230.

The Real Estate Commission may impose an administrative fine against any person who knowingly: (a) Engages or offers to engage in any activity for which a license, permit, certificate or registration or any type of authorization or any regulation if the person does not hold the required license, permit, certificate or registration or has not been given the required authorization; or (b) Assists or offers to assist another person to commit the above described violation.

The Real Estate Commission may impose an administrative fine for conducting

unlicensed property management activity in an amount not to exceed the amount of any gain or economic benefit that the person derived from the violation or \$5,000, whichever amount is greater. NRS 645.235.

To view the applicable statutes and regulations in their entirety, visit our website at [www.red.state.nv.us](http://www.red.state.nv.us).

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