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The Problem with Home Warranties

Many Centurion owners have home warranties on their income properties and have been experiencing difficulties when property repairs necessitate calling the warranty company. Centurion has no control once the problem has been reported to the warranty company. Here are some of the problems Centurion has seen:

- Vendors (recommended by the home warranty company) are taking 3-4 business days to schedule with tenants. Once scheduled, they only provide a diagnosis, and leave the property without doing repair work because they have to return to their office to provide the mandatory written report to the home warranty company's authorization department. *(Previously, they could call authorization department while on site).*
- Authorization departments take an additional 24-72 hours to approve work. Vendors then have to call tenants again to schedule to go back and complete work.
- We are also noticing home warranties are not covering many items anymore – they are only covering parts that effect the functionality of

the item (motors, timers, control boards, etc). Faucets, handles, tub spouts, drains, dryer vents, water hoses, oven racks, irrigation, etc., are not being covered.

- Centurion has also seen that all appliances are not being covered anymore UNLESS owners are purchasing the “added appliance protection”. This is an additional policy and cost.
- Your claim can be denied if the problems existed before. When something happens, you file a claim (or “service call”). An adjuster/vendor comes out to assess the damage and submits his findings to the home warranty company, which renders a decision. That decision could be a denial of your claim. One of the most common reasons home warranty companies deny claims is due to pre-existing conditions, or problems that existed before you purchased the policy. The company may even require that you turn over a copy of the home inspection report to ensure that the issue wasn't cited during the inspection.
- You can't pick your contractor.

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7 Affordable Upgrades for Your Rental Properties

When viewing a property, many times prospective tenants see the property's skin deep assets. In other words, they want pretty. While your property may offer great views of the city, or schools within walking distance, prospective tenants want to see 'pretty' when they walk in the door.

There are some easy, inexpensive ways to give prospective tenants what they want:

- Replace Cabinet Doors. Replacing the cabinet doors offer a clean upgraded look for very little cash outlay.
- Add a Fresh Coat of Paint. The improvement with the highest ROI is a bucket of paint. Don't be afraid of adding a bit of color.
- Replace Doors. Doors tend to get damaged at rental properties.
- Pressure Wash. Pressure washing the patios, sidewalks and exterior can make a huge difference.
- Landscape. Choose plants and trees that need little care and water.
- Install Wood Flooring. Moderately priced composite wood flooring is a great alternative to carpeting.
- Add Backsplashes. Many times you can purchase partial boxes of a high-end backsplashes at large home improvement stores for a fraction of their original cost. This gives nearly any property that 'HGTV' look that prospective tenants love.

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- Warranty providers require that homeowners work with specific, pre-approved contractors. Homeowners may sometimes be disappointed in a long wait time for service or poor quality of service provided by these contractors, but they can't fire them and pick their own.
- You may get repairs when what you want is a replacement. The service technician will always try to repair the appliance or system first and replace it only if it is beyond repair. That can be a hassle. One owner found this out when his rented income property was covered by a home warranty. Several contractors told the owner that the 20-year old A/C unit should really be replaced, but the warranty company wanted to keep repairing the old system. As a result, the A/C went out three times over the course of one hot summer.

Should you buy a Home Warranty?

There are several primary factors to consider when considering buying a home warranty:

- What condition are the home, systems, and appliances in? If the heating, air conditioning, and appliances are older, the greater the need to protect against failure.
- Can you afford to repair the items yourself? If replacing the furnace or buying new appliances in the next year would cause a financial hard-

ship, you may be better off buying a warranty.

- Are you planning on replacing the items in the near future? If you know you are going to remodel the kitchen and purchase all new appliances shortly, it doesn't make sense to protect them.
- What is covered and what is excluded? Read the policy so you know what coverage it provides. Each warranty provider has their own limits, rules, and caps on repair costs. When you couple that with long wait times to go through the process, these factors may make the warranty not worth the cost.

It is important to remember that the Nevada Revised Statutes protect tenants and the habitability of the property. The NRS states: *"The landlord shall at all times during the tenancy maintain the dwelling unit in a habitable condition. A dwelling unit is not habitable if it violates provisions of housing or health codes concerning the health, safety, sanitation or fitness for habitation of the dwelling unit or if it substantially lacks..." hot and cold running water, heat, air conditioning, electricity and more.* **MOST IMPORTANTLY A LANDLORD HAS ONLY 48 HOURS TO REPAIR OR REPLACE AN AIR CONDITIONING UNIT OR FACE DAILY FINES.** Many home warranty companies cannot guarantee repairs in this time frame

Centurion's Repair Contractors

Centurion Management Services has expanded our contractor's list to offer both owners and tenants faster service for repair calls. We currently have 85 vendors we work with. The Las Vegas area has seen a 30% increase in contractor pricing in the last year. Business and building is booming in Southern Nevada. Price have gone up, and reliable contractors are frequently engaged elsewhere.

We require our service providers/contractors to be bonded, licensed and insured. These requirements protect you and your property. While there are many 'handymen' out there, not all handymen meet our legal requirements.

Of course, owners may choose to do their own repairs or hire their own contractors. Either way, the 48 hour habitability statute still applies.

If you have any questions regarding our contractor's list, please feel free to call Centurion.

Amenities Tenants Look for in a Property

According the National Association of Realtors, these are the top amenities that prospective tenants look for in a rental.

- Location.
- Renovations.
- Open Floor Plan.
- Stainless Steel Appliances.
- Available Parking—Particularly Off-Street.
- Laundry in Building/Unit.
- Closet Space/Storage Space.
- Large Windows/Natural Light.

It will be Sizzling Soon! Time for an A/C Tune-up!

\$99*

Centurion is offering our owners a air conditioning tune-up special for the low price of \$99. In Las Vegas, air conditioning units get a real workout. Be proactive and have your investment property's A/C unit checked out.

*does not include any repairs or parts