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Nevada Covid-19 Update

Governor announces Nevada United: Roadmap to Recovery plan

On April 30, 2020, Nevada Governor Steve Sisolak announced the State's Nevada United: Roadmap to Recovery plan, designed to build a path forward and safely restart Nevada's economy.

"This roadmap outlines a coordinated, state-specific plan to address the COVID-19 public health and economic crisis. The core guiding principle is that our efforts should be federally supported, state managed, and locally executed," said Gov. Sisolak. "I am confident that if leaders and stakeholders throughout Nevada work together to accomplish our shared goals, anything is possible, even in the most trying of times. We will do this as quickly and safely as we possibly can, with a gradual, phased-in approach."

The press conference can be watched on Governor Sisolak's YouTube page.

Owner Notes:

Please remember, Governor Sisolak's Emergency Directive 008 specifically prohibits Landlords from imposing penalties against Tenants for unpaid rent. Refusing to maintain a habitable living space or withholding essential services due to non-payments can be considered a penalty against the Tenant.

STAY HOME FOR NEVADA

Businesses – Directive 003
Essential Businesses open with restrictions*, including: restaurants, grocery stores

Non-essential businesses closed
(including casinos)

Social Distancing/Public Life
No gatherings of 10 or more people with certain exceptions
Strict social distancing guidelines to promote stay at home directive
No non-essential travel. Travel Advisory remains in place.

Now through May 15 or until state meets reopening criteria

8 tips for collecting rent during the Coronavirus Pandemic:

Tip #1 – Know Nevada regulations

Nevada has ordered all evictions to be suspended.

Keep in mind: Even if you could evict, the law will not allow you to place a new tenant. And it may be difficult to find renters when most people have been ordered to stay home.

Tip #2 – Communicate with your tenants

Tenants are required to give their landlords notice if they won't be able to pay rent due to COVID-19. The timeframe in which they need to do this varies depending on where your properties are located, so make sure to check with your local municipality.

However, it's likely that many tenants who won't be able to pay rent will let you know regardless of what the local law is. Many tenants have already communicated with our owners that they won't be able to pay, and we encourage owners to work with them to set-up payment plans.

Tip #3 – Ask for Verification

While it's important to be compassionate right now, it's also important to ask for verification when a tenant says they can't pay their rent due to COVID-19. There's a big difference between a tenant who has completely lost their job due to Coronavirus and one who lost a quarter of their income, but is still making \$8,000 per month. The first tenant should be able to defer their entire rent payment. The second tenant should probably still pay their rent.

Long story short, if a tenant says they can't pay their rent and their verification doesn't line up, you may still be able to serve a notice to pay or quit. You won't be able to actually remove the tenant until after the state of emergency has ended, but it'll send a strong message to your tenant that you are serious about collecting rent payments.

In other words, be willing to help the tenants that really need it, but don't get taken advantage of by those that are fearfully hoarding money or just don't want to pay rent for a few months.

Tip #4 – Encourage tenants to pay what they can. Even partial payments are better than no payments.

We encourage you to work with your tenants who are affected and see if they can swing making partial payments. If they lost half of their income, offer them half off their rent until the state of emergency is over. Just make sure to let them know in writing that their partial rent payment will not satisfy their full rental obligation.

Once they're working normally again you can prorate out the amount they owe over a period of 6-12 months and add it to their normal monthly rent payment.

Tip #5 – Set-up a payment plan

If a tenant comes to you and says they won't be able to pay all or some of their rent this month, and their verification checks out,

work with them to come up with a payment plan.

If their rent is \$1,500 per month, see if they can pay \$250 per month over the next 6 months. If they still can't pay rent next month, extend the payment period for an additional 6 months. Once the state of emergency is over, and they hopefully get their job back, you can add the additional \$250 to their normal monthly payment until the debt is repaid.

Tip #6 – Reach out to your lender to see what kind of help they can give you

One of the biggest fears for landlords is that they won't be able to make enough income due to lost rents, which will cause them to default on their mortgage payments.

If you're in this situation, reach out to your lender and be transparent. Tell them exactly how much rent you've lost per property, give them a breakdown of your monthly expenses, and let them know how much you'll reasonably be able to pay every month to avoid defaulting.

They may be willing to help lower your monthly payments or help you qualify for an additional low interest loan to cover the difference. It never hurts to ask!

Tip #7 – See if you qualify for a government loan

If your lender won't work with you, you can also see if you can qualify for a government loan. For example, SBA Economic Injury Disaster Loans (EIDL) are available for rental property owners in all U.S. states and territories.

Here's how it works:

- The loan offers up to \$2 million in assistance

- The loan terms are 30 years at a rate of 3.75%

- No payments are necessary for the first 12 months

- There's no prepayment penalty

- Funds are to be used for working capital needs

Unfortunately the EIDL grant is not available for landlords that don't have employees.

Tip #8 – If you have vacancies, consider doing virtual tours and offering bigger incentives to get units rented

Filling vacancies right now is not be easy, especially because it'll be difficult to maintain a six foot social distance when doing a tour. To combat this problem, we encourage our owners to allow us to conduct live virtual tours of their vacant units.

We can do this over Facetime, Zoom or Skype, and it will give you the opportunity to point out the custom cabinets, new appliances, or amazing walk-in closet. It will also allow both Centurion and you to get a feel for the prospective tenant (to make sure they're someone you actually want to rent to) and to answer their questions in real time.

If you really want to get your units rented quickly, you might also consider offering an incentive like, 2 weeks or a month of free rent. You could also waive the security deposit or offer a free parking spot for a year.