

SAMPLE · PROPERTY MANAGEMENT

First Business Analysis

Property Management Business

Prepared for the owner of Property Management Business. Prepared by Sannidhi, Santa Cruz, California. October 2026. All figures are as of 30 September 2026.

This is a sample. Property Management Business is a fictional company and every figure in this document is invented. The format, the depth and the method are what a real client receives.

CONTENTS

- 01 The short version
- 02 What you asked for
- 03 What we looked at
- 04 The shape of your business
- 05 Where the money comes from and where it goes
- 06 Who stays and who drifted
- 07 How new customers find you
- 08 How fast you answer
- 09 What customers say
- 10 How your week runs
- 11 Your software and your records
- 12 What breaks if you are away for a month
- 13 What AI is worth using here
- 14 The options, the three fixes and the scorecard

Three years of your own records, read in full: 7 software programs, 142 units, 58 management agreements, 3,290 work orders, 9,420 phone calls and every owner statement since October 2023.

Two labels are used throughout this document. **From your data** means the figure was counted from your own records. **Our estimate** means it is a projection, and the assumption behind it is stated beside it so you can disagree with it.

This document also uses two kinds of money. **Rent** belongs to the property owners you work for. **The firm's revenue** is what Property Management Business earns: management fees, leasing fees, maintenance markups and other fees. Each figure says which one it is.

01

The short version

Property Management Business is a sound firm that is losing money in three places it cannot currently see. In one of them, most of the money lost belongs to your property owners.

WHAT IS WORKING

- The firm's revenue has grown each year, to \$540,000 in the last twelve months. FROM YOUR DATA
- Tenants stay. 71% of leases that ended were renewed, and the average tenant has been in place 2.9 years. FROM YOUR DATA
- Property owners recommend you. 4 of your 6 new owners came from another owner. FROM YOUR DATA

WHERE YOU ARE LOSING MONEY

- **Empty units.** A unit sits vacant for 34 days between tenants. In 29 of 36 turnovers it was not advertised until it was empty. 412 people who asked about a vacancy never got a reply. FROM YOUR DATA
- **Fees you are allowed to charge and did not.** 23 vendor invoices worth \$9,840 were paid by the firm and never billed to the property owner. 96 invoices carried no markup, and 28 renewal fees were not charged. FROM YOUR DATA
- **Property owners who leave.** 5 owners left with 11 units. Three of them told you why in writing: late statements and repairs they heard about afterward. FROM YOUR DATA

THE THREE THINGS TO FIX, IN ORDER

1. Fill empty units sooner. What it is costing you: about \$27,540 a year of your owners' rent, and about \$2,340 a year of the firm's fees. OUR ESTIMATE
2. Charge what your agreements allow and bill back every vendor invoice. About \$20,240 a year of the firm's revenue. OUR ESTIMATE

3. Keep the owners you have: statements on time, and no repair an owner first learns about from a statement. About \$5,304 a year of the firm's revenue. **OUR ESTIMATE**

The one number to improve first: days vacant per turnover. Today it is 34.

These figures are what each problem is costing you. They are not a promise of what will be recovered.

02

What you asked for

On our first call, you were asked: if you could wave a wand and have one thing in your business handled automatically, perfectly, every time, what would it be?

Your answer, word for word:

"The day a tenant gives notice, the unit is listed, the make ready is booked before they move out, and every person who asks about it gets an answer. And I am not the one chasing all three."

The records agree with you. In 29 of 36 turnovers the listing went live after the tenant had left. The first vendor arrived 5 days after move out. 412 rental inquiries got no reply. Fix 1 is built around your answer.

What we looked at

SOFTWARE	WHAT WAS READ	PERIOD
AppFolio	142 units, 58 owners and their management agreements, 311 leases, 3,290 work orders, vendor bills, owner statements, 6,240 owner messages and 11,900 tenant messages in the last year	October 2023 to September 2026
QuickBooks Online	The firm's own books: every deposit, bill and the general ledger	October 2023 to September 2026
Quo phone system	9,420 inbound calls and 7,800 texts	October 2025 to September 2026
Listing sites	1,940 inquiries that reached AppFolio, and what was spent on paid listings	October 2025 to September 2026
Google Business Profile	Views, calls, website clicks, reviews	April 2025 to September 2026
Website inquiry form	161 inquiries: 130 from renters and 31 from property owners	October 2025 to September 2026
Vendor scheduling spreadsheet	Who is booked for which unit, and when	Current version and 14 months of history

What was missing. Nobody records why an owner leaves. A reason for moving out was recorded for 14 of 36 tenants. Staff time is not tracked by unit or by owner. Phone history before October 2025 is not held.

Confidence. High on vacancy, leases, rent, work orders, fees and the firm's books. Medium on reply times, because some replies were made by personal mobile phone and are not in any of your software. Low on staff time per unit, which is an estimate and is labeled as one.

The shape of your business

You collected \$4,200,000 in rent for your owners in the last twelve months. That money is theirs. The firm's own revenue was \$540,000. FROM YOUR DATA

WHERE THE FIRM'S REVENUE CAME FROM	LAST 12 MONTHS	SHARE
Management fees, 8.5% of rent collected on average	\$357,000	66%
Maintenance markup, 10% on vendor invoices	\$64,000	12%
Leasing fees on 41 new leases	\$53,300	10%
Lease renewal fees	\$9,200	2%
Late fees, application fees and other fees	\$56,500	10%
Total	\$540,000	

Growth is slowing. Revenue rose 5.8% two years ago and 2.5% in the last twelve months. FROM YOUR DATA

You manage two fewer units than a year ago. You gained 6 owners with 9 units and lost 5 owners with 11. You began the year with 144 units and ended it with 142. FROM YOUR DATA

Five owners hold 29% of your units. The largest holds 14 units and brings in about \$44,000 a year, or 8.1% of the firm's revenue. 34 of your 58 owners have one unit each. FROM YOUR DATA

Move outs follow the calendar. 21 of the 36 turnovers fell between April and September. A unit that empties in winter sits longer: 41 days in October to December against 29 in July to September.

FROM YOUR DATA

This picture decides the order of everything below. The firm does not need more owners first. It needs to fill, bill and keep what it already manages.

05

Where the money comes from and where it goes

The firm kept 9 cents of every dollar it earned. Operating profit was \$48,600 on \$540,000, after your own salary. FROM YOUR DATA

WHERE EACH DOLLAR OF THE FIRM'S REVENUE WENT	SHARE
Pay for six people, yours included	61%
Office, insurance and vehicles	15%
Accounting, licenses and other costs	8%
Advertising and listing fees	4%
Software	3%
Operating profit	9%

Vendor invoices paid and never billed back: \$9,840. We matched every vendor payment in QuickBooks against every charge to an owner in AppFolio. 23 invoices were paid from the firm's own account and never charged to the property. Most were urgent repairs paid by company card. FROM YOUR DATA

Markup missed on 96 invoices: \$4,800. Your agreements allow 10% on vendor work. It was applied to \$640,000 of invoices and not to another \$48,000. All 96 belong to 9 owners whose markup was never entered in AppFolio. FROM YOUR DATA

28 renewal fees not charged: \$5,600. 88 leases were renewed. The agreements allow a \$200 renewal fee on 74 of them. It was charged on 46. FROM YOUR DATA

65 late fees were not charged, with no reason recorded. Rent was late 437 times in 1,704 monthly charges. A fee was charged 372 times and collected 324 times, which brought the firm \$24,300.

FROM YOUR DATA Whether and when a late fee may be charged is set by the lease and by law. Please check this. It is not counted in the cost figures.

Each vacant day costs the owner \$85 and the firm about \$7. Average rent is \$2,600 a month. The 36 turnovers added up to 1,224 vacant days. That is \$104,040 of rent your owners did not receive and \$8,843 in management fees the firm did not earn. FROM YOUR DATA

Tenants owe \$61,400 in rent today. \$38,200 of it is more than 30 days late and is owed by 11 tenants. Three of them owe \$21,900. This is the owners' money. FROM YOUR DATA

Five units cost more to manage than they earn. Two owners with 5 units paid \$11,900 in fees. Their messages, calls and work orders took about 9 staff hours a week, which costs \$15,912 a year. *Our estimate, from counts of messages, calls and work orders at a full staff cost of \$34 an hour.*

Software costs \$14,280 a year across 9 tools. Two of them do a job AppFolio already does, at \$85 a month. FROM YOUR DATA

06

Who stays and who drifted

This part covers two groups: the tenants in your units, and the owners who hire you.

Tenants: 71% of leases that ended were renewed. 124 leases reached their end date. 88 were renewed and 36 tenants moved out. FROM YOUR DATA

21 of the 88 were never offered a renewal. Those leases rolled to month to month with no offer sent. The rent stayed the same and no renewal fee was charged. Where an offer was sent, it went out 38 days before the lease ended and the rent rose 3.6% on average. FROM YOUR DATA The same increase on those 21 units would have been about \$23,600 a year of owners' rent. *Our estimate, at average rent.* Limits on rent increases are set by law. Check each unit before acting on this figure.

Why tenants left. A reason was recorded for 14 of the 36. Five bought a home, four left the area, three named repairs and two named the rent. FROM YOUR DATA

Owners: 5 left in the last twelve months, with 11 units. Those units paid \$29,172 in management fees in their last full year. FROM YOUR DATA

Two of the five sold their properties. The other three, with 7 units, wrote to you before they left. Two named statements that arrived late. Two named repairs they first saw on a statement. One named a message that was not answered. *From your data, in their own emails.*

The records support what they said. Your agreements promise statements by the 10th. They went out by the 10th in 5 of the last 12 months, and on the 14th in a typical month. 17% of owner messages waited more than two business days for a reply. FROM YOUR DATA

07

How new customers find you

A property management firm has two kinds of new customer: owners who hire it, and renters who fill its units.

Property owners: 31 asked about management and 6 signed. FROM YOUR DATA

SOURCE OF NEW OWNERS	OWNERS	UNITS
Referred by a current owner	4	7
Google search and your Google profile	1	1
Referred by a real estate broker	1	1
Total	6	9

Your best source costs nothing and has no process. Nothing in your software asks a satisfied owner for a referral. 9 of the 31 owner inquiries waited more than two days for a first reply.

Renters: 2,380 inquiries became 41 signed leases. FROM YOUR DATA

STEP	COUNT	SHARE OF THE STEP BEFORE
Rental inquiries	2,380	
Showings booked	760	32%
Showings attended	532	70%
Applications	124	23%
Applications approved	67	54%
Leases signed	41	61%

228 booked showings were missed by the renter. Each one cost a staff trip. FROM YOUR DATA

26 approved applicants did not sign. A decision took 4 days from a complete application. In their messages, 15 of the 26 said they had taken another home. FROM YOUR DATA

Paid listings cost \$6,800, or \$166 for each signed lease. That is a fair price. The loss is in what happens after the inquiry arrives. FROM YOUR DATA

Your Google profile is seen 1,900 times a month. Most of its 1,120 call clicks in 18 months came from tenants looking for your number. FROM YOUR DATA The profile is right. Two other listings show your old suite number.

08

How fast you answer

412 rental inquiries never got a reply. 318 came from listing sites, 62 were phone calls from new numbers that were missed and not returned, and 32 came from your website form. FROM YOUR DATA

The inquiries that were answered waited 19 hours. That is the median time to a first reply. FROM YOUR DATA

FIRST REPLY	INQUIRIES	REACHED A BOOKED SHOWING
Within 1 hour	520	52%
1 to 24 hours	890	37%
More than 24 hours	558	29%
Never	412	None

44% of inquiries arrive when the office is closed. That is 1,047 of 2,380. FROM YOUR DATA

One call in four is missed. 2,261 of 9,420 inbound calls went unanswered. Most were tenants and owners who reached you later. FROM YOUR DATA

What this is worth. Slow and missing replies show up as vacant days, so we count them once, in Fix 1, and do not add a second figure here.

09

What customers say

64 Google reviews, average 3.7. 17 arrived in the last twelve months. 13 were from tenants and averaged 2.9. 4 were from owners and averaged 4.8. FROM YOUR DATA

38 reviews have no reply, including nine of your eleven reviews below three stars.

What people praise: staff who are kind on the phone, and rent and statements that are accurate. **What people complain about:** a repair with no update, and not hearing back about a vacancy. Both complaints match the records in parts 8 and 10.

Something to check. Four reviews mention how long a deposit took to come back. Deposit timing is set by law. We did not test your records against it. Check this with your attorney.

10

How your week runs

1,136 work orders were opened in the last twelve months, or 8 for each unit. Half were closed within 6 days. FROM YOUR DATA

OPEN WORK ORDERS ON 30 SEPTEMBER 2026	COUNT
Open 14 days or fewer	36
Open 15 to 30 days	28
Open more than 30 days	19
Total open	83

47 work orders are more than 14 days old. 29 of them show no message to the tenant in the last 7 days, and 11 are waiting for an owner to approve the cost. FROM YOUR DATA

One repair in eight comes back. 138 work orders returned to the same problem in the same unit within 60 days. 57 of those were plumbing. FROM YOUR DATA

Three vendors do 58% of your work. When one is busy, repairs and make readies wait together. FROM YOUR DATA

A make ready takes 13 days, and the first 5 are spent waiting. The vendor spreadsheet shows the first visit is booked after the keys are returned, not when notice is given. FROM YOUR DATA

WHERE THE 34 VACANT DAYS GO	DAYS
Move out to make ready finished	13
Make ready finished to listing live	4
Listing live to lease signed	11
Lease signed to move in	6

12 units produce 23% of your work orders. They belong to 4 owners, who also sent 1,410 of the 6,240 owner messages. FROM YOUR DATA Two of those owners are the ones in part 5 whose units cost more than they earn.

Late rent is chased late. AppFolio sends a reminder when rent is due. The first personal contact comes on day 9. 38% of tenants pay automatically. FROM YOUR DATA

Your own hours. Quo shows 9 hours a week of calls on your own line. FROM YOUR DATA You put email at another 17 hours, for 26 hours a week on calls and email. *Our estimate, from your own count of a typical week.*

11

Your software and your records

The tools are good. Parts of them are not switched on, and one spreadsheet sits outside them.

TOOL	WHAT IT DOES FOR YOU	VERDICT
AppFolio	Leases, rent, work orders, vendor bills, owner statements, messages, listings	Keep. Enter every fee term from every agreement.
QuickBooks Online	The firm's own books	Keep. Match it to AppFolio every week.
Quo	Phones and texts	Keep. Add a text back on missed calls.
Vendor scheduling spreadsheet	Who is booked for which unit	Replace with vendor assignments on AppFolio work orders.
Listing sites	Advertising vacancies	Keep. List on the day notice arrives.
Website inquiry form	Renter and owner inquiries	Keep. Send each inquiry into AppFolio, not an inbox.
Google Business Profile	How you are found, and reviews	Keep. Reply to every review.
Two overlapping tools	A second signing tool and a showing calendar nobody uses	Cancel. \$85 a month.

The spreadsheet and AppFolio do not agree. Your maintenance coordinator spends about 6 hours a week keeping them in step. On 30 September, 14 jobs in the spreadsheet had no work order in AppFolio. *From your data, and our estimate for the hours.*

Fee terms are entered for 49 of 58 owners. The other 9 are the owners whose invoices carried no markup. Nothing in your software raises a renewal fee. It depends on someone remembering.

FROM YOUR DATA

Nothing compares QuickBooks with AppFolio. That is how 23 paid invoices were never billed back.

Record gaps. 12 units show a rent in AppFolio that differs from the signed lease. 21 leases have no renewal offer on record.

Access. 4 people who no longer work for you still have a working login to at least one program.

FROM YOUR DATA You should deal with this this week.

For you and your accountant to check. Three owner ledgers showed a negative balance at a month end during the year. Rules for money held for owners are set by your state. We report the count and give no advice on it.

What depends on one person's memory. Which vendor to call for which building is known to your maintenance coordinator. The steps to close the month and send statements are known to your bookkeeper. Neither is written down.

12

What breaks if you are away for a month

- **Repairs over \$500 stop.** You approve each one. 11 are waiting today.
- **Statements depend on one person.** Nobody else has closed a month.
- **The vendor list depends on one person** and one spreadsheet.
- **One owner holds 14 units** and 8.1% of the firm's revenue.
- **The broker license the firm operates under is yours.**
- **Three tenants owe \$21,900,** and nobody is assigned to follow it each week.

None of these is a crisis today. Each one could become a crisis after a single event.

13

What AI is worth using here

WORTH DOING NOW

- **A reply to every rental inquiry within minutes, at any hour,** answering from the listing and offering showing times. Every person gets the same information in the same words. A staff member takes over any question about qualifying. You approve the wording once, and your attorney should read it once.
- **A listing drafted the day notice arrives,** from the unit's last listing and its record, for your property manager to approve.
- **A weekly check of vendor payments against charges to owners,** and of fees allowed against fees charged.
- **An update to the tenant on every open work order,** and a daily list of work orders that have not moved.
- **A renewal offer drafted 90 days before each lease ends,** for your property manager to review and send.
- **A short note in plain words with each owner statement,** naming every repair in the month.

NOT WORTH DOING YET

- **Automated tenant screening decisions.** An approval or a denial carries legal duties, and a person must be able to explain each one. You receive about two applications a week. The 4 day wait comes from applications sitting in a queue, not from the decision being hard.
- **Software that sets your rents.** You sign about 41 new leases a year, and your property managers know each street. Automated rent setting is also under legal challenge in several places.

- **An automated voice answering your phone.** A tenant with water coming through a ceiling needs a person. A text back on a missed call keeps that.
- **Replacing AppFolio or paying for a higher plan.** Nothing in this analysis is caused by AppFolio. The gaps are settings not entered and steps nobody is responsible for.

14

The options, the three fixes and the scorecard

Option A: do nothing. The firm stays profitable. The losses in this document continue at roughly their current size, and more owners are leaving than a year ago.

Option B: fix it yourselves. Everything here can be done by your own office with this document as the plan. The limit is time: your staff already miss one call in four.

Option C: Sannidhi does it. The three fixes below, in order.

FIX	WHAT GETS DONE	WHAT IT IS COSTING YOU	COST
1. Fill empty units sooner	Listing drafted the day notice arrives. Make ready vendors booked before move out. Every inquiry answered within minutes. A text back on missed calls. Applications decided within 2 days, by your staff.	About \$27,540 a year of owners' rent. About \$2,340 a year of the firm's fees. OUR ESTIMATE	Included
2. Charge what is allowed	Weekly match of vendor payments to owner charges. Fee terms entered for all 58 owners. Renewal fees raised where the agreement allows. The 23 unbilled invoices billed, each with your approval.	About \$20,240 a year of the firm's revenue. OUR ESTIMATE	Included
3. Keep your owners	Statements out by the 10th. A note with each statement. Owners told of a repair when it is opened. A reason recorded when an owner leaves. The two owners whose units cost more than they earn brought to you for a decision.	About \$5,304 a year of the firm's revenue. OUR ESTIMATE	Included

Together the three places you are losing money add up to about \$27,884 a year of the firm's own money, a little over 5% of the firm's revenue. The \$27,540 of rent in Fix 1 is in addition, and it belongs to your owners.

EVERY COST, STATED PLAINLY

- Sannidhi: \$500 a month.
- New software: none. Two tools are cancelled, which saves \$85 a month.
- Your time: one hour a week to read the Monday report and make the decisions it asks for.

How the estimates were built. Fix 1 assumes 9 fewer vacant days on each of 36 turnovers: the 4 days a finished unit waits to be listed, and 5 of the 13 days a make ready takes. That is 324 days at \$85 for owners, and 8.5% of that for the firm. Fix 2 is \$9,840 in unbilled invoices, \$4,800 in missed markup and \$5,600 in renewal fees. Fix 3 assumes one of the three owners who named a reason had stayed, with 2 of the 11 units that left.

What comes first. Fix 1 starts in the first week, because it is what you asked for and it is the largest sum at stake. Fix 2 starts with the 23 unbilled invoices, since that money has already been spent by the firm.

Your scorecard

These are your main numbers as of 30 September 2026. The same ten are measured again every quarter, and your Monday report tracks them in between.

MAIN NUMBER	TODAY	WHERE IT COMES FROM
The firm's revenue, last 12 months	\$540,000	QuickBooks
Units under management	142	AppFolio
Days vacant per turnover	34	AppFolio
Rental inquiries with no reply	412 a year	AppFolio, Quo, website form
Leases renewed	71%	AppFolio
Rent paid by the 5th of the month	74%	AppFolio
Work orders open more than 14 days	47	AppFolio
Fees and vendor invoices allowed and not billed	\$20,240 a year	AppFolio and QuickBooks
Day of the month owner statements go out	14th	AppFolio
Your hours a week on calls and email	26	Quo and your estimate

What we could not tell from your records

- **Why owners leave.** Three reasons came from emails. A one line reason on every ended agreement fixes this from now on.
- **What each unit costs you in staff time.** Nobody tracks time by unit. Our figure is built from counts of messages, calls and work orders.
- **Why most tenants move out.** 22 of 36 gave no recorded reason.
- **How fast inquiries were answered from personal mobile phones.** Those replies are in none of your software, so some of the 412 may have been answered.
- **Whether the 21 month to month units could take a rent increase.** That depends on each unit and on the law.



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