



Maintenance Duty for Property Managers

This case examines a scenario in which a real estate licensee acting as a property manager failed to perform his requisite maintenance duties in compliance with the property management agreement. When a real estate licensee is acting as a property manager, the licensee must have any necessary maintenance on the property performed in accordance with the terms of the property management agreement and the lease. This includes maintenance requests made by the tenant(s) via any reasonable means.

The Situation:

On May 4, 2010, Jaylen Miller was issued a real estate salesperson's license. On September 18, 2022, his license was upgraded to a Broker's license, and he became a principal broker of his own firm.

On March 1, 2023, Rick Murdock, owner, entered into a property management agreement with Miller's property management firm, Miller Co., to for the real property located at 123 East Broad Street, Roanoke, Virginia.

On March 9, 2023, John Stevenson, as Tenant, and Miller Co., as Landlord, entered into a residential lease agreement for the property.

On August 12, 2023, the Board received a written complaint from Rick Murdock regarding agent Jaylen Miller.

The Investigation:

In March 2023, Murdock, as owner, entered into a Virginia REALTORS® Residential Property Management Agreement with Miller's property management company, Miller Co. Miller was to manage Murdock's property located at 123 East Broad Street, Roanoke, Virginia. The property management agreement was to be effective March 1, 2023, through March 1, 2024, though the parties mutually agreed to a release on July 1, 2023.

On March 9, 2023, John Stevenson, as tenant, and Miller Co., as landlord, entered into a Virginia REALTORS® Residential Lease for the subject property. The rent for the subject property was \$1,700.00 per month for a period of twelve months. Pursuant to the lease, Stevenson paid a \$1,700.00 security deposit which was deposited in Miller Co.'s escrow account.

On April 12, 2023, Stevenson contacted Miller Co. through their online tenant communication portal to inform them of a leak that was apparent in the front yard of the property. On April 13, 2023, Stevenson again contacted Miller Co. to inform them the outdoor leak was ongoing, and an indoor pipe had now sprung a leak as well. On April 19, 2023, Stevenson again contacted Miller Co. as the leaks inside and outside were ongoing and no one had come to the property to make any repairs.

On May 3, 2023, Stevenson contacted Murdock regarding the leaks. Murdock had not been aware of the leaks and subsequently contacted Miller. Miller sent a plumber to the property who determined that trees would have to be removed to replace the ruptured pipes. Stevenson was relocated to a hotel while the repairs to the property were made.

On May 22, 2023, Stevenson was able to return to the property. Murdock and Miller agreed to terminate their property management agreement effective July 1, 2023. During the Board's informal fact-finding process, Miller explained that the reason no efforts had been made to make repairs upon Stevenson's first report of a leak was that Stevenson's communication was made with Miller Co. through its online tenant communication portal, rather than through the online service request feature.

The Result:

Miller was found to have violated Virginia Code section 54.1-2134.A.1 which requires real estate licensees engaged as property managers to perform in accordance with the terms of the property management agreement, which, in this case, included attending to all necessary maintenance to the

property. The Board found that Stevenson's failure to utilize the online service request feature for maintenance did not absolve Miller Co. of its responsibility to perform maintenance, when it had been notified by the tenant of required maintenance by other means. Miller was fined \$800.00, was placed on probation by the Board for six months and was required to complete at least four hours of Board-approved continuing education regarding property management within six months.

Published January 2025

