TEMPLATE

Property Management Agreement

This is a template, not legal advice

This document is a general-purpose template provided for information only. It is not legal advice, it does not create a lawyer–client relationship, and nobody has reviewed it against your situation.

Laws differ by country, state and province, and they change. A clause that is standard in one place can be unenforceable — or illegal — in another. Terms that are ordinary between two businesses can be void in a consumer or employment context.

Read every clause before you use it, fill in every blank, and delete anything that does not apply. For anything high-value, unusual, or that you could not afford to lose a dispute over, have a qualified lawyer in your jurisdiction review it before it is signed.

This kind of document is regulated differently almost everywhere. Many places require specific notices, disclosures or statutory wording, and some make clauses like these unenforceable outright. Treat this template as a starting point to take to a local lawyer, not as a document to sign as-is.

How to use this template

1. Read it end to end and delete any clause that does not apply to you. Blanks are shown as a grey label on a line.
2. Need the other party to sign too, with an audit trail and a tamper-evident seal? That is what the paid product does.

Property Management Agreement

This Property Management Agreement (this "Agreement") is made on [Date] between [Owner's full legal name or registered business name] of [Owner's address for notices] (the "Owner") and [Managing Agent's full legal name or registered business name] of [Managing Agent's address for notices] (the "Managing Agent"). Each is a "Party" and together they are the "Parties".

The Owner appoints the Managing Agent to manage the property described in this Agreement on the Owner's behalf, and the Managing Agent accepts that appointment, on the terms set out below. This Agreement is a management agreement between an owner and an agent — it is not a lease, and no tenancy is created between the Owner and the Managing Agent.

1. Appointment and Authority

The Owner appoints the Managing Agent as the [State "exclusive" or "non-exclusive"] managing agent for the property described in the next clause. Where the appointment is exclusive, the Owner shall not engage any other person or company to manage that property during the Term, and shall refer to the Managing Agent any leasing or management inquiry that reaches the Owner directly.

The Managing Agent accepts the appointment and shall manage the property with the skill and care of a reasonably competent property manager, in the Owner's best interests and in compliance with applicable law, including any licensing requirement for property managers or real estate brokers that applies where the property is located.

2. The Property

The Managing Agent shall manage the property at [Full property address, including unit number(s) if applicable] (the "Property"), comprising [Number and type of units, e.g. "one single-family home" or "12 residential apartment units"] .

The Owner represents that the Owner owns the Property, or has full authority to appoint a managing agent for it, and shall give the Managing Agent the keys, access devices, existing leases, tenant contact details and any other record the Managing Agent reasonably needs to begin managing the Property.

3. Term and Renewal

This Agreement begins on [Start date] and continues for an initial term of [Initial term length, e.g. 12 months] (the "Initial Term").

After the Initial Term, this Agreement renews automatically for successive periods of [Renewal period, e.g. 12 months] (each a "Renewal Term", and together with the Initial Term the "Term") unless either Party gives the other written notice of non-renewal at least [Notice period before the end of a term to prevent automatic renewal, e.g. 60 days] before the then-current term ends.

4. Leasing Authority

The Managing Agent has authority, on the Owner's behalf and without needing the Owner's separate approval for each transaction, to:

(a) advertise the Property for rent and show it to prospective tenants;

(b) screen prospective tenants, including running credit, background and reference checks, applying [Reference to the screening criteria used, e.g. "the Managing Agent's standard screening policy" or "Schedule A"] and all applicable fair-housing and anti-discrimination law;

(c) set the rent for a vacant unit within [Rent-setting authority the Owner grants, e.g. "no more than 5% below the Owner's stated target rent"] , or such other rent as the Owner separately approves in writing;

(d) sign, renew and, on a tenant default, terminate leases with tenants in the Owner's name, on the Managing Agent's standard lease form or one the Owner has approved, for a term of no longer than [Maximum lease term the Managing Agent may sign without separate owner approval, e.g. 12 months] without the Owner's prior written approval for a longer term; and

(e) collect rent, fees and security deposits from tenants, and pursue late or unpaid rent, including issuing notices and — only where the Owner separately authorizes it in writing for that tenant — initiating eviction or other legal proceedings in the Owner's name.

5. Repair and Maintenance Authority

The Managing Agent may approve and pay for a repair or maintenance item from the funds held under the Trust Account clause below without first obtaining the Owner's approval, provided the cost of that item does not exceed [Per-repair spending limit the Managing Agent may approve without owner approval, e.g. $500] (the "Approval Limit"). For any item expected to cost more than the Approval Limit, the Managing Agent shall obtain the Owner's written approval before proceeding, except as the next paragraph allows.

Where there is a genuine emergency — a condition that threatens health, safety, or further damage to the Property if not addressed immediately — the Managing Agent may authorize repairs above the Approval Limit without the Owner's prior approval, and shall notify the Owner of the emergency and the action taken as soon as reasonably possible afterward, and in any event within [Period to notify the Owner after an emergency repair, e.g. 48 hours] .

The Managing Agent shall use [State how contractors are chosen, e.g. "licensed and insured contractors" or "competitive bids for any item over the Approval Limit"] for repairs and maintenance, shall disclose to the Owner in writing any financial interest the Managing Agent has in a contractor it engages for the Property, and shall keep invoices and receipts for every repair charged to the Owner.

6. Management Fee and Other Compensation

The Owner shall pay the Managing Agent a management fee of [Management fee, e.g. "8% of the gross rent collected each month"] (the "Management Fee"), which the Managing Agent shall deduct from the funds held under the Trust Account clause below before remitting the balance to the Owner. No Management Fee is payable on rent that is due but not actually collected.

In addition to the Management Fee, the Owner shall pay the Managing Agent: a leasing fee of [Leasing fee for placing a new tenant, e.g. "50% of one month's rent"] for each new tenancy the Managing Agent places; a renewal fee of [Renewal fee, e.g. "$150" or "10% of one month's rent"] for each lease the Managing Agent renews; and [Any other fee the Managing Agent charges, e.g. a fee for supervising a major repair or an eviction, or write "none"] . The Managing Agent shall not charge any fee not listed in this Agreement without the Owner's prior written consent.

7. Trust Account and Handling of Funds

The Managing Agent shall deposit all rent, security deposits and other funds collected for the Owner into a trust or client account held at [Name of the bank holding the trust account, or "a trust account meeting the requirements of local law"] , separate from the Managing Agent's own operating funds. The Managing Agent shall not use, borrow against, or commingle those funds with its own money, except to the extent — if any — that applicable law expressly permits.

The Managing Agent shall hold each tenant's security deposit for the whole of that tenancy, and shall pay the Owner or the tenant any interest on it that applicable law requires. The Managing Agent shall reconcile the trust account at least [Reconciliation frequency — check what your local law requires; commonly monthly] and shall keep records showing, at any time, how much of the trust account balance belongs to the Owner and how much belongs to each tenant.

On termination of this Agreement, the Managing Agent shall deliver to the Owner, within [Period to turn over trust funds and records after termination — check the deadline your local law sets, e.g. 30 days] : the balance of the trust account attributable to the Property; every tenant's security deposit, or a transfer of it to the Owner's new managing agent; and copies of all leases, tenant files and maintenance records for the Property.

8. Owner Statements and Reporting

The Managing Agent shall give the Owner a written statement of account at least [Statement frequency, e.g. monthly] , showing rent and other funds collected, the Management Fee and any other fee deducted, the cost of each repair or expense paid on the Owner's behalf with supporting invoices, and the net amount remitted to the Owner. The Managing Agent shall remit that net amount to the Owner within [Period after each statement period to remit net proceeds, e.g. 10 days] by [Payment method for remitting net proceeds to the Owner, e.g. bank transfer to the account the Owner designates in writing] .

On request, and in any event once a year, the Managing Agent shall give the Owner a statement covering the whole of that year, sufficient for the Owner's own tax reporting, and shall give the Owner reasonable access to inspect the books and records the Managing Agent keeps for the Property.

9. Insurance and Indemnification

The Owner shall maintain property and liability insurance on the Property naming the Managing Agent as an additional insured, with liability cover of at least [Minimum liability cover the Owner must carry, e.g. $1,000,000] , and shall give the Managing Agent evidence of that cover on request. The Managing Agent shall maintain [Insurance the Managing Agent carries, e.g. "general liability and errors & omissions insurance with cover of at least $1,000,000"] for the duration of this Agreement.

The Owner shall indemnify the Managing Agent against any claim, loss or expense arising from the condition of the Property or from an act the Managing Agent takes within the authority this Agreement gives it, except to the extent it results from the Managing Agent's negligence, willful misconduct or breach of this Agreement. The Managing Agent shall indemnify the Owner against any claim, loss or expense arising from the Managing Agent's negligence, willful misconduct or breach of this Agreement.

10. Independent Contractor Status

The Managing Agent is an independent contractor, not an employee, partner or joint venturer of the Owner. The Managing Agent is responsible for its own employees or subcontractors, their wages, taxes and insurance, and for its own business expenses except those this Agreement makes reimbursable by the Owner. Nothing in this Agreement makes the Owner liable for the acts of the Managing Agent's staff or contractors beyond what applicable law imposes on a property owner.

11. Compliance with Law

The Managing Agent shall manage the Property, screen and select tenants, and handle every deposit and disclosure required for the Property, in compliance with all applicable law, including fair-housing and anti-discrimination law, habitability and safety codes, and any licensing or trust-account requirement for property managers or real estate brokers in the jurisdiction where the Property is located. The Managing Agent shall notify the Owner promptly of any notice of violation, failed inspection, or legal claim concerning the Property that comes to the Managing Agent's attention.

12. Termination

Either Party may terminate this Agreement for convenience by giving the other [Notice period to terminate for convenience, e.g. 60 days] written notice. Either Party may terminate immediately on written notice if the other Party materially breaches this Agreement and does not cure the breach within [Cure period for a material breach, e.g. 15 days] of written notice, or if the other Party becomes insolvent or loses a license required to perform this Agreement.

On termination, the Managing Agent shall comply with the turnover requirements in the Trust Account clause above, shall assign to the Owner — or, at the Owner's direction, to the Owner's new managing agent — every lease it has signed on the Owner's behalf, and shall be paid any Management Fee and other fee earned up to the date of termination, together with [State whether an earned leasing fee for a tenant still in occupation survives termination, or write "none"] .

13. Governing Law and General Provisions

This Agreement and any dispute arising out of it are governed by the laws of [Governing law, e.g. the State of Texas] , and the Parties submit to the jurisdiction of the courts of [Jurisdiction where the Property is located] . Where any term of this Agreement conflicts with a mandatory requirement of the law governing property management or trust accounts in that jurisdiction, that law prevails and the rest of this Agreement continues in force.

This Agreement is the entire agreement between the Parties about managing the Property and replaces any earlier understanding, promise or representation about it. It may be amended only in writing signed by both Parties. If any provision is held unenforceable, the rest continues in force. Notices under this Agreement must be in writing and delivered by hand, by post to the address stated for that Party, or by email to [Owner's email for notices] and [Managing Agent's email for notices] .

This Agreement may be signed in counterparts and by electronic signature, each of which is an original and all of which together form one agreement. It takes effect on the date of the last signature below. Until both the Owner and the Managing Agent have signed it, it is a draft and gives the Managing Agent no authority under it.

In agreement with the terms above, the parties have signed below on the dates written beside their signatures.

Owner

Signature: ______________________

Printed name: ______________________

Company: ______________________

Title: ______________________

Date: ______________________

Managing Agent

Signature: ______________________

Printed name: ______________________

Company: ______________________

Title: ______________________

Date: ______________________