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Loan firm, school for landlords unlock opportunities together

Tampa Bay Business Journal - September 1, 2006 by [Lee S. Ettleman](#) Staff Intern

The housing market is slowing and some real estate speculators are losing money. But the president of one Tampa company thinks a sound education could offer a way out.

Bryan Chavis, president of the **Landlord Academy**, said when the housing market started to slip from its all-time highs last year, many investors couldn't sell their properties and had to rent them out to make money. But many didn't know how.

The Landlord Academy, which Chavis began three years ago by selling "how-to" guides out of the trunk of his car, offers certification courses in property management and provides classes in topics ranging from understanding financing to screening prospective tenants. "It's a business, and people don't understand that," Chavis said.

Chavis started in real estate at national property management companies, eventually working for due diligence teams. His time there taught him what he says most small investors learn the hard way: the importance of buying to hold property and make income from it rather than buying to resell, and of doing proper demographic research and understanding real estate law.

Buying in

The Landlord Academy teaches about 1,000 students per year, from first-time investors to real estate agents looking to diversify or expand their skills sets into property management.

Course instructors are typically professionals with whom Chavis has worked during his career in real estate.

Although instructors can sponsor classes, the classes are meant to teach about general topics and not about one company's products or services.

In June Harry Hedaya, president of the **Loan Corp.**, a Tampa-based mortgage broker, personally bought a 50 percent stake in the academy. Chavis, who still owns the other 50 percent, had been looking for an instructor for a class on financing and found that and more in Hedaya.

Hedaya has provided the Landlord Academy, which earlier this year was a one-man business plus Chavis' volunteer instructors, with the capital for marketing and hiring a sales force of five. Hedaya said the academy also will benefit from his own experience as an entrepreneur.

"Bryan had a great idea and a great product and just needed the incubator to get it going," Hedaya said. "I'm providing not only the capital but also for business growth and direction."

Hedaya only has contributed about \$75,000 so far, Chavis said. But Hedaya, the entrepreneur

who's Loan Corp. is nearing \$1 billion in closed loans, said "money is not an object" for the academy's growth.

Although the Landlord Academy realized net revenue of about \$250,000 in its most recent fiscal year, Chavis said he expects to break \$1 million with the help of the marketing budget Hedaya provided.

The partnership also makes sense financially for Hedaya. Chavis said one of his students left a lecture on finance and soon refinanced nine properties he owned with one of Hedaya's loan products.

"It does funnel a lot of business his way," Chavis said.

Courses worth the cost?

Chavis' courses are now offered twice a month by the **Greater Tampa Association of Realtors Inc.** Chavis hopes to expand to real estate associations statewide.

The courses at **GTAR** been well received, said GTAR CEO Carol Austin, and as demand for rental property rises in the wake of years of condo conversions, property management is becoming an increasingly important part of a real estate agent's business, said GTAR President Brad Monroe.

"We're daily seeing more people interested in our property management department," Monroe said.

But although the courses may give landlords some extra comfort, with leases available off the shelf at office supply stores, they could be an unnecessary expense, said John Stone, managing director of multifamily services at **Colliers Arnold Commercial Real Estate Services.**

"People have been renting houses and condos for a long time and aren't any smarter than anyone else," Stone said. "There's not a lot to it."

Chavis countered that he's seen many would-be property managers use off-the-shelf leases without properly understanding landlord-tenant law and get stuck with discrimination judgments that could have been averted with a better wording of the lease.

"When you're just starting out investing and you get hit with a \$150,000 fine, that might be your whole investment," he said.

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