

WHITE PAPER · PROPERTY MANAGEMENT

Monthly delinquency legal files: manual vs. automated

Every month a property manager decides which delinquent tenants get a five-day notice, then assembles a legal-ready file for each one. Done by hand, the work grows with the portfolio and lands in a three-day window. This paper models how much staff time automation returns, and how that changes with portfolio size and delinquency rate.

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24.5 → 3.4 min

staff time per delinquent tenant,
per month

~86%

less staff time, at every
portfolio size

~3.5 hrs

saved each month for every
100 units

~170 → ~1,370

units one person can process
in an 8-hour day

01

The work being measured

Two jobs repeat every month. We measure them separately because they grow at different rates.

- **Triage, for every delinquent account.** Is the balance real? Did a payment just post? Is there a signed promise to pay, a payment plan or a post-judgment agreement? Is a concession owed? Should this tenant get a notice at all?
- **The legal file, for every account that goes forward.** The tenant ledger, the executed lease, the served five-day notice, any promise-to-pay or judgment documents, and a one-page tenant summary, organized so an attorney can file without coming back with questions.

Out of scope for both methods: serving notices, attorney and court time, and collections calls. Those costs are real, but automation doesn't change them, and including them would only dilute the comparison.

02

The manual process today

Standard property-management delinquency reports flag every positive balance, down to the penny. They can't tell a tenant on a signed payment plan from one who is ignoring the bill. So staff open each account one at a time, then rebuild each legal file by hand from several

screens.

STAFF MINUTES PER STEP

Manual step	Low	Likely	High
TRIAGE, PER DELINQUENT ACCOUNT			
Open the account, confirm the balance, check recent payments	3	4	6
Search attachments and notes for promise-to-pay, plan or judgment agreements	3	4	6
Check for a concession owed this month	1	2	3
Record the decision on the tracking sheet	1	2	3
Minutes per delinquent account	8	12	18
LEGAL FILE, PER ACCOUNT GOING FORWARD			
Export and save the tenant ledger	2	4	5
Find and download the executed lease and addenda	4	6	9
Find the served notice and any agreement documents	3	6	8
Write the tenant summary: balance, aging, rent, contact, term	4	6	8
Name, organize, zip and send to the attorney	2	3	5
Minutes per legal file	15	25	35
Fixed monthly setup: run and clean the report, build the sheet	45	60	90

How well this matches reality: for a portfolio of roughly 900 units with about 85 delinquent accounts, the model gives 23, 36 and 52 hours a month (low, likely, high). The operator reported 40 to 60 hours, a figure that also included tenant communications, which this model leaves out. If anything, the model is conservative.

03

The automated process

The tool pulls the data, applies the filters and assembles each legal file. Staff time shrinks to reviewing a queue, handling exceptions and spot-checking files.

Where each piece of data comes from

What the file needs	Property-management data	Document store	In-tool flag
Balance, status, aging, last payment	Yes	Backup source	—
Promise to pay or post-judgment agreement	—	Signed PDFs	Manual override
Payment plan, concession owed, subsidy	Partly	—	Flag per tenant
Ledger for the file	Yes	Yes	—
Executed lease and served notice	—	Yes	Upload fallback
Tenant summary, folder and ZIP	Generated by the tool		

Sources overlap on purpose. Financial data comes from the property-management system; signed documents come from wherever they're stored; and where neither has the answer, a flag set once in the tool carries forward month to month. In a live test on a portfolio of about 1,400 units, signed promise-to-pay forms turned up as attachments on half of the most delinquent tenants. By hand, each of those is a notice someone has to remember not to send.

STAFF MINUTES PER STEP

Automated step (staff time only)	Low	Likely	High
Review each queued account, with filters and flags already applied	0.5	1	1.5
Handle an exception: a flag to set or an override (share of accounts)	3 × 15%	4 × 20%	6 × 25%
Spot-check each generated legal file	2	2	3
Chase a missing document (share of files)	6 × 10%	8 × 15%	10 × 20%
Fixed monthly: start the pull, approve, download	10	15	20

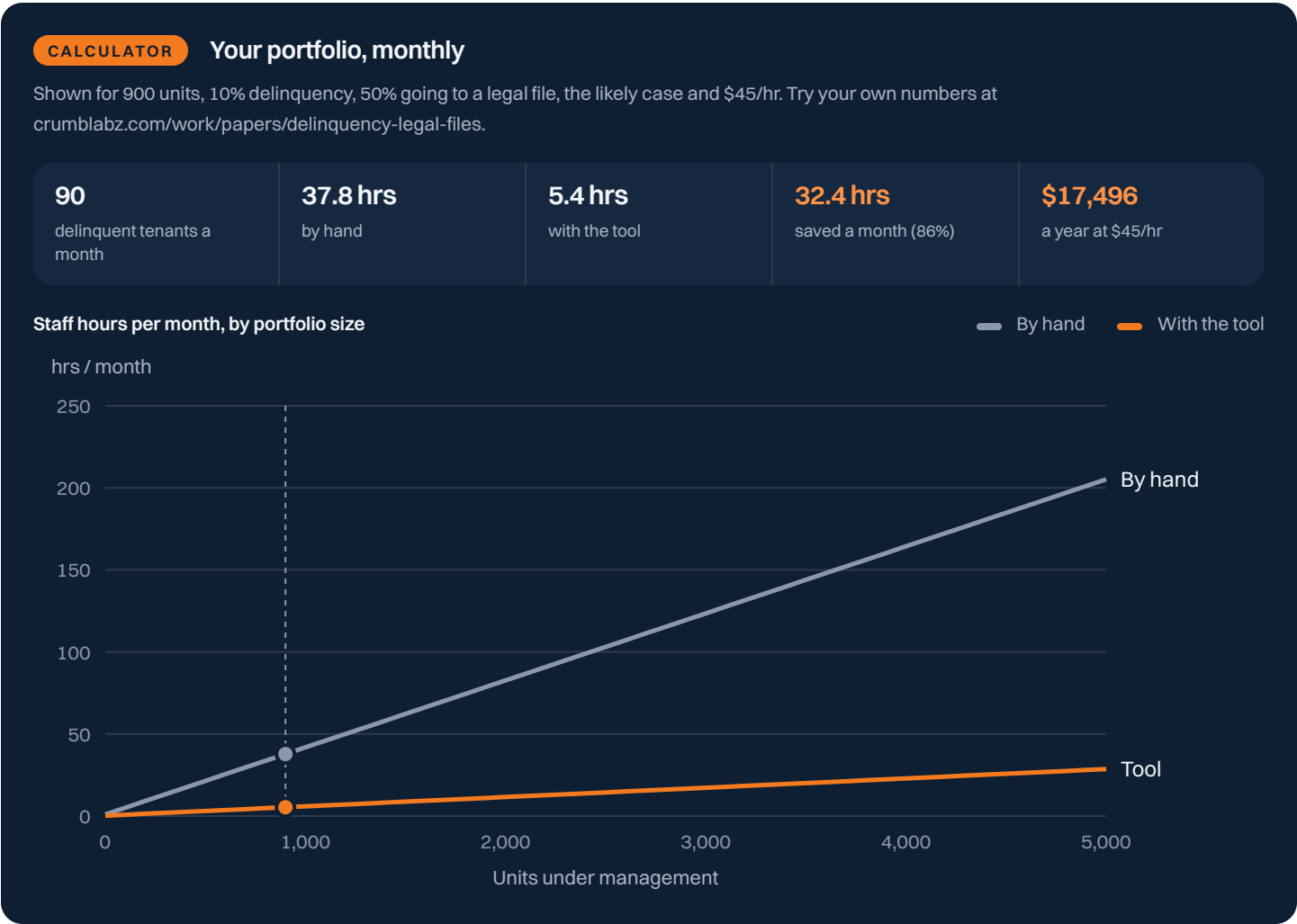
The pull itself takes 5 to 25 minutes of unattended machine time, depending on portfolio size, because property-management APIs are rate-limited. It can run on a schedule before staff sit down, so it isn't counted as staff time.

04

How the savings scale

Both methods grow with the number of delinquent tenants, roughly units × delinquency rate. What differs is the cost per tenant: 24.5 minutes by hand against 3.4 automated in the likely case. So the percentage saved holds near 85% at any size, while the hours saved grow in a

straight line with the portfolio. Try your own numbers.



The peak-window problem

Monthly hours understate the pain, because notice work has to happen between roughly the 4th and the 6th. By hand, one person can process about 170 units in an 8-hour day, so a 900-unit portfolio means about 36 hours squeezed into three days. That's where the late nights come from. With the tool, the same person covers about 1,370 units in a day. The work fits inside the window, and adding a few hundred units no longer means hiring help for the first week of every month.

Rules of thumb (likely case)

- About 21 minutes saved per delinquent tenant, every month.
- About 3.5 staff hours a month for every 100 units at 10% delinquency, roughly \$160 at \$45 an hour.
- On a 1,000-unit portfolio, each extra point of delinquency adds about 4 hours of manual work a month, but only about half an hour with the tool.

05

Benefits beyond time

- **Fewer wrong notices.** Agreements are found from the signed documents, not from memory, which removes the main cause of wrongly sent notices and tenant escalations.

- **Consistent files.** Every file has the same structure and a manifest of anything missing, so attorneys stop sending files back.
- **Less key-person risk.** The rules live in the tool, not in one manager's head. A new hire can run the cycle.
- **An audit trail.** Every decision is logged with who approved it, which matters when a tenant disputes a notice.

06

Assumptions and limits

- Minute values come from walking through the workflow, not from a stopwatch. The low and high scenarios bracket the uncertainty.
- Delinquency defaults to 10% of units. We've observed about 9% on one portfolio and 11% to 13% on another, depending on whether small balances count.
- The share going to a legal file defaults to 50% after payment-plan, low-balance and other exclusions. It varies widely by operator and by month.
- Automated time assumes the source documents exist. Operators who don't store signed agreements or leases digitally will spend more time on exceptions.
- Data-access fees for the property-management API or a document connector are not included.

07

How to test this on your portfolio

Time one real monthly cycle both ways: the manual process on a sample of ten accounts, and the tool on all of them. Put the measured minutes in place of the likely case, and the calculator above does the rest. We're glad to run that test with you.

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