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## **What are some signs that your property management needs improvement?**

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We have all experienced the difference between great service and poor service. The difference: Quality Service Produces Great Results. When it comes to managing property - whether you or a family member does it or a third party manager is involved are you getting results?

An example of poor professional service we can all relate to is a trip to the doctor's office. If you went to a doctor and you were turned off by a long wait, the doctor not asking you questions and listening, poor "bedside manner" or even worse - your nagging health issue persisted instead of getting resolved - you experienced poor service.

Now let's say you switched doctors and your experience was completely positive and your pain went away - you just experienced the difference of quality service.

You get the idea: better people diagnose problems correctly, fix them faster, communicate better, provide options, and resolve issues with a desired outcome so you can get on with your life.

After a poor experience most of us would change doctors. Or if we are working on the problem ourselves maybe we would find an outside resource so we can fix our pain faster than we could on our own.

During the last six months I have experienced a twofold rise in the number of building owners I am meeting with to discuss their management problems. The nine management problems I keep hearing about are:

### **Poor Communication**

- 1) Management is not communicating with tenants - not meeting, not listening and not working out a solution to address tenants problems (i.e. deferred rent) that makes sense to both parties; plus there is a lack of written documentation of these agreements;
- 2) Lack of responsive communication with tenants and building owners - tenant payment questions and maintenance requests go unresolved; and the landlord is not getting quick answers to questions;
- 3) Lack of timely financial reports - the landlord is not getting reports monthly or is getting reports months late - there is no clear picture of finances.

### **Vacancies**

- 4) Tenants are moving out - lack of action on maintenance requests and lack of communication on rent issues, the tenant relationship has fallen apart - tenants are looking for either a cheaper rent, better service or both;
- 5) Vacancies take longer to fill - more vacancies on the market and fewer tenants; how does your

property compete?

6) No thoughtful strategies to fill vacancies (where is your proactive advice?); there are ways to find tenants and get them to commit to a lease; recently Pyramid Management & Brokerage was cited by GE and KIMCO's best practices for filling vacancies.

#### Unpaid Rents

7) Management is not sending monthly rent statements or enforcing late fees which increases collection time;

8) Management does not send late letters and call tenants to chase delinquent monies in;

9) Delinquent tenants are not turned over to an attorney quickly to pressure tenants to pay up; delinquencies are over 90 days old.

All of the issues listed have a direct or contributing effect on your cash flow. With less cash flow there is less money to distribute. One building owner in Greenwich told me he has lost countless night's sleep over these problems.

However, quality service (property management) does make a big difference. Smart management will solve these nine problems.

#### How so?

1) Smart people and enough of them (a team) are responsive and provide quick results;

2) Systems and processes to standardize work (i.e. standard operating procedure to collect delinquencies) keep track of the details for you and provide consistent results;

3) Many people want easy - one point of contact and faster results (accounting, management, maintenance and brokerage with one call - handled by one firm).

Just as choosing the right doctor is money well spent. Management more than pays for itself in better cash flow, fewer dollars of lost rent, maintaining regular distributions, fewer headaches and a better night's sleep.

If you are experiencing these problems with a current manager or you feel you have too many details to track and want to put your attention on higher level decisions - you can. Talk to a quality property manager and learn how they can support you.

The current environment is making property management harder. As management is more intense it becomes clear whether you have quality service or you are wanting.

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