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McGRATH REAL ESTATE SERVICES

WHAT QUESTIONS SHOULD I ASK A PROPERTY MANAGER

QUESTIONS:

1) General

- How long has your company been in business?
- How many properties do you manage?
- How many staff members do you have and what are their job functions?
- Where are most of the properties located?
- What other properties do you manage in my neighborhood/area?
- What professional organizations do you belong to/participate in?

2) Cost of services

- Leasing fees.
 - How much is charged for leasing the property?
 - What type of advertising/marketing is included in leasing fees? What is charged in addition to the leasing fees?
 - Lease renewal fees
- Management fees.
 - What is the management fee while the property is rented?
 - Are there any fees charged when the property is vacant?
- What other services provided in the management of my property could be charged for?
 - Are any expenses passed through to me? Examples may be legal representation, insurance claims, communication costs, or fees for major home improvements.
- What if I want to terminate/transfer services to another company? Are there any fees for doing this?

3) Management Services

- What does your management service encompass?

Look for a sense of mission in your discussion instead of a litany of tasks. The mission is to pro-actively serve your interest as defined by the terms of the lease and within the framework of the management agreement.

Tasks include:

- ✓ Establish a good rental rate for your property, and keeping it occupied.
- ✓ Collecting the rent in a timely fashion. *What are your procedures when a tenant doesn't pay?*
- ✓ Payment of mortgage, taxes, and association fees
- ✓ Handling of any insurance claims
- ✓ Providing accurate periodic financial statements to you. How often?
- ✓ Inspection of property. How often? What do they look for?

4) Maintenance and Repairs

- When is an owner consulted before spending on repairs? Owner may require advance notification of major repairs except in emergencies (replacement of a furnace in winter, for example).
- How does the company ensure competitive pricing of repairs?
 - Does the management company have a financial stake in any of the companies it uses for repair and maintenance?
 - Does the management company evaluate and re-evaluate performance and pricing on the contractors they use? Do they compete bids?

5) Documents

- Ask for copies of the various documents in which the management company uses including the Property Management Agreement, lease forms and the rental application form. Read the management agreement with care and question any portion that is not clear to you.

6) Marketing

- How do you determine what the rent on my property should be?
 - Ask for a list of properties comparable to yours in terms of location, size, quality on which the company has rental information.
- The Multiple Listing Service (Previously MLS, now called MRIS) is the best method of outreaching to potential tenants, not only do you broaden your market reach, but you also reach a more qualified tenant pool. At what point does my property get listed on MRIS and what makes my property stand out more than my competitors?

- Does your company work with Foreign Embassies on finding stable, long-term tenants? What other information should I know about renting to foreign clientele?
- In today's internet savvy world with potential tenants looking for immediate satisfaction for their need to find a home, townhome or condo for rent – it is important that your property is effectively marketed on the web. There are a million real estate websites that do a million different things and reach many different audiences, but some websites are much more effective than others. Does your property management candidate use www.AHRN.com to reach the military? Do they take advantage of www.Craigslist.org ? Find out what web sites they use to leverage the power of the internet to find a good tenant for you!

7) Tenant Selection

- What measures do you take to ensure that you are getting a good tenant?
 - Most companies verify employment and income, order a credit report as well as check with landlords and current employers.
 - What are the income qualification ratios?
 - How long does it take to process an application? (This can be a crucial factor in winning/losing applicants for your home over another).
 - What capabilities do you have in researching criminal backgrounds?

8) References

- Ask to contact current or previous clients as references. Also ask for names of former clients who may have returned from their assignments and are now living in the area and could offer useful insight into their property management experience.

9) Other

- How does your company protect client information, data, and documents? Do you shred or throw away documents? How do you protect your computer system data (bank account information, etc)?
- What is the most frequent area of friction that occurs between you and your clients?

10) The Magic Questions

- ❖ Once you have determined who your property manager will be, find out whatever you can about them to help establish your relationship. This is as important as anything else you can do. Understand that you are now an employer to a service provider who has many employers. Be one of their favorite clients! This will keep your property manager motivated to do their best work for you. Then you will have the most productive and profitable results possible!