



Neal
Bawa

FINDING, SELECTING, WORKING WITH PROPERTY MANAGERS

A good property manager is as valuable as gold



Multifamily University

FINDING HIGH QUALITY PROPERTY MANAGERS



Use the IREM website to find AMO organizations.

Go to Link 26 in Bootcamp Portal sheet



Use Yelp. You can find both the best and the worst property managers using Yelp.

Go to Link 27 in Bootcamp Portal sheet



Angie's list.

Use Angie's List. It is now free, and you can get very high quality, unbiased reviews from Angie's list.

Go to Link 28 in Bootcamp Portal sheet



Use Biggerpockets. Read the reviews carefully, but you can get some amazing referrals with very specific pros and cons on BiggerPockets.

Go to Link 29 in Bootcamp Portal sheet



Get referrals from Brokers. Note that this is not an indication of quality, in itself



LET'S SEPARATE THE WHEAT FROM THE CHAFF

The PM selection process is critical to the success of your project
(and to your grey hair count)



HOW TO DO QUALITY 'SNEAKY' REFERENCE CHECKS



1. Ask the property manager for a RANDOM list of 3 apartment complexes that they have been managing for a minimum of 6 months. The larger the better.
2. Once they provide the list, ask them for the name of the owner as a reference. Wait until Step 1 is complete before you do this step.
3. If the PM provides the contact information, use the PM Questions list to do the reference check. You will have a very good idea about the PMs quality, by the time you speak with 3 owners.
4. Note that this is even more valuable than doing the PM Questions with the PM themselves, because now you are talking with an unbiased third party.

THE TECH SAVVY TEST



1. Ask the property manager for a list of 3 apartment complexes that they have been managing for at least 3 months
2. The bigger the properties the better
3. Now, use the MARKETING module of this boot camp and see if they use any of the techniques mentioned here. They should know at least some of them.
4. By repeating this step, you can figure out if they are tech savvy.

SELECTING PROPERTY MANAGERS



Select Property managers using the *PM Question checklist* (*Go to Link 30 in Bootcamp Portal sheet*) that has been provided in the Resource Kit. Let's go through the checklist to understand the various sections.

Note that this Checklist is extremely powerful. You will learn a lot about the PM, the area, and the norms prevalent in the subject city if you follow it closely. I strongly recommend that you do not speed through the checklist.



OK, SO YOU SELECTED A PROPERTY MANAGER

Now, how do you manage them using reports, calls, metrics and (occasional) site visits



MANAGING PROPERTY MANAGERS EFFECTIVELY THROUGH METRICS



- Ask for a weekly (not monthly) report
- Ask for a weekly call until the property is stabilized and performing
- Ask for a login to the property management software

MANAGING PROPERTY MANAGERS EFFECTIVELY THROUGH METRICS

The weekly report should have the following metrics:

- Occupancy by Unit type
- Traffic sources, and number of shows from each type
- Reasons for rejections, not leasing or disqualifications
- NTV (Notice to Vacate) count, and reasons for NTV
- Financials (monthly Collections to date, delinquency, and count of delinquents)
- Lease expirations / Exposure
- Ready Unit count
- Move outs and move in counts

MANAGING PROPERTY MANAGERS EFFECTIVELY THROUGH METRICS

The monthly report should have the following metrics:

- Occupancy by Unit type
- Budget vs actual performance
- An explanation from the property manager on variance between budget and actual. Make sure it's real commentary, not cut-paste stuff. Question the variance on an ongoing basis.
- Rent roll and deposit register.
- It is a best practice for you to hire a third party accounting company (in India, perhaps) to do a monthly reconciliation of the rent roll and the deposit register. They will find many errors (that is normal), but hopefully, they are small ones,