

The ABC's of Property Management for Owners

By Joe Greenblatt, CPM®

“Nobody will manage my property like I will.” Undoubtedly true, but is this a good thing? Management of our own properties carries with it innate challenges. Most apartment owners don't do this as a profession. We squeeze property management into our busy schedules along with our careers, families, other investments, activities and recreation.

Here are a few ideas that may contribute to successful property management:

Awareness. Be aware of the market you compete in. As busy as we are and buoyed by strong demand for rental housing, it is easy to become absorbed in the operation of our own property and forget about what's going on around us. Remember that we compete in a constantly changing marketplace and our management decisions are evaluated in the context of what's going on in that marketplace. Our residents compare our level of service and the amenities we offer to other rental communities. In a liability situation, should our management decisions and actions be called into question, they will be measured against the standard of management in other communities. Therefore, we cannot afford to manage our properties without exact knowledge of other communities' management standards.

Begin with the obvious: What are our competitors offering in terms of apartment interior finishes, storage, parking and amenities? What are their rent rates? Security deposits? What services do they afford residents? Next, move on to less obvious yet critical operating issues: What are their rental policies? How is their exterior lighting? Do they offer controlled access entry? How are the competing properties maintained? Are they neat, clean? Are there evident signs of deferred maintenance? Is the paint fresh? Is the color scheme up to date? How's the landscape?

Only after we've looked at the competing properties in the marketplace – as honestly and dispassionately as we can, are we in a position to really look at our own property. Market awareness gives us a point of view from which we can evaluate our own properties in a meaningful way. And of course once we've done this, we need to do it again and again, because the marketplace changes. A competing property will be renovated, sold, taken off the market and converted to condominiums. These changes have meaning for us as property managers. The only way to stay on top of them is to stay aware of our marketplace.

Balance. Striking the right balance in our resident relations can be challenging because as owners we don't know what that balance is. We don't recognize it. What exactly does a good landlord look like? We may not know for sure and we lack objectivity when it comes to our own behavior. That's why, as owner managers it is sometimes tricky to strike the right balance. Most owner managers I know are either overgenerous or overbearing – more often the former than the latter.

The key to finding and maintaining the right balance is to first identify a standard of behavior. We can do this by talking with other owner managers or professional property managers to learn how they interact with their residents. What are their rules? Their guidelines? Oftentimes, the easiest way to do this is by attending classes and seminars like those offered through SDCAA. With a strong sense of the standards of the industry, we can identify the right approach and the best balance for us.

Maintaining that balance is a little harder. This requires discipline. As owners, we can become emotionally as well as economically invested in our rental properties. This can make it difficult for us as property managers to maintain balanced resident relations. Once again, interaction with peers and continuing education through organizations like SDCAA will help us recognize when we're getting off track and losing that balance.

Consistency. This can be so easy.... and so difficult. Consistent business practices are at the foundation of good property management.

Consider resident screening. We know that consistent resident screening is important but sometimes the benefits aren't immediately apparent. How about staying on the right side of fair housing laws? This is where, as owner managers, we are tempted to fly by the seat of our pants. Why? Because we believe "We can tell" about people, and because of our extensive life experience and people skills, we can foretell who will be a responsible resident and who will not. Even if we have clear, written guidelines, we're often the first to break our own rules. We can guard against this with consistent resident screening. SDCAA and others offer tremendous resident screening resources. We have to make sure we utilize these services. Consistently.

Another area in which consistency is critical is communications. We know it is important to avoid illegal discrimination – illegal in spite of our good intentions. We can promote good resident relations by treating people equally and by assuring consistent communications. One of the best ways to maintain this consistency is through written procedures and policies (even if we're applying them only to ourselves).

Ongoing education and discipline are required to assure that we afford residents and prospective residents equal services and communications. SDCAA offers ongoing educational opportunities and up to date CAA forms to ensure that our written communications are consistent.

If we understand the inherent challenges of being rental property owner managers, we can then meet them.

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– Originally published in the January 2005 issue of the San Diego County Apartment Association's *Rental Owner* magazine.