



Twenty Three Questions To Ask Your Management Company

 Written by: **Mark Levine**

More often than not, switching Managing Agents is a daunting task for the existing Board. The Board / Manager relationship is one that is intertwined (almost as intimate as a marriage) and although some are switching after a short period of time, many are leaving behind 10+ years of hand-in-hand relationships.

What can a Board do when they look to hire a new Managing Agent in order to ease the transition and make the best possible decision for their community? To start off, they can ask as many questions of the potential new companies as possible.

Whether at an in-person interview or in written form by way of a questionnaire, learning about your potential new Management company is extremely important. You want to know what makes them tick; what are their corporate philosophies, where are their current buildings, how do they work with their clients, what services do they provide, etc. It's a never-ending list of answers that will eventually allow the best company for you to rise to the top. You have to weigh your priorities against the cost structure and make the best decision for your building.

Below, I've compiled a list of questions that will be a good starting point for starting the conversation to aid you in digging deeper, beyond the top-layer, to find the company that will work best for you.

1. Who are the owners of the Property Management firm and how involved are they in the day-to-day oversight of client relations?
2. How long have you been in business?
3. What relevant licenses and certifications does the company have?
4. Who are your current clients and how long has your company been managing those accounts?
5. ****Who will be our Property Manager? (the person directly responsible for 99% of the interaction between the Board and the Management Company)****
6. How many properties will our assigned Property Manager handle if he/she should absorb our account as well?
7. How often will the Property Manager visit the property? Are these scheduled visits / surprise visits or a combination of both?
8. Will the Property Manager attend all monthly meetings / special meetings of the Board?
9. Who will prepare the monthly agenda and supplementary information for the meetings?
10. How up to date is the Property Management company on local laws, directives and other pertinent issues?

11. What software does your company use to prepare reports and also maintain tenant / resident files?
12. **Does your company have any financial ties to any other service providers / do you own any other ancillary companies that may be used or proposed for use within our account?*
13. How do you handle late payments / non-payment of monthly charges from residents? What is your operating theory regarding this issue?
14. What other services besides management do you provide (project management, legal services, brokerage, etc.)
15. How is your company using technology to benefit the Board and/or the residents?
16. What is your approach to communication between the residents and Management (and the Board / Management as well). How do you anticipate the response time on the usual query?
17. What is the emergency protocol for the Management Company in the case of an emergency at 10am on a Sunday?
18. How do you select contractors to bid and/or do work that is required in the building?
19. If the building is happy with a vendor, do you look to change it?
20. Has anyone in the Management company been indicted in the past or pled guilty to any fraud or related charges?
21. What is the base Yearly Management Fee?
22. What are the extra fees / reimbursements that the building may incur as a result of signing a contract with your firm?
23. What can you offer to us that no other company can?

The above represents a wide-array of questions and all management companies may not be comfortable sitting down and placing their pen to paper to answer all of them. For those that do respond, you may get to answer #5 and realize that the company you're interviewing is not for you. That's the point, though. It's a process and the more you know about what firm you are hiring, the more you can minimize the potential for potential friction in the future.