

10 Benefits of using a Property Manager for your rental property

by *Shahid Habib*

A good Property Manager (PM) can be a big help in taking a load off the problems that may possibly arise in dealing with your tenants. When looking for a good PM it is important to look for credentials, references, and a proven track record. No matter which State you are located in, you can find a PM through the National Association of Real Estate Property Managers (NARPM). A PM must be a real estate licensed broker in order to belong to the Association.

Most Property Managers typically charge from 4% to 6% of the gross monthly rent. Some charge a monthly fee instead, depending on whether it is a condo unit or a single family home. It is well worth paying the charge which is very reasonable when you consider all the problems you can avoid and the benefits that you can get from using a Property Manager.

Following are some of the main benefits of using a PM.

- 1. Negotiate a better deal.** A good PM knows how to best structure a lease and rental agreement. He or she would try and get a one year lease thus avoiding losses from the property remaining vacant while you look for another tenant. It is very important to use the proper lease forms. A good PM knows which forms and addendums to use especially those required by Federal and State Law. The PM fills out and takes care of all the necessary legal forms and paperwork.
- 2. Save Time.** A good PM takes care of advertising the property to the right audience and takes care of qualifying and getting a good tenant in a timely manner.
- 3. Save from Hassles.** A good PM has experience and knows what pitfalls to avoid thus saving you from problems before they arise. The PM collects the deposit and makes sure the tenant pays the rent on time. You as a landlord do not have to have any direct communication with the tenant unless you want to. A good PM is firm but flexible in dealing with tenants. The PM empathizes with the tenant and may allow a couple of late payments for genuine reasons but will take strong legal action to evict the tenant if the problem persists.
- 4. Save Money.** A good PM can save you money in many ways. Most PMs negotiate a better deal with service providers and vendors like plumbers, paint suppliers as they do enough volume with them to get a better deal and get things at a lower cost.
- 5. Screen prospective tenants.** A good PM will always try and find you good tenants. The PM ensures that the application is completed timely, runs a credit report, and checks the prospective tenant's track record with former landlords and other sources.
- 6. Help to properly price the property.** A good PM knows what a property will rent for generally within a \$100. Thus you do not under price the property and this

will mean more rental money coming to you. Properly pricing the property and not asking for too much rent either will keep the property vacant less long.

7. Advise on preparing the property for rental. A good PM saves you time by identifying what needs to be done to make the property ready and more attractive to prospective tenants. The PM checks things like "curb appeal" and areas inside and outside the property and prepares a report based on his or her findings. If there are any issues found the PM can generally get the work done for less money.

8. Advise on "normal wear and tear". A good PM can give important advice on what "normal wear and tear" of items to expect and what the "useful life expectancies" of items is, especially in the case of commercial properties. This is important when your tenant is moving out and you are trying to ascertain whether you should keep anything from the deposit.

9. Take care of problems before they become serious. A good PM is always conscious of safety and has a team of experts that take care of preventive maintenance and are ready to act if an emergency situation arises. For example, if a problem like mold is detected in a rental property, a good PM will take care of temporary lodging for the tenant and will rush in his or her team of experts to resolve the problem quickly before it becomes worse, and will ensure that the property is certified clean before the tenants move back in.

10. Provide exposure to the property. A good PM takes care of all the advertising through all the right media to find you a good tenant as soon as possible. The PM uses a variety of marketing tools such as email and faxes to Realtors whose clients maybe looking for rentals, good classified internet sites like Craigs List, and displaying the property on the PM's own website.

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