

How to Hire a Property Manager



**EVERYTHING YOU NEED TO KNOW ABOUT HIRING A PROPERTY
MANAGEMENT COMPANY**

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Advantages and Disadvantages of Hiring a Property Management Company

Hiring a property manager can be a challenging process. Perhaps you have never managed a property before and aren't really sure what you should be looking for in a property manager. Perhaps you have had a property manager in the past but the experience wasn't as good as you had hoped for and now you are concerned if it is the best option for you.

There are pros and cons to hiring a property manager, depending on what your needs are. You might have a reasonable understanding of the fair housing laws, which makes it easier to manage your own property. Or you could be worried because you want to start renting your home, but it needs significant updating.

At White Robbins, we believe professional property management can eliminate a lot of the headaches associated with managing your own property. At the same time, we know it's vitally important that you know all the advantages and disadvantages before you decide to (or decide not to) hire a property manager.

When you are debating whether or not to hire a property manager, here are the things you should be considering.

ADVANTAGES of Property Management Companies

Experience in Managing Properties

Most Property Management Companies have years of experience managing homes. Depending on how long they have been in the business, they should have an established identifiable process. Some companies even go the extra step to post this process on their website.

Almost all the single home property managers in our area are licensed real estate agents, which helps give them an educational background. They have experienced the ins and outs, ups and downs of the market, pricing homes for sale and rent on a number of shifting factors.

Over the years the property manager has dealt with lease breaks, tenant disputes, roommate changes, evictions, slow payment, bounced checks and more. These are things that can become overwhelming for a landlord, especially if this is the first property you have managed. Experienced property management companies have successfully handled these issues in the past, learning the best ways to combat them.

Allows You More Free Time

Being a property manager is a full-time job. You are on call 24 hours a day, 7 days a week, so be prepared to leave your kid's baseball game early to resolve a maintenance issue. In addition, you are responsible for payments, lease issues, etc. In all respects it is actually a second job.

Hiring a property manager to take on these responsibilities gives you back a lot more free time. Fixing leaking pipes and broken windows will no longer depend on you. You will be able to concentrate on your own life – and not worry about the constant risk of interruptions.

Hiring a property manager will also likely reduce your stress levels. Forget the piles of paperwork and the tenant disputes that you will no longer have to personally deal with. Your property manager can handle all that and only contact you for emergencies or when necessary.

It also allows you to relocate, and vacation. When you are managing your own property, you need to stay in the vicinity so you can respond to maintenance requests and perform inspections in a timely manner. Having a property manager means you can live and/or vacation anywhere because the property manager will handle these responsibilities.

Maintenance Response Time

Dealing with maintenance issues can be one of the biggest inconveniences in managing your own property. Maintenance issues can come up at any time, including extremely inopportune times, and can easily be a larger problem than you are prepared to deal with.

Property managers can respond to these maintenance issues in a hurry plus they likely have multiple contractors that can handle to job. This saves you the hassle of researching different vendors and trying to determine which one is the best fit for the circumstance.

Minimize Vacancy and Tenant Retention

Many people think that once a tenant moves into a property, the difficult part is behind them. The truth is that tenant is not going to stay in the property forever, so at some point you will have to find a new tenant.

Long vacancy periods can wreak havoc on your cash flow when it comes to managing your own property. You will want to get a good, new qualified tenant into the home as quickly as can be done.

Property managers are experienced and skilled at preparing a home for rent – and doing it quickly. They can prepare the home and start the marketing at a moment's notice when a tenant is leaving. You will want to minimize the time between tenants.

Property managers are also experienced at keeping tenants. When the tenants are happy and feel like they are in good hands, this benefits both you and the property manager. Plus, it makes them likely to renew the lease.

DISADVANTAGES of Property Management Companies

COST

The biggest problem people see when deciding if they want to hire a property manager is the expense. Property management is not free and the fact that it is a paid service can convince some people that they should do it themselves. Most property management companies in our area charge a monthly fee, which is typically some percentage of the monthly rent (generally speaking the rate in northern Delaware and nearby Pennsylvania is frequently 10-12%). On top of that there is typically a leasing fee which goes towards the marketing of your home (listing in the various services, photos, videos, etc.) and offering commission to co-broking real estate agents working with prospective tenants.

There could also be various miscellaneous fees as well. This will be company dependent, but some will charge cancellation fees, extra maintenance fees, vacancy fees, renewal fees, overhead fees for maintenance work, etc. Keep an eye out for these add ons. There are companies that advertise low management fees but then load up on extra “side” fees. Just be aware of them.

Lack of Involvement

There are owners that like to be involved in every decision that is made on their property. This can create difficulties if you select a property management company because their process works best when they can make and implement the easy decisions.

Property managers will probably not involve you for minor tenant issues, minor maintenance repairs, or other trivial things. They are equipped and trained to handle these issues, and through experience have found the best ways to do so.

Property managers are aware that your property is an important investment, and you want it taken care of. Unfortunately hovering over every move the manager makes only makes their job more difficult. If you feel you are the type person what wants to be hands on at all times, perhaps self-management is a better fit for you.

While there is a cost associated with property management, most people feel the advantages outweigh the disadvantages. For those that can afford it, your life will be less stressful and you will have more time for your other interests.

Responsibilities of a Property Manager

If you have been managing your own rental property, it is possible you are unaware of what a property management company does. You know they take over managing the property – but what does that include and what are their processes?

The main reason to hire a property management company is to free you your time and remain confident that your property is being taken care of properly. Many property managers handle everything from tenant selection to maintenance repairs – all so you do not have to.

Before hiring a property management company, you should be aware of what tasks they will perform and how they will handle things like tenant disputes and rent collections.

Marketing & Leasing

When you first hire a property management company, (if you are not there for the property manager's walk through), they should do an initial walkthrough of the home which includes recommendations of what to repair and update. These recommendations are made to attract better tenants and help prevent long vacancy periods. These suggestions may also include needed repairs to make the home move-in ready and immediately marketable and comply with various regulations, such as required smoke detectors.

Your property manager will be in charge of marketing of your home. This includes photos, website postings, and showings. It is their job to expertly market your home so it rents quickly and easily. You should see examples of the types of photos they use on their website. Photos should be of high quality and showcase each room. You want the photos to show all the space in the home and emphasize its desirable features.

Property management companies need to be skilled at setting the proper rent for the community your home is in. Better property management companies will run a rental analysis to determine what your home should rent for and why.

Property management companies should post your listing on their website as well as popular sites such as BRIGHT (the local realtor MLS system), Zillow, Housepad, Trulia, and Realtor.com. Once your home is posted and gets prospective tenants, they will be responsible for working with you for selecting the tenant.

Screening & Selecting Tenants

Property managers will be evaluating prospective tenants. This means they will typically run credit checks, contact rental references, do criminal checks, do a background check, etc. to find the best tenant for our home. Some companies will select the best qualified tenant from the group of applicants, where other companies will choose the first qualified tenant. Some companies do not allow you to be part of the evaluation process when reviewing a prospective tenant. You will want to know ahead of time how much involvement you will have.

Established property management companies should have written rental criteria that outlines what they consider when selecting a tenant. Having this document written down is important because it allows you, the owner, and the tenants to

see why they may not have been chosen. It also decreases the chances of claims of a Fair Housing violation if the property manager can point to published criteria as to why an application was denied.

They will also draft leases and make modifications, if necessary. They will typically have a standard lease that all tenants must sign. This may also include any required disclosures such as notices about lead, asbestos, and bed bugs. There may also be special lease provisions you want added into the lease, such as what utilities or services (landscaping, pool cleaning, etc.) the tenants are responsible for, or for any pets.

Rent Collection & Accounting

They will also collect the rent from tenants. Some companies will have a designated accounting manager for this role. They will be responsible for making sure tenants have paid and will enforce late fees for those that do not. Should a tenant refuse or neglect to pay rent, the company will be responsible for starting an eviction process. Some companies have the expertise in-house to handle “standard” evictions without an attorney. Other companies will exclusively use an attorney that will assist them with this process. In any event, homeowners are responsible for all the legal fees. Once the rent is paid, they will deduct the portion of the rent that goes to them (management fee) and other miscellaneous charges (such as a repair that occurred during the month). Then, they’ll pay you the remainder. Most companies include a statement with the payment that itemizes any expenses incurred during that month. Be sure to clarify whether the company does full-month or mid-month accounting. This will affect when you are paid each month and how you keep your records. They will also set the security deposit for the tenants. At move-in, they will collect the deposit and when the tenant moves out, they will deduct any necessary fees and return the rest to the tenant in accordance with local regulations.

Maintenance

Property managers will be handling all maintenance at your property. This should include the initial repairs and improvements to make the property rent-ready after you hire them as your management company.

They should have a list of trusted vendors they use for repairs. Some property managers have a contractor’s license and operate their own maintenance team and as such will make additional profit on your maintenance repairs. They need to have a process for maintenance requests, whether they are urgent or not. This makes it easy for the tenant to submit a request and the manager to get it handled quickly. Most property management firms have a process for tenants to submit maintenance requests, including after-hours emergencies. Depending on the company, tenants can submit requests online through a maintenance portal or submit to the manager directly.

At White Robbins we have no maintenance people on salary and do not make any profit on maintenance requests.

Other Management Duties

During the tenancy, the property manager would also be responsible for enforcing the lease and resolving disputes. This could include repairing tenant-caused damage, correcting HOA violations, and periodic walk-throughs to ensure the tenants are keeping the home clean. The property manager should also advise if renewing the lease is recommended and bringing the rent up to market standards. When necessary, the property manager can also modify the lease. Common lease modifications, or addenda, are roommate changes, adding a pet, or allowing the tenants to modify the property such as installing a satellite dish or repainting the walls a different color. When the tenant gives notice to move out, the

manager will prepare to find a new tenant. The period between the old tenant moving out and a new tenant moving in is called a vacancy period. Be sure to ask any manager you plan to hire if they track their vacancy period; it will give you an idea of how quickly and efficiently they can replace tenants.

What to Look Out For in a Property Management Contract

When you're getting ready to sign a contract with a property management company, you should know what to look out for. This document is going to outline what you should expect from the company and what your role is while working with them.

It's easy to overlook things when signing a contract. You might be so focused on the inclusion of certain things that you miss other items entirely. At White Robbins, we review the contract with you and recommend that you read it thoroughly. However, we realize that it can be stressful to sign a contract, especially if this is your first time hiring a property manager.

We've compiled a list of things that will likely be included and things you should look out for in a property management agreement.

Disclaimer: We are providing these tips for educational purposes. We always recommend speaking with your attorney regarding any legal matters.

Services

This section should outline what services the company will provide, i.e. leasing the property, managing the property, maintenance and repairs, etc. Occasionally, these will be separated into their own individual sections. The leasing section should mention how they screen tenants, advertise, and modify leases. Typically, they will briefly address how they market the property, i.e. signs used, websites, etc. It will also state that the manager has the power to enforce lease, not the owner. This is to prevent unnecessary interaction between the owner and tenant. The document should also cover what their maintenance threshold is. Some companies will notify you of every repair needed while others might only notify you if the repair exceeds a certain amount. It should also specify what the protocol is when there is an emergency repair required.

Fees

This section should outline what the management company charges for each service. Property management companies take a percentage of the monthly rent as payment (typical in Delaware and nearby Pennsylvania is frequently 10-12%). It should also state when they collect this fee.

It should also outline any extra fees that will be associated with their management. For example, many companies charge a leasing fee once a tenant is placed. This fee should cover marketing and tenant placement. Their fees section might also mention other charges like extensive make-ready repair or upgrades, inspection fees, etc. Don't assume that a higher

management fee is an immediate red flag. Some companies prefer to charge an all-inclusive management rate that might be higher than the average, but they give you more for your money. You should pay attention to the management fee along with the other fees. A company may charge a low monthly management fee, but also charge you for vacancies and other miscellaneous things.

Cancellation

Every contract needs to have a section detailing how to cancel services or what will happen if the property management company terminates the contract early. It should state how the remainder of the funds are paid out as well.

Duration/Term of Agreement

Many owners don't know they're in a year contract until it's too late, i.e. they want to change companies or go back to self-managing. Pay attention to the length of term. Some companies do yearly contracts whereas other companies run things on a month-to-month basis. Be sure to check if the agreement auto-renews (common with monthly agreements) or not.

Compensation for Special Services

There are certain things that fall outside the scope of a normal management contract, such as representing an owner at a Homeowners Association meeting. Some managers will require additional compensation for these services.

Collection and Disbursement of Income

This section will state when you, the owner, will be paid. It should also explain how expenses associated with the property get paid. It will detail how accounting records and reports are dispersed to you. Look to see if your property manager does mid-month or full-month accounting. This can affect your owner statement, your ability to keep records, and the date in which funds are released to you.

Affiliates

Here, your property management company would list their ownership interests in affiliated companies and organizations, if they have any. For example, some companies also have an associated realty company. This would be listed in this section. For example, if they own the maintenance company that does the work on your property, they would disclose that here.

Owner Obligations

In this section, the property manager will outline what obligations you, the owner, have in regard to agreement. This could include not communicating with the tenants, leaving personal property in the home, or agreeing to keep the property in habitable condition. This is an important section because it tells you what your responsibilities are once the contract is signed. Property management companies run best when the owner abides by what is stated in the obligations section.

Insurance

This section will outline what type and amount of insurance you would be required to maintain throughout relationship. Most property managers require roughly \$500,000 in liability coverage. If they don't require insurance at all, it's a red flag. Most property management companies also look to be named as "additionally insured" on the liability portion of owner policy. This is so they can have equal representation should a liability claim be filed.

Owner Indemnity Obligations

Indemnification clauses are included to compensate for a harm or a loss, typically by monetary means. This section states that the owner will not take legal action against property management company unless company is grossly negligent. This will stipulate in which instances a manager could be in violation of the contract.

Attorney Fees

States that if an owner hires an attorney, it's considered an operating expense, i.e. it is paid for by you, the owner. In some circumstances, it may be reasonable for the owner and the manager to split the cost.

Mediation

Mediation refers to when both parties choose to resolve a dispute with a third-party mediator. This states that both parties agree to mediate before resorting to legal action. This prevents unnecessary legal fees for both the owner and the manager.

5 Things Every Property Management Company Should Have

Hiring a property manager can be a challenging process. There are likely dozens of property management companies in your city. How will you know which one will do the best job? Often times people aren't sure what to look out for or how to tell if someone is the right fit for them. We have a list of essential questions you should ask any property management company you interview. In addition to those questions, we've created this list of important things a property management company should have. When you're researching property management companies, keep the following things in mind.

Good Reputation & Reviews

In this day and age, reputation is highly important in the property management industry. Many people hear about property management companies through word of mouth. Ask your friends, fellow investors, and coworkers who should manage your home. You can even ask real estate agencies if they have recommendations. Good property management companies likely work with real estate agents to gain relationships with potential owners. Another thing to check out is the company's reviews. Yelp and Google reviews are extremely important. When someone has a bad experience, they leave a review. When someone has a great experience, they leave a review. Pay attention to the number of reviews a company has. You might see a 5-star company, but upon further examination, find that they only have three reviews. The more reviews a company has, the better idea you can get of what people actually think of them. If they have bad reviews, do they respond to them? This is something that can make great property management companies stand out. Thoughtful, genuine responses to unhappy customers can make a big difference, oftentimes resulting in an updated review. At the very least, it shows that these companies care about each customer's experience. In addition to bad reviews, check out the good reviews. What makes this company the best? Is it their great communication? Their quick turnover process? Chances are, people that had a great experience will make it known.

Transparency

Be wary if a company isn't willing to disclose a lot of information on their website. For example, do they state their pricing? One of the first things you'll want to know during your research is what price range you're looking at. If a company makes this information hard to find or unavailable, this might be a red flag. There are plenty of companies that list their management rates and fees on their website. Why waste time struggling to find your answers on a website for a company that doesn't want you to have them? The management contract needs to be owner-friendly as well. It should be easy to read and not too long, i.e. 15 pages. Transparency is also important during the management period as well. You won't want to feel like your manager isn't telling you something important. You can reference reviews to see if this is the case. Former clients will likely comment on a lack of transparency if there was one.

Detailed Website

It's crucial for property management companies to have a good website. We are living in the digital age and people want to be able to access the information they need in a matter of seconds. There's nothing more frustrating for a potential customer than searching the website for answers and not finding any. You should be able to easily find things like available properties, management services, and a contact page. You should also see if they have educational content, such as a blog or a FAQ page. Their property listings should be detailed as well. Do they have clear photos? Each property should have a good description and a list of included features or amenities. Pay attention to where they list their properties, too. If you Google the address, it should come up on popular listing sites like Zillow and Realtor.com. This is how your listing will be marketed so check out how they are marketing listings now. They should also have a detailed bio about their company and possibly a list of team members. People often want to know who they'll be working with when they're hiring a company. A company that has this information on their website wants you to have all the facts before you sign.

Professional Designations

Property managers should have a real estate license. Not only does this give them more knowledge of the industry but it also gives them access to the BRIGHT MLS, our local multiple listing service. This service gives them access to home listings so they can get a better idea of sale prices and neighborhood stats. You want a property manager, not a realtor that does property management part time. This will ensure that all of their time is dedicated to you.

Expertise

Having a good amount of experience is highly beneficial when it comes to managing a property. Companies that have been in the business for years have likely encountered many problems and have learned how to handle them. For example, you might want to ask if the company has handled an eviction before. This can be a challenging task and in the unlikely case that someone will have to be evicted from your property, you want to be sure that the management company knows what they're doing and follows the law. Additionally, they will have years of experience watching the rental and sales market, learning how it fluctuates during certain times of the year. They should understand when to raise the rent and by how much. They'll also know how to attract and keep good tenants in your home. You want what we call a "big A" agent, not a "little A" agent. A "big A" agent takes care of everything for you. You won't have to worry about your property because they have everything handled. They will pick the tenant, take care of leases, and only involve you for big things, such as a contractor issue. "Little A" agents simply take orders from everyone else, whether it be you, tenants, vendors, etc. They don't provide nearly as much guidance and tend to slow down the process by deferring to others for everything. Your property management company should be a resource for you. They should be able to answer any questions you have and thoroughly inform you of their process. They should also have resources on their website, such as a FAQ page, downloadable eBooks, etc. A good property manager should also know their numbers. This shows that they're organized and keep track of their properties efficiently. Common numbers they should know are:

Average length of tenancy

Days on Market

Number of leases signed per month

Rent for each area

Cost to make the average home rent-ready

Vacancy rate

How Much Does Property Management Cost?

If you've decided that you're in need of a property management company, your first question is probably "Well, how much does property management cost?" There are a number of different fees a property management company can charge. Some companies will charge a lot of fees, some might only charge one. But more important than how many fees they charge is the total cost. You might feel overwhelmed when trying to figure out what all these fees mean and how all the costs add up. You'll also want to know what exactly you're getting for your money. Good property management companies should have a page on their website that educates you about all of their services and what those costs are. At White Robbins Property Management, we know you're concerned about the different prices and fees associated with hiring a property management company. You want a company that cares about your property and will do a good job for a reasonable rate. Today, we'll go over management rates, fees, and other costs associated with hiring a property management company.

Management Fee

The management fee is the basic fee that property managers charge for their monthly services. This fee is usually a flat percentage, for example 10% of the collected monthly rent. The percentage for property management in northern Delaware and nearby Pennsylvania is typically 10-12%. For example, if the monthly rent is \$1,500 and the fee is 10%, they'll charge you \$150.

Typical services included in the management fee are as follows:

- 24/7 Maintenance
- 24/7 customer service
- Onsite visits for emergency situations
- Monthly property accounting
- Communication with tenants
- Year-end statements
- Copies of all invoices and work orders
- Property evaluation
- Before and after photos of repairs.

Take a good look at the company's service page to make sure they offer the services that are important to you and that you're getting your money's worth

Leasing Fee

Another common fee charged by property management companies is the leasing fee. The leasing fee covers the preparation, marketing, and leasing of the property. The management company will typically do a walkthrough of your home once you hire them. This is so they can make recommendations on what aspects of the home need improving or

repairing. Once you make any necessary improvements, they'll take photos of your home to prepare for the marketing. Most companies use websites like Zillow, Trulia, and Craigslist to market your home. When the applications start coming in, they'll be either be solely responsible for tenant screening and selecting, or you will be involved in the process. Once the tenant is selected, they'll draft the lease and get it signed. They should also be assisting with move-in preparation and billing set-up. All of these services fall under the leasing fee category and will typically cost one month's rent. Usually this fee is due once the property is rented. If the companies charge a fee upfront, this is a bad sign. It is common in our industry to charge once the service has been provided.

Miscellaneous Fees

Occasionally property management groups charge a maintenance fee. This is a percentage charged on top of any maintenance work they coordinate. For example, they may charge 10% on top of any maintenance job. So, if a new garbage disposal costs \$100, you will be charged \$110. That \$10 goes to the management company. Companies will tell you the idea behind this is that it keeps your home in better shape as maintenance is a revenue center. Routine maintenance can help keep these annual costs down.

Some companies will cover repairs up to a certain amount and get paid back with the rent, others will expect you to pay it in full. Some companies have a lease renewal fee. This charge is for renewing an existing lease when a tenant renews for another year. When it is charged it's usually \$100-\$200. Eviction fees are less common but can occur with problematic tenants. The property management company may charge you extra to go to court to evict a tenant. You'll likely have to pay up to \$600-\$1200 for an eviction attorney, not including any court fees. At White Robbins, we handle most evictions in house, however we only have, on average, one eviction a year (0.5% compared to the industry average of 3-5%). The tenant is billed for the court costs, so at White Robbins, you typically have zero eviction expense. Some companies will charge a small vacancy fee if the property sits vacant for a while.

Total Cost

So, what's your total cost for hiring property manager? It depends, but typically you'll spend about \$1,800 per year per property (based on a \$1,500/month rent).

Savings: Tax Deductions

Since property management is an operating expense for your rental business, it's usually tax deductible. This means that even though you're paying upwards of \$1,800 a year, you can claim it on your taxes as a write off. For example, if you are in a 25% federal tax bracket and 6% state tax bracket, that would bring your total cost down from \$1,800 a year to roughly \$1,240.

Time Savings

Keep in mind that while you will be spending some money on property management, it will be saving you a lot of time. Instead of being on call 24/7 and managing tenants, you'll be able to spend more time doing the things you love. Chances are you might have a full-time job already and becoming a landlord might be too much of a strain, especially if you have kids. Hiring a property manager can give you back some time while also effectively managing your property.

5 Essential Questions to Ask a Property Manager

So, you've decided to hire a property manager. Whether it's because you no longer have the time to manage, you've acquired more properties, or you just want someone with a little more experience to handle your property, a property manager can likely help you with your problems. Gone are the days where you're forced to do your own maintenance, select your own tenants, and handle property accounting. These days there are hundreds of good property management companies to choose from that specialize in managing homes just like yours. However, not every property management company is the same. Between different prices, philosophies, and services, it can be difficult to narrow down which company is right for you. To help you through that process, we've come up with a list of 5 questions you should always ask a property manager.

What kind of involvement do I have as an owner?

How often do you do inspections?

How long are your properties typically on the market?

Will I be responsible to make my home rent ready or will you and how long will it take?

How do you screen tenants?

The goal of these questions is to help you figure out which companies will best be able to serve you and take good care of your properties.

1) What kind of involvement do I have as an owner and what decisions do I get to make?

All management companies are different. A property manager will serve as the middle man between the landlord and the tenant.

Tenant selection is something that differs from property management company to property management company. Some companies totally decide on the tenant. Others, like White Robbins Property Management prefer to have the owners involved – especially when it is a judgement call is made based on financial qualifications.

If you've managed your own properties before, you might be hesitant to fully let go and let someone else do all of the work. However, if you are micromanaging everything the property manager does, it will likely slow down the process.

For example, when a property management company first takes on your property, one of the first things they'll do is a walkthrough of your home. They'll inspect the exterior, the front and backyards, and all of the rooms. The goal here is to see what aspects of your home might need to be updated or replaced. As the owner, you have the final say on which updates are made as you are the one paying for it.

Property managers will likely notify you about big repairs and emergency repairs as well. Minor fixes usually aren't worth the extra time it takes to notify you.

2) How often do you do inspections?

Routine inspections are an important part of good property management. This insures that your property manager is monitoring the property and any issues that may arise with it. A property management company should inspect the property a minimum of once per year, preferably every six months. They should have a checklist of what they are looking for, i.e. chipped paint, old water heaters, etc. Annual inspections provide the property managers with the opportunity to catch any unreported maintenance issues or tenant-caused damage. It's best to address these things quickly as letting a problem fester for a mere two extra months can cause a lot of damage. The manager can also check for any unauthorized pets or tenants in the home. If someone did not put down a pet deposit at the start of their lease, but you see obvious pet damage, you can make note of that. At some point, they will have to inspect the home while it is occupied. They should be letting tenants know beforehand when they plan to come, and at least one person should be home. This also allows for the tenant to bring up any issues or problems they may be having with the home. Doing these inspections, annually or biannually, gives you and the property manager reassurance that things are running smoothly.

At White Robbins we believe in posting the inspections (including photographs) to the owners portal so the owner can review the property online at his/her convenience.

3) How long are your properties on the market?

Make sure you ask what the company's vacancy rate is. Property management companies should be tracking their vacancies. If they don't know this number, it likely means they aren't keeping track of their data. Because of this, they won't know how to fix long vacancies if they don't know how many they have. A property should typically rent within 30 days of putting it on the market. If they have many properties that exceed this number, ask them why. Longer vacancy rates could mean that the properties are priced too high. Sometimes a home gets priced too high because of the neighborhood it's in or the features attached to the home. An experienced property management company should be able to take these factors into account and still accurately price the home. It could also be because the property isn't advertised properly. Poor quality photos that don't do justice to your home can make it hard to garner interest in your property.

4) How long will it take to make my home rent-ready?

It's important to know how long it will take to get your home ready to put on the market between tenants. You might be expecting the property management company to put your house up as soon as they acquire it, but there are a couple factors that go into this.

When a property manager takes on your home, one of the first things they will do is evaluate your home for needed updates and repairs. A typical make-ready (the process to get your home ready for rent) at White Robbins takes roughly 1-10 days, depending on the property, but most frequently the owner is responsible for the make ready work and is therefore in control of the timing. Older homes will typically require more updates than modern homes. If your home has a lot of outdated light fixtures, old wallpaper, and peeling paint, it might take a few more days than expected. While you might want them to speed things up and get the house on the market, it's best to listen to their recommendations. When it comes to updating your home, they know what will attract and keep tenants. After all, nice homes typically attract nice tenants. The goal of this question is to establish a timeline and keep expectations realistic.

5) How do you screen tenants?

Property management companies generally have specific criteria when it comes to screening tenants. For example, at White Robbins, we check credit, criminal history, income verification, and rental references. This is standard for most property managers. A property manager should always run a credit check on an applicant. A low credit score is usually below 625 and can affect your initial deposit amount. At White Robbins, it is typically required that the applicants make at least 4 times the rent as a household.

Another important aspect of tenant screening is checking their rental references, whether it be an apartment complex or former landlord. This allows you to confirm with their prior management that they paid rent on time and were good tenants. It also ensures that they are not lying about previous rental history and clarifies exactly who they were renting from. Some people will put down a parent or friend as a landlord, thinking you might not check their references. When it comes to the selection of the tenant, many but not all property management companies will pick the tenant themselves.

There are typically two different ways property managers select a tenant--best qualified and first qualified. Best qualified is when the property manager waits to receive a decent amount of applications (this will vary depending on how quickly the property acquires them) before selecting a tenant. This allows them to screen multiple potential tenants and choose the one that is the best fit for your property. First qualified means that the property manager will select the first tenant that qualifies, i.e. they have good credit, rental references, etc. The downside to this is that you don't see as many applications. You might push through the first qualified but miss out on someone that had better credit or a longer list of rental references.