



What Are The Benefits of Using Richardson's Property Management Team?

A competent property manager can add significant value to your investment, which is why many seasoned real estate investors will tell you that a good management company is worth their weight in gold. Here are a few ways that a good property manager earns their keep:

Higher Quality Tenants

Think of tenant screening as the moat and drawbridge around your castle. It is certainly possible to get a bad tenant out of your home once they are in, but it's a real hassle and you are so much better off never accepting them in the first place. A thorough screening process results in reliable tenants that:

- Pay on time
- Rent longer
- Put less wear and tear on the unit
- Generally cause fewer problems

An experienced property manager has seen thousands of applications and knows how to quickly dig for the real facts about candidates and analyse that information for warning signs. By allowing a property manager to handle the screening, you will also be shielding yourself from rental scams directed at owners, and discrimination lawsuits resulting from an inconsistent screening process. This kind of experience takes time, and insomuch as it means avoiding bad tenants, scams and lawsuits it is arguably one of the most significant benefits a property management company will provide.

Fewer costly and time-consuming legal problems

Veteran landlords know it only takes one troublesome tenant to cause significant problems and financial headaches. A good property manager is armed with the knowledge & skills and will ensure that you are not leaving yourself vulnerable in areas including:

- Tenant screening
- Safety and property conditions of the property
- Evictions

- Inspections
- Lease addendums
- Terminating leases
- Handling security deposits
- Rent collection

Avoiding a problem can more than pay for the property management fees, and spare you time and anguish.

Shorter vacancy cycles

A property manager will help you perform three critical tasks that affect how long it takes to fill your vacancies:

- Improve and prepare the property for rent - A property manager will suggest and oversee cosmetic improvements that maximise revenue.
- Determine the best rent rate - Too high and you are stuck waiting, too low and you're losing money every month the tenant is in the property. Determining the optimal price requires knowledge of the local market, data on recently rented comparable properties and access to rental rate tools.
- Effectively market your property - An experienced property manager has written hundreds of ads and understands what to say and where to advertise in order to get a larger pool of candidates in a shorter period of time.

Better tenant retention

While it's easy to see the effects of lost rent, there are other equally serious problems with a high tenant turnover rate. The turnover process involves a thorough cleaning, possible locks changes, painting the walls and possibly new carpet or small repairs, not to mention all the effort associated with marketing, showing, screening and settling in a new tenant. This is a time-consuming and expensive process that can often be averted by keeping tenants happy and well cared for.

A good property manager will have a time-tested tenant retention policy that ensures happy tenants with lengthy stays in your properties. These kinds of programs require a consistent, systematic approach, which is where a good property management company will shine.

Tighter rent collection process

The way you handle rent collection and late payments can be the difference between success and failure as a landlord. Collecting rent on time every month is the only way to maintain consistent cash-flow, and your tenants need to understand this is not negotiable. By hiring a property manager, you put a buffer between yourself and the tenant and allow them to be the bad guy who has to listen to excuses, chase down rent, and when necessary, evict the person living in your property.

If you let them, your tenants will walk all over you. The tenants have to be trained to follow every part of the lease or deal with the consequences. Property managers have an advantage because tenants realise that they, unlike the owner, are only doing their job and are obligated to enforce the lease terms. **Many property managers will tell you that it is considerably easier to manage other people's properties rather than their own for this reason.**

Regarding evictions, there are strict laws concerning the eviction process, and doing it wrong, or trying to evict a “professional tenant” can be a MAJOR fiasco. A good property management firm knows the law and has a good process for obtaining the best possible outcome given the circumstances. Never having to handle another eviction can be a compelling reason to consider hiring a property management company.

Assistance with taxes

A property manager can help you understand which deductions you can claim, as well as organise depreciation schedules for your accountant to maximise your tax claims. Additionally, the property management fees themselves are also tax deductible.

Lower maintenance and repair costs

Good maintenance and repairs keep tenants happy and preserve the value of your investment which makes them a very important part of being a landlord. By hiring a management firm you gain access to both their in-house maintenance staff, as well as their network of contractors who have already been vetted for good pricing and quality work. This can translate into significant savings compared to going through the yellow pages and hiring a handyman yourself. Not only is the firm able to get volume discounts on the work, they also know the contractors and understand maintenance issues such that they are capable of intelligently supervising the work.

Increase the value of the investment

Preventative maintenance is achieved through putting systems in place that catch and deal with maintenance and repair issues early on before they grow into larger more costly problems. This requires a written maintenance check program, detailed maintenance documentation and regular maintenance visits. The property manager can also offer you suggestions and feedback on upgrades and modifications, both how they will affect the rent you can charge, as well as their impact on maintenance and insurance.

Personal benefits for owners

- Less stress - Avoid having to deal with middle of the night emergencies, chasing down rent, evicting people from your property, tenants who wreck your property, rental scams, lousy tenants, piles of paperwork.
- More freedom - Live and invest wherever you want with the constraint of needing to be near your properties. Additionally, you can live and travel without the requirement of always being available in the event that your tenants have a need you have to tend to. Once you have found a good management company, it doesn't matter if you live in the same state. Some landlords live in other countries and simply collect their cheque every month without ever seeing the property.
- Free up more of your time - Time is money, and for many investors, their time can be more profitably spent in areas other than servicing their properties. When you focus on asset management you're working ON your business, when you manage your own properties you work IN it. Additionally, you have more time to spend with family or friends doing things you enjoy.

A final thought

Of course, this is an ideal scenario. These results can only be expected if a management company is competent, trustworthy and a good fit for your property. A poor choice of a property management company can produce many headaches of its own.