

5 Myths About Using a Property Manager

- 1. "It costs too much money."**

Actually, using a property manager will increase NET rental income in most cases. Rental property owners managing their own property tend to "discount" their rent in order to attract residents. Experience, however, indicates that property managers charge 'Market Rent' and therefore attract and qualify better residents. Any fees or costs involved with the use of a property manager are more than covered by the increase in rental income.
- 2. "I'll lose control of my property."**

Most property managers will be able to anticipate the potential for a lot of rental property problems....tenants want to buy a house; can't pay their rent on time; need "special handling". Experienced property managers have handled many tenant issues before and can work with owners and tenants to resolve difficulties.
- 3. "I want to do property repairs or designate repair people familiar with the property."**

Property managers are often willing to use owner designated or repair personnel familiar with the rental property. In many instances, when repair personnel utilized by the owner are unavailable, the property manager can utilize their own vendors and repair people and ultimately save the owner money. In reality, service personnel would much rather work with a professional property manager familiar with their services rather than deal with individual owners.
- 4. "I think I can get better tenants."**

Visit a few tenant "gripe" sites on the web and you will read what tenants really think about non-professional property managers. Rental property owners often manage by the "wish/hope" management theory - they wish their tenant would pay their rent and hope that they don't destroy the property. A professional property manager has the tools at hand to screen and qualify good tenants willing to pay market rent for the rental home.

Also, a professional manager has the ability to negotiate with the tenant and the owner to create a win-win with no "ego" involved. Rental property owners quickly tire of dealing with abusive or complaining tenants and become non-responsive; OR, they do way too much for their tenant's benefit and their investment becomes a "cash drain" and unprofitable. A professional property manager knows what is required under state and federal laws as well as the controlling written lease agreement. If the tenant's request is unreasonable, an alternative might be suggested. If a tenant's request is reasonable and the owner's property would ultimately benefit, a property manager can point out the benefit of the request.
- 5. "I would like to "try" management myself, first."**

Unlike many investments, the ownership of rental property is governed by many laws and regulations. The federal government not only has tax regulations, it also has fair housing, lead based paint and other onerous regulations that apply to rental property. The state may also impose more fair housing regulations as well as landlord-tenant laws and regulations to govern the relationship. Learning all these rules and applying them properly is very time consuming.

Keeping current with these various rules and regulations is onerous and not knowing items and procedures are required can be costly in the long run.