

## INTERVIEW QUESTIONS FOR HIRING A PROPERTY MANAGEMENT COMPANY

### 1. What are the various services that you offer?

Group 15: Their tagline is “Effortless Property Ownership”, which means they will take care of every last detail with respect to my property and manage my risks to free up my time.

Company #2:

Company #3:

Company #4:

### 2. How many rental units do you manage?

Group 15: They currently manage about 300 units. They are big enough where they have the experience to solve any type of problem, but small enough that they know and have a relationship with all of their landlords.

Company #2:

Company #3:

Company #4:

### 3. How do you determine the rental price?

Group 15: They start with a RentRange Report, which is the best technology on the market pulling the most data. They then adjust the report as needed according to the condition of the house and using their professional expertise and years of experience in the local market.

Company #2:

Company #3:

Company #4:

#### 4. Does your company owner actively invest in rental property?

Group 15: Yes and they consider it imperative that every property management company owner should be investing, which helps them relate to their clients and gives them “skin in the game”.

Company #2:

Company #3:

Company #4:

#### 5. How long is your management agreement; under what conditions can I cancel and do you have any termination fees?

Group 15: Their management agreements are month to month with no termination fees. I can cancel at any time.

Company #2:

Company #3:

Company #4:

#### 6. What are the management and leasing fees?

Group 15: They have three different options which all provide the same full level of service.

- Option 1: 10% management fee & 25% marketing fee (available for properties \$800 and up)
- Option 2: 8% management fee & 50% marketing fee (available for properties \$1,000 and up)
- Option 3: 5% management fee & 100% marketing fee (available for properties \$1,600 and up)

Company #2:

Company #3:

Company #4:

### 7. Are there fees when the property is vacant?

Group 15: No, they only make money when I make money: when the rent is collected. Some management companies charge a flat rate monthly management fee, which means I might pay a lot more to those companies when the tenant short-pays or doesn't pay.

Company #2:

Company #3:

Company #4:

### 8. What other miscellaneous fee might I be charged?

Group 15: Lease renewal fee, when a tenant renews the lease, is \$150. They also do quarterly property visits to go inside the property, check on the air filter and make sure the tenant is taking good care of the property for \$50 per visit.

Company #2:

Company #3:

Company #4:

### 9. Do I have to sell my property with you if I want to list for sale?

Group 15: They can and would like to earn my business to buy and sell houses, but I am not obligated to them, except if the tenant wants to buy the house, I would at least use them to sell to the tenant.

Company #2:

Company #3:

Company #4:

### 10. How do you collect rent from tenants?

Group 15: Tenants are given lots of options on how they want to pay the rent:

- Mail the check.
- Pay online, via direct deposit. They can even automate the monthly drafts.
- Also can pay in-person at their local 7eleven or Family Dollar!

Group 15 has own collection agency to aggressively pursue tenants who vacate & owe money.

Company #2:

Company #3:

Company #4:

### 11. Do you conduct routine property visits; what is the cost?

Group 15: They visit the inside of my property once every quarter to look for “big red flags” such as signs of unpermitted pets, smoking, extra occupants or excessive damage and they check on the air filter while they are there, which would be a costly repair if not changed.

Company #2:

Company #3:

Company #4:

### 12. What is your average vacancy rate and days on market as a company?

Group 15: Vacancy rate less than 5%. One quick way to check this is by seeing how many listings they have on the market right now and divide it by the number of units they manage.  
Days on market is 17 days. If less than two weeks then a company is under-pricing the unit; more than four weeks and this is not competitive in the current market.

Company #2:

Company #3:

Company #4:

### 13. What are your rental screening requirements?

Group 15: In addition to the minimum service of credit, criminal, eviction, landlord and income verification, they are also asking for “pet-selfies”, asking “tricky” questions to confirm they are not talking to a fake landlord, checking social media and more.

Company #2:

Company #3:

Company #4:

### 14. How do you handle maintenance?

Group 15: They have a 24/7 call center taking calls to talk through issues with tenants with the goal of avoiding dispatching contractors as much as possible to save me money. When someone needs to be dispatched they use separate contractors to avoid a conflict of interest. They will not bother me unless the bill is going to be over \$400.

Company #2:

Company #3:

Company #4:

### 15. How will you communicate with me?

Group 15: I will have a dedicated property manager that I can reach out to directly at any time with any questions and expect a response within 24 hours. I will also receive periodic email updates in addition to my monthly accounting statement.

Company #2:

Company #3:

Company #4:

