

Property Management Company Checklist

The quality of your property management company will directly affect the success of your real estate investments and your piece of mind. Here are some important questions to ask as you interview management firms:

- ___ Can you provide a list of exactly what management services are provided, including dates I will receive reports and a breakdown of management costs?
- ___ Can I contact several of your current and former client references with rental properties that are similar in size and location to mine?
- ___ Is your firm an Accredited Management Organization (AMO) recognized by the Institute of Real Estate Management (IREM)?
- ___ Do your staff members hold IREM's distinguished Certified Property Manager (CPM) designation or Accredited Residential Manager (ARM) certification?
- ___ Is your firm an active member in good standing with a local affiliate of the National Apartment Association (NAA), and does it hold any NAA designations?
- ___ Who will actually manage the day-to-day activities at my property? What are this person's qualifications, and does he/she exclusively manage real estate?
- ___ Do you provide 24-hour on-call maintenance services with e-mail capability?
- ___ If maintenance is provided in-house or by an affiliated firm, do you only charge the actual cost of labor and materials without any surcharges, markups, administrative fees, or other such add-ons?
- ___ Do you pass along any volume purchasing discounts fully and directly to clients for appliances, carpeting, and other items without any markups?
- ___ Do all funds collected for applicant screening fees, tenant late charges, and other administrative charges go directly to the owner and not the manager?
- ___ If allowed by law, are all employees given pre-employment screenings that include thorough background checking by an independent security consultant, plus drug and alcohol testing by a certified lab?
- ___ Do you carry Errors and Omissions coverage of at least \$500,000, plus general liability coverage of at least \$2,000,000?
- ___ Do you have a one million dollar (\$1,000,000) fidelity bond for all employees?
- ___ Are your legally required state licenses current and without any history of violations?
- ___ Do you have separate trust accounts for each client rather than a single master trust account containing multiple owners' funds?