

SCOTT P. BRADY

HOW TO HIRE AN ASSOCIATION MANAGER



**Everything You Need to Know
About Hiring an Association
Management Company**

Table of Contents

The Roles & Responsibilities of the Board of Directors 2

Pros & Cons of Hiring an Association Management Company 6

Responsibilities of an Association Management Company 10

What to Look Out For in an Association Management Contract..... 13

6 Things Every Association Management Company Should Have..... 17

5 Essential Questions to Ask an Association Manager 20

About Progressive Association Management..... 25



The Roles & Responsibilities of the Board of Directors

WHO YOU ARE

Your association is a group of homeowners banded together by law to create community, provide services perhaps unattainable to individuals, and charged to preserve and protect home values. The homeowners' association (HOA) board is a group of volunteers tasked with administering the homeowner association to accomplish this task.

The exact duties of the board will vary based on the authority and responsibilities given to it by the governing documents. No matter what the specifics are, the role of an association board member can be divided up into three different categories: maintaining the amenities and common property, financial management and oversight, and providing direction and vision to the community.

WHAT IS YOUR JOB?

Maintain Amenities and Common Property

Most HOAs offer amenities to their owners, whether that is a pool, common room, or even a golf course. Many HOAs also have responsibility for some or all the physical structures within the HOA and usually maintain the landscaping in the common areas, the board is responsible to make sure these structures, amenities and common areas are properly maintained and available for use by the residents.

In the short term, this means proper contracts are in place and buildings are maintained. In the long term, this means the HOA has enough money in reserves to repair and maintain the amenities and structures. Some HOA boards believe it is their responsibility to keep dues

as low as possible. This course of action damages the long-term financial stability and health of an HOA and its members.

Eventually deferred maintenance must be handled, and boards that have shorted their reserves for the sake of low monthly dues will be forced to issue large special assessments to make up a shortfall, and these assessments can be damaging to property values and the financial well-being of the members. Thus, a board is responsible to charge fees that will sustain the common property and amenities of the HOA long into the future.

Provide Financial Oversight

Hand in hand with being responsible for the common property of the HOA is the responsibility to manage the overall financial well-being of the organization. As a board member, you are expected to put the well-being of the organization about your own: this is called a fiduciary duty. You must act in the best interests of the HOA. For example, a board member may need to vote for assessments, repairs or other matters for the health of the HOA, even if some members do not agree. You must also display reasonable business judgement and understand the HOA's business, actively participate in overseeing the HOA, determine what is required for the HOA to operate, and then prudently act on those decisions. This would include selecting the best association management company for your community.

Provide Direction and Vision

The third and final responsibility of HOA boards is to provide direction for the future. This may be the least tangible, but arguably, the most important to your members. This part of your job impacts the livability of your community and the needs of your owners. A board that takes a proactive, task-oriented approach to managing common property and providing services to an HOA creates a sense of mission and accomplishment among the board members and a stronger sense of community among the residents.

HOAs need to have a sense of direction, and the board must provide it. One way to do this is to create a five-year plan of action. If you have any problems, many of them have taken years to create, so it will take time to reverse them. Having a five-year plan may change the budgeting process because when creating the budget, there will be specific tasks

to accomplish.

Serving on an HOA board can be complicated, time consuming and stressful; that is why most associations, particularly ones with more than 30 residents, hire an association manager to handle the jobs they shouldn't have to do as an unpaid volunteer.

WHAT IS NOT YOUR JOB?

Enforcing Rules

Your board exists to administer the business of an HOA expected to care for millions of dollars in assets: the homes of its members. These homes not only represent the dreams and desires of your residents, for many, they are often the single greatest investment the owners will ever make. Maintaining the value of these investments through proper management of the HOA is the serious business of the board. It's the reason the board exists. One of the roles of a homeowners' association is to foster a sense of community and belonging. If you are posting notices of non-compliance, putting parking tickets on cars or sending fines to other owners, this will create discord and factions within the community. Your job is to create fair rules to be followed by all, not to be the HOA police.

The Daily Work

HOAs run best when the members see themselves as part of a community working together for common goals. If you take on the daily task of running the community, this undermines the sense of teamwork, and instead, it appears you are the one keeping the proverbial boat afloat. It is best to see the board of directors of an HOA, even a small HOA, to that of a board of a large corporation. That board is not involved in the day-to-day affairs of the business, but to set direction and policy. Picking up trash, dog poop, and micro-managing vendors should not be the duties of the board members, but rather delegated to vendors.

Jobs That Can Be Done by Others

Managing an association, or having an association management company that is not performing as agreed, can be very time consuming. Once a board understands their financial and leadership responsibilities they realize they have enough on their plate, without compensation,

without doing the work others should do. A well-run board assigns other people to make sure light bulbs are changed, pools are cleaned, and an association management company keeps them informed and on task so they can stay busy making sure the financial house is in order and they are working to maintain and improve the community spirit and services offered by the HOA.

Pros & Cons of Hiring an Association Management Company

Deciding to hire an association manager can be a challenging process. Maybe you are new to the board and have never hired a manager before and aren't sure what you should be looking for in a manager. Maybe you have had an association manager but it didn't go as well as you had hoped and now you're deciding if it is still the best option for you.

There are advantages and disadvantages to hiring an association manager, depending on your goals. If your association is small, you may be able to handle the responsibilities of managing your association by yourself with the help of your board. If your association is more complex, with more units, a large reserve, and more services being offered to your owners, it is best to hire a professional association manager so you are not despised by your neighbors for enforcing the community rules or put yourself at risk for handling the finances and legal responsibilities that come with managing an association.

At Progressive, we believe quality association management can resolve the difficulties managing your own community. However, we do understand that it is critical to know all the pros and cons before making this decision.

Here is what you should consider when debating the decision to hire an association manager.

PROS OF ASSOCIATION MANAGEMENT COMPANIES

Experience in the Industry

An association management company likely has years of experience managing communities. Depending on how long they have been in

the business, they should have a defined systemized process in place. Managing a community can be very complicated with numerous state laws to adhere to, unless you want to have a second job learning these statutes, it is best left to professionals.

In California, association managers and their community managers do not have to be licensed. Most association management companies hold certifications in the industry such as the California Association of Community Managers (CACM), or are licensed real estate agents, meaning they already have an education in the industry. This allows them to know the ins and outs of the market, and what improvements to your community can increase the value of the homes.

During their career, they have handled board disputes, vendor issues, elections, crafting complex operating budgets and much more. These issues can often be overwhelming for a board, particularly if you have self-managed. Association management companies have handled these issues in the past and learned the best ways to navigate them.

Benchmarking & Standardization

If you self-manage your association, you only have one point of reference: your own association. A management company might be serving several or several hundred associations and has different perspective from which to reference. They experience both well run and rogue associations and they can provide that superior knowledge to your association. There are financial standards all associations should abide by: reserve goals, operating budgets and healthy balance sheets. If your board, or the management company you currently use, does not have this perspective, you might want to find a new company or change the one you have.

Maintenance Response Time & Emergencies

Unfortunately, things break down, and they do so at the most in convenient times. You should expect a Community Manager to be available during working hours, and additional staff to handle emergencies in the evenings and the weekend. Time is of the essence for emergencies, repairs and maintenance issues.

Association managers not only respond to these maintenance issues quickly, but they also have multiple vendors who can tackle the job. This saves you from researching different vendors and deciding which one

is the best candidate for the job. In addition, because of their volume of business, they may be able to secure better rates for your jobs with quicker response.

They Are the Bad Cop, You Are Switzerland

Your association management company is an independent third party enforcing the rules of the community without prejudice or animosity. They have no grudges to bear or long standing feuds to settle. The board sets the policy and the association manager implements the rules equally to all residents.

Compliance

Associations are highly regulated by the State of California. The Davis-Stirling Act, codified and made part of California law in 2014, holds boards more accountable and gives owners more rights than before. A board must provide certain documentation to owners upon request and provide exhaustive annual reporting. In short, it made it harder to self-manage and holds association management companies to a higher standard of conduct and professionalism.

CONS OF ASSOCIATION MANAGEMENT COMPANIES

The Cost

No doubt, the biggest obstacle boards have determining if they want to hire an association manager is the cost. Association management is a paid service and the cost of that service can deter people who think they can do it themselves at no cost, or hire an inferior association management company at a lower cost.

Most association management companies will charge a monthly fee, which is typically (but not always), a flat fee per owner (this can be \$10 to \$30 per door) or a percentage of the month's collected dues (standard rate in Southern California is 3% to 10%). In addition, there are fees for any activity the management company does for the association over and above monthly management.

There might be other miscellaneous fees as well, depending on the company. A management company is paid for their time, and if they spend any time on a job for the association not included in the base management fee, the association is obligated to pay them for this time.

It is not usual for issues to confront an association, and the management company will seek reimbursement for special meetings, large renovation projects, insurance claims, and legal issues.

Some charge a cancellation fee, extra maintenance fees, set up fees and the like. Also, management companies will charge owners who sell to provide documentation to the escrow company required by lenders and real estate agents. These fees will be paid by the seller, but many owners become sellers, and if these fees are exceedingly high, residents will not be pleased. Beware of these fees since they add up quickly. Some companies claim to have a low management fee but then charge extra fees on the side when other companies may not.

Lack of Oversight & Control

Some board members have a hard time “letting go”. They want to be involved in every aspect of the management process and won’t let the management company do their job without micro-managing them.

Association managers will prefer to not have you involved for minor owner issues, maintenance requests, or other trivial matters. They are better equipped to handle these issues and systems to solve these problems efficiently. Additionally, the more you are involved in the active management of your community (rules enforcement, account payables and account payables), the more you expose yourself to stepping on the toes of other board members who are “hands off”.

Association managers understand that your community is your baby, so to speak, and you want it well taken care of. However, hovering over every decision makes their job only more difficult. If you are someone who needs to be constantly hands-on, perhaps self-managing is a better fit for you.

While association management is an expense, the pros do outweigh the cons for most people. If you can afford it and you can let go of it, your life will be less stressful and you’ll have more time for other more gratifying ventures.

Responsibilities of an Association Manager

If you've been managing your own association or this is your first time considering changing your association management company, you might not be entirely sure what an association management company does. Sure, they take over the day to day management of your community, but what does that include? What are their processes and responsibilities?

The point of hiring an association management company is to free up your time while feeling confident that your manager will take good care of your community and protect your association. A full-service company will handle everything from financial reporting, bill paying, dues collection, rules enforcement and maintenance repairs so you don't have to.

Before you hire an association management company and sign a legally binding contract, you should know what tasks they perform and how they handle the duties they are delegated. In this section, we will cover the basic responsibilities of an association manager and how they operate.

Dues Collections

Without collecting monthly dues, little will be accomplished in an association. Every owner is legally obligated to pay their monthly dues, and strong arming delinquent neighbors for these dues is last on most board members to-do list. But association bills must be paid and collection of these dues must be done. It is critical to have a competent third party handle this task to meeting with neighbors are much more pleasant.

Rules Enforcement

Enforcing rules can be confrontational and unpleasant at best and physically threatening at worst. As a board member, you are a volunteer; do you want the grief of antagonizing neighbors although enforcing the rules is critical to the health of your community?

An association manager acts as a buffer between the board and the

residents and treats all parties equally. There should be no personality conflict with an association and they should have a systematic plan to bring offenders back in line. Before a conflict escalates into a war, a good association manager can defuse the situation.

Owner Communication

Someone needs to communicate frequently with the residents about every aspect of the community. Residents may need maintenance assistance, even on weekends and holidays, and a good association manager will provide high quality consistent communication to the residents. Having a reputable third party conduct the elections, hold the annual meeting, send out quarterly community newsletters and coordinate community facilities is a huge help to boards.

Maintenance Oversight

Most communities require consistent maintenance and constant upkeep. For larger communities, the association manager will conduct monthly inspections of the community with board members present, and they will identify and prioritize maintenance needs.

Community Continuity

Since HOAs are run by volunteer boards, consistency can be a real problem. Boards and committee members come and go. A good association manager is the glue to different board members and boards; they link these well-meaning volunteer efforts together, and can provide background and context to new members. The company provides a systematic approach to record-keeping, expertise in financial management, and consistent reporting. A good manager can educate new directors on their roles, helping them maximize their effectiveness.

Keeping the Board on Track

Community management is a year-round job. Although dues are collected monthly, monthly walk-throughs performed, vendors coordinated continually and meetings held accordingly, there are other tasks required to be coordinated and conducted with the assistance of your association manager. Typically, annually, the following duties must be done or delegated:

- Annual Election Held

- Reserve Study Conducted
- Federal and State Tax Returns filed
- Insurance Review
- Operating Budget Reviewed and Approved
- Audit of Financials
- General Member Meeting

As you can see, there are many responsibilities for an association manager to fulfill, and the fee they charge is usually well worth the money a board pays for these services.

What to Look Out for in an Association Management Contract

If you have decided to hire a management company, you will be required to sign a management contract. This is binding document which outlines responsibilities and expectations for both you and the association management company. You should know what to look out for in the document. This document outlines what you should expect from the company and what your role is while working with them.

It's easy to overlook details when signing this contract. They can be long and seem complex. You might be so focused on the inclusion of certain items that you miss other items entirely. At Progressive, we review the contract with you, make changes as necessary, but still recommend you read it thoroughly. However, we realize it can be stressful to sign a contract, especially if this is your first time hiring a property manager.

What follows is a list of items that will likely be included and language you should expect in an association management agreement.

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

Duties, Roles & Services

This section outlines what service the company is providing, i.e., assisting the board, implementing decisions, providing documentation to residents, enforcing the rules, etc. leasing the property, managing the unit, maintenance and repairs, etc. Since there are a few duties to be completed, these will be separated into their own individual sections. The “duties” section will provide specific duties to be performed by the management company included in the base management fee. These should include:

- Attend annual meetings
- Attend monthly (or quarterly) board meetings

- Maintain owner roster
- Record and file maintenance
- Rule enforcement
- Monthly inspection of common areas
- Bid preparation and vendor coordination
- Assessment collection and deposit
- Monthly disbursements
- Financial and report preparation
- Tax return, review and audit preparation
- Budget preparation
- Reserve study

This list is by no means exhaustive and if the association wants additional duties and services included in the base management fee, it needs to be stipulated in the contract.

The document should also cover what the maintenance threshold is. Most companies will notify you of repairs only if it exceeds a certain amount, such as \$500. If the board wants to be notified less, this amount can be increased, if they wish to be involved more, this amount should be decreased. It should also specify what the protocol is when there is an emergency repair required.

Fees

This section outlines what the management company charges for both routine and special services. An association management company's routine or base management fee may fluctuate depending on the following factors:

- ***The Number of Units in the Association*** – The higher the number of units in the association, the higher the revenue, and this may lower the monthly fee.
- ***The Amount of the Monthly Dues*** – The higher the monthly dues, the greater the number of services and responsibilities of the association and may increase the fee.
- ***The Amount of Current Reserves*** – The lower the reserves, the higher the risk with the association. If the association does not have sufficient reserves on hand, it may mean a contentious future where dues may need to be increased substantially, or a special assessment may need to be levied. A management company may want to charge more if the reserves are substantially below the fully funded amount.

- ***The Number of Rentals*** – The higher the percent of rentals, the higher the number of potential rules violations and tension in the community.

Every management company will have their own criteria they may examine. Some companies like smaller associations where the demands on their time and resources may be less, while others prefer large associations because they have the infrastructure to accommodate them.

You can expect the cost of professional association management to range from \$10 per owner (unit) to \$15. Some companies' charge of percent of monthly dues collected, and that can range from 3% to 10%. Many companies will simply provide a monthly management fee based on their own internal criteria and not provide an explanation, it is simply a reflection of the time they estimate it will take to manage your association on a monthly basis.

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 might provide more for the money. You should pay attention to the management fee combined with all the other fees you will be obligated to pay.

Cancellation

Every contract needs to have a section detailing how to cancel services or what will happen if the board wishes to cancel association management contract early. Some management companies charge a large cancellation fee just to get your property back. It should also state how the remainder of the funds is paid out as well.

Duration/Term of the Agreement

Since taking on a new association is time consuming and initially arduous, most management contracts will be a year in duration and many will have a cancellation fee attached to it. Pay attention to the length of the term. Be sure to check if the agreement auto-renews (common with monthly contracts) or not.

Compensation for Special Services

There are certain activities that fall outside the scope of a normal association management contract such as special meetings, lien fees, court appearances, record storage and providing mailing lists and additional documentation to owners. Most managers require additional compensation for these services.

Fees to Owners for Special Services

When an owner sells their property, and needs to transfer their interest to a new buyer, or an owner needs documentation for a loan, the management company will be asked to provide documentation to a lender or escrow company. The management company is compensated for the time and trouble to handle these responsibilities for a reasonable fee. Here are just a few fees that may be charged to owners:

- Transfer Fee
- Demand Statement
- Copies of CC&Rs, By Laws, Minutes, Articles of Incorporation & Rules
- Annual Budget & Financial Statements
- Loan Certification Letter
- Certificate of Insurance, Litigation Disclosure Letter
- Rush Processing

These fees are not guaranteed and only earned at the sale or refinance of property.

Affiliates

In this section, your property management must list their ownership interests in affiliated companies and organizations, if any. For example, some companies have an associated maintenance company. This would be listed in this section.

Insurance

It is imperative your association is properly insured. This section outlines the type and amount of insurance you would be required to maintain throughout the relationship. Most association managers require a minimum of \$2,000,000 to \$3,000,000 in liability coverage depending on the size of the association. If they don't require any insurance, that is a red flag.

Association Indemnity Obligations

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

6 Things Every Association Management Company Should Have

Hiring a property manager can be a challenging and confusing process. There are likely numerous association management companies in your city or county. How will you know which one will do the best job?

Often people aren't sure what to look out for or how to tell if someone is the right fit for them. We have created a list of essential questions you should ask any association management company you interview.

In addition to these questions, we have created a list of vital qualities an association management company should have. When you are researching companies, be mindful of the answers to these questions.

1. Good Reputation

The best way to know what your experience will be with your association management company in the future is how they currently treat their clients and those in the past. The past is a good indicator of your future experience. Reputation is extremely important in the property management industry.

Many boards hear about property management companies through 'word or mouth' and a recommendation from an attorney, insurance agent or even a residential property management company who does not dabble in association management. Ask your friends, fellow investors and co-workers on a potential referral.

It may not be worth your time analyzing the company's reviews. It is extremely difficult for an association management company to garner positive Yelp or Google reviews. They may be pleasing the board and the community members who follow the rules, but anger those who do not and have their cars towed or fines levied for not following the regulations.

They will also share their wrath when a repair is not approved by the board or an architectural improvement denied. These are the people who will write the bad reviews.

Instead, rely on letters of referral from current and previous boards whom the company has managed. Don't let the management company spoon feed you reviews they have extracted from their clients, obtain a list of associations currently under management and call these boards yourself. They have nothing to lose to tell you about their experience. If they had an issue, was it corrected? If the management company made a mistake, was it acknowledged? Managing an association and working with a board is an intimate relationship, and it often takes time to iron out the idiosyncrasies of this relationship in the beginning.

2. Transparency

Although the pricing may be variable, you should be able to quickly and easily understand the pricing of the management company. Price will be one of the key drivers in your decision to choose a company, and if a company does not make this readily accessible and easy to find, this might be a red flag. Few companies list their management rates and fees on their website, but they should gladly share their pricing and fees once you disclose the number of units in your association, the monthly dues and your reserves. Why waste time struggling to find your answers from a company who refuses to share that information quickly and easily?

The management contract should be straightforward and easy to understand. Their fees to owners when selling and for additional services should be fair and reasonable. The contract should be easy to read, straight forward and less than 15 pages. You should be able to find out where they manage other associations. One critical issue: your community manager should be 'local' because they are your "boots on the ground" and they should not be more than 30 minutes from your association.

3. Effective Association Management Software

There are a few excellent management software packages on the market and your management company should employ one of them. What will a good management software offer to you and your residents?

- *Online Payment*
- *Copies of all Vendor Invoices*
- *Monthly Report Including Income Statements*
- *Requests for Repairs and Maintenance*
- *Contacting Community Managers*

4. Professional Designations

Association managers should also have some professional designations. You might want to learn if they have any involvement in the California Association of Community Managers (CACM), the National Association of Residential Property Managers (NARPM) or the National Association of Realtors (NAR). Each of these organizations shows a commitment to the real estate and association management industry.

5. Expertise

There is no getting around it; your association manager must know what they are doing. They are expected to know the laws and follow them. They need to know the financial rules and provide the right reports to you. They should have prior experience with board dynamics and provide guidance to you. Here is the bottom line: they need experience in management and offer expertise to the board and your members.

6. Guarantees

It is increasingly common in the association management industry for your company to offer performance guarantees. Why? Because it is easy for you to sign a contract with a company who makes numerous promises to you, but what is the recourse to them if they don't perform as promised? Guarantees give you leverage with the management company and keep them from getting lax.

Here are a few guarantees that your association management company may offer:

- ***Satisfaction Guarantee*** – If you are not happy with the service being provided, shouldn't you be able to cancel your contract with adequate notice?
- ***Response Guarantee*** – How quickly do they guarantee to respond to a tenant call, text or email?
- ***Vendor Guarantee*** – If their vendor, or a vendor they recommend, does not finish the job as promised, what guarantee do you have that they will?
- ***Service Guarantee*** – Is there a limit to the number of residents or associations your Community Manager handles at any one time?

Guarantees may not guarantee a better experience, but it is better than no guarantee and being trapped in a management contract you can't cancel without a large expense.

5 Essential Questions to Ask an Association Manager

You have decided to hire an association manager. Whether it is because you no longer have the time to manage, are not pleased with your current management company, or just believe you can do better, an association manager that fits your needs can likely help you with your problem.

A few years ago, your choices were limited for quality association management and you were forced to choose between huge management companies and small “mom and pop” entities. Now there are many good management companies to choose from that specialize in managing associations just like yours.

As you are now aware after reading this eBook, not every association management company is the same. Between different prices, philosophies, programs, guarantees and services, it can be difficult to narrow down which company is right for you.

To help you with this process, we offer a short list of questions you should always ask a property manager.

1. *What is your business model?*
2. *How many associations or units do you allow your Community Manager handle at one time?*
3. *What types of associations do you specialize in?*
4. *Do you have adequate staff to handle our association?*
5. *What qualities should we expect from a good Community Manager?*

The goal of these questions is to help you determine which companies will be able to best serve you and take proper care of your investment property.

1. What is your business model?

There are three basic business models in the industry, and each typically gravitate to certain associations because of this model.

- ***Small “Mom and Pop” Operations*** – As the name implies, these are smaller management companies that have low overhead, little staff and excel at managing smaller associations 10 to 100 units in size. They substitute “full service” with intimate customer service and local knowledge. They generally don’t manage associations far from field, and may offer just financial services and not full property management services. Only twenty or thirty years ago, most associations employed this type of local company because technology did not allow economies of scale or efficiencies, and this was the only option available to you.

- ***Large “Full Service” Management Companies*** – Many residential property management companies have diversified, and now offer association management services as well. This is not surprising: they have the infrastructure, management software, staff and industry knowledge. Most currently manage residential properties in associations and are familiar with working within the confines of the rules and regulations of communities. They excel at managing communities 50 to 300 units in size. If they manage more than 500 residential properties, they have a bookkeeping department, collections, operations, accounts payables and receivables and community managers at their disposal to service associations. They are generally cost effective and provide a high level of service.

- ***Huge “Multi-Service” Management Organizations*** – There are few very large association management companies who offer not just management services, but collections, legal, maintenance, banking, insurance and almost every service possibly needed by an association. Many cover the entire country and manage hundreds of associations and thousands of units. You may have a Community Manager assigned to you for a few years, and what they make lack in service and availability, they may compensate for with efficiency and size. They rarely manage associations fewer than 50 units in size and prefer to specialize in associations 150 to 500 units in size.

No business is right or wrong, so it is up to you to decide which model is best for you.

2. How many associations or owners does each Community Manager manage?

An association management company may manage hundreds of associations or just a few, but the best indicator of the customer service you will experience is how many units the community manager assigned to your association currently manages, or will be expected to manage.

It is not unusual for a community manager to handle the day-to-day issues of 1,000 to 2,000 owners. They are paid a percentage of the base management fee, so it benefits them, and the company, for them to manage as many units as possible.

This situation leads to poor customer service. If the average association is 100 units in size, and the community manager is responsible for 15 of them, there is not much time to answer issues, work with the board, conduct monthly inspections of the community and go to board meetings. You should expect your community manager to handle fewer than 1,000 units if you expect adequate customer service.

3. What type of communities do you specialize in?

Not all communities are created equal. Some are small with few amenities and simple financials. Others are very large but offer no amenities and provide perhaps one service, such as maintaining the landscaping for a large area. And still others operate almost like a large corporation, with golf courses, a myriad of amenities and budgets that rival small cities. Not every association management company can be all things to all associations, so it is critical to find out what their “perfect” association is.

If it is not a fit on day one, it will not be a fit after a year. There is no shame to understand you are not right for each other. But sometimes an association management company will say “yes” to any community, so it is up to you to find out if there is a match. Ask these questions:

- What is the average number of units in the associations you manage?
- What are the average monthly dues in the associations you manage?
- How many HOAs does each Community Manager manage?
- How many total units do you expect each Community Manager to manage?

A little due diligence before you hire an association manager will save much grief later in the relationship.

4. Do you have competent in-house staff or vendors you use to service our association?

Some association management companies have hundreds of in-house staff handling every aspect of the management experience, and some smaller companies have one person. It is not necessary to have in-house staff, but it is critical to have qualified experts to handle the following roles if there is not someone on the payroll taking care of these jobs:

- Reserve Study
- Tax Returns
- Legal Issues
- Annual Election
- Architectural Studies
- Collections and Liens
- Accounts Payables & Accounts Receivables

Your association manager should be able to share these vendors with you if they are not on staff and provide references.

5. What qualities should we expect from a good Community Manager?

The Community Manager is where the proverbial rubber meets the road for associations. If the company is great but the Community Manager is indifferent, your experience will not be satisfactory. You may hire the management company, but they will assign a Community Manager. The Community Manager interacts with your residents, attends your meetings, works with your vendors, obtains quotes for jobs and is your liaison with the community. So what qualities should you expect from your assigned Community Manager? Here are some questions you many want to ask of your Community Manager:

- What are your credentials?
- Have you managed other associations?
- How have you handled a very difficult situation and how were you successful?
- What part of your job to you like least?

- Will you be available to us after hours?

Your management company might be stellar at compiling financials, keeping you in compliance, filing tax returns and conducting elections, but if your Community Manager is not up to par, the relationship with your management company will suffer.

About Progressive Association Management?

You can pay for inferior association management services or pay the same and receive superlative customer service from Progressive Association Management.

With our unique business model, we provide centralized operations for over 20 Residential and Community Managers located throughout all Southern California. We offer fair pricing, and most importantly, superlative customer service to our clients. We specialize in 50 to 300 unit associations in Orange County, Riverside, Los Angeles and much of San Bernardino. Consider our years of experience, reputation for quality service and innovate association guarantees. You can have anyone manage your association, why not hire the best? (714) 528-3100

Our Owner

Scott P. Brady graduated from UC Berkeley in 1986 with a degree in Comparative Literature (German, Latin & English) and obtained his MBA from Cal State Fullerton in 1994. After 15 years as a broker in real estate, he started Progressive Property Management in 2012. He is a former Director on the Pacific West Association of Realtors for 10 years and a Director at the California Association of Realtors for 9 years.

