



A property manager's role is far more complex than simply showing space, signing leases, and collecting rents. In reality, the property manager attempts to generate the greatest possible net income for the owners of an investment property over the economic life of the property.

Property management includes tenant placement, maintenance and repairs, and the ongoing administration of real property. Tenant placement begins with advertising and showing the property, and it ends when the tenant has signed all necessary paperwork, provided all deposits and required rents, and has been handed the key to the property. Maintenance and repairs may occur prior to occupancy or during occupancy as the need arises. The difference between maintenance and repairs is that maintenance sustains the current condition of the property while repairs restore the property to its proper condition

Licensing Requirements

In most states, a property management company must possess specific licensing in order to list properties, negotiate leases, conduct inspections, and accept rent payments, among other things. Most states, excluding Vermont, Idaho, and Maine, require a property manager to be a licensed real estate agent or someone working under a licensed broker. However, in South Carolina, Montana, and Oregon, a real estate license is not mandated, although a property management license is.

Benefits of Property Management

While the benefits of a property management company can be enjoyed by anyone, this service is often most advantageous for owners who live out of state or have multiple properties. Regardless, the

company serves as the eyes and ears of the owner while handling the responsibilities of the property.

There are tremendous benefits in using a reputable property management company, which include:

Higher-Caliber Tenants – Because the tenant screening process is stricter, more people pay rent on time, stay longer on the property, take better care of the rented unit, and overall cause fewer problems.

Vacancy Cycles – Because of the services provided, a reputable property management company will perform critical tasks that shorten vacancy cycles. This includes making necessary repairs and/or improvements to the property, determining appropriate monthly rent, and conducting effective marketing.

Rent Collection – The success or failure of a property has a lot to do with how rent is collected and late payments are handled. The property management company will set payment criteria for everyone without exception. By enforcing the terms of the lease, tenants know that unless their rent is paid as stipulated, an eviction is imminent.

Types of Properties

Real property can be divided into two broad categories: residential and commercial. Both use property management services.

Residential properties are apartment units or houses where people live. This covers a broad range of housing types, many of which use the services of a property management firm.

Single-family residences are individual homes that are rented in their entirety. Though laws vary, often there are special conditions attached to single-family rentals that may assign additional maintenance to the tenant.

Commercial properties are typically nonresidential (or not exclusively residential) and are leased to various commercial businesses. These businesses vary greatly in size and usage requirements. The management of them, though similar in some ways to residential, is generally more complex in terms of leases, rents, and space requirements.