

# A GUIDE TO UNDERSTANDING YOUR MANAGEMENT NEEDS

Your essential guide to the basics of HOAs, property management, and building a great community.



Your community is unique and has distinct needs and values. As providers of HOA and community management services for the past 30 years, we know that and HOA's governing documents, property management, and community building are not always easy to understand, so we've put together a quick guide to help you and your neighbors learn the basics of community management and gain a better understanding of your specific management needs.

In this guide, you'll get the basics of what type of communication to expect from your property manager, a guide for training both community managers and board members to be more effective, and tips for hiring the right HOA manager to fit your community's needs.

## **COMMUNICATION & FOLLOW-THROUGH: 7 SIGNS OF PROPER COMMUNICATION**

Communication is the cornerstone of any successful relationship, especially when it comes to something as important as managing the value of your home. Your HOA board members are responsible for making important decisions that protect and preserve the value of the community. Your management company, on the other hand, is tasked with providing sound business advice to the HOA board and performing community management duties, from holding community building events to enforcing the rules and regulations the homeowners association outlines.

Understanding the level of communication and follow-through you should expect from your management company team can help you evaluate whether the company is truly serving your community's needs and promoting harmony within the community.

Look for these seven signs that your management company is providing the level of communication and follow through your HOA deserves.

### **1. MULTIPLE WAYS TO GET IN TOUCH**

It is essential to communicate frequently through a number of different mediums. Your management company should be sensitive to the needs of various cultures, age groups, and lifestyles by offering multiple ways to reach your management team, 24 hours a day.

In addition to traditional mediums such as postal mail or phone calls, your community manager should be available to you via a range of technologies, including email, text message, and web portal. Modern technology facilitates easier communication, ensuring that your management company can address your needs right away.

## **2. RESPONDS IN A TIMELY MANNER**

An immediate response is critical when it comes to emergencies, but is also important for simple inquiries. By responding to requests from residents or the board right away, your management company is letting you know that you are a valued client and your community's needs are important to them. Response times fluctuate depending on the circumstances, but your management company should acknowledge standard requests within 24 hours and emergencies within fifteen minutes.

## **3. ONLINE TOOLS FOR YOUR CONVENIENCE**

Gone are the days of racing to the post office to mail your HOA fees or waiting on hold by the phone to submit a maintenance request. As a courtesy to residents and HOAs, management companies should provide helpful online tools like bill pay, online billing history, maintenance requests, and educational information that can be accessed at your convenience.

## **4. PATIENCE, UNDERSTANDING, AND QUALITY CUSTOMER SERVICE**

Your community manager is tasked with helping your HOA board understand the nuances of managing your most valuable asset: your community. Your community manager should be friendly and personable under all circumstances, acknowledging the importance of every issue—big and small—without losing patience. By doing so, your community manager lays the foundation for a trusting, long-lasting personal relationship between the HOA and the management company.

## **5. UNDERSTANDS THE NEEDS OF VARIOUS CULTURES**

Southern California is truly a multi-cultural region, as we are home to residents that hail from all over the United States and the world. Your management company should adapt their communication style to match the needs of the cultures that comprise your community. This might involve translating written communications into various languages, meeting with residents or the board in person instead of talking by phone, or taking the time to address specific concerns that are unique to various cultures or age groups.

Should you have an on-site community management team, they should set up and participate in events geared towards the demographics in the community. This may include community-building events such as a movie night or a Chinese New Years party. By exhibiting flexibility in communication style for your community's unique cultural make-up, your management company is able to serve you better.

## **6. PRO-ACTIVELY PROVIDES INFORMATION ABOUT YOUR COMMUNITY**

In addition to a standard mailed or emailed newsletter, many companies offer websites for the communities they manage as a means of keeping residents and HOA board members informed of news and events in their community. Along with empowering residents with important information, community newsletters and websites bolster community spirit.

## **7. FOLLOWS THROUGH ON PROMISES – EVERY TIME**

Your management company should do what they say they're going to do in the time frame they say they'll do it. Ask your management company to set clear deadlines for benchmarks and hold the company to these dates. In return, HOA board members should follow through on their own goals in a timely manner to ensure that the process isn't slowed down by either party.

If a missed deadline is inevitable, each party should inform the other (both verbally and in writing) so everyone stays on the same page. When communication breaks down between the community management company and the HOA board, it can jeopardize the connection between the two. By maintaining clear communication and consistent follow through on promises, your community management company protects this important relationship, thus protecting the overall value and enjoyment of your community.

*Don't hesitate to evaluate the level of communication your management company offers, and if it isn't stellar, start looking elsewhere.*

## **ONGOING TRAINING FOR COMMUNITY MANAGERS AND HOA BOARD MEMBERS**

Your community management company's primary duty is to protect and maintain the property values for the residences in your community. As part of this responsibility, top community management companies that provide portfolio and on-site management prioritize ongoing education for community managers as well as HOA board members.

Many management companies employ a Director of Training who facilitates in-house training for community managers so that they may in turn educate residents and board members about issues that affect their community. There are many benefits to your community of ongoing training for HOA board members and managers provided by the management company.

### **TRAINING CREATES HAPPY, HELPFUL COMMUNITY MANAGERS**

The top complaint we hear when we speak to potential new clients is dissatisfaction with the level of service they receive from their community manager. When community managers are tasked with providing service without a deep understanding of the issues that affect the community, the manager will simply be unable to provide the highest level of community management services.

Therefore, the best management companies offer in-house training, mentorship, and helpful tools to their portfolio and on-site community managers, to ensure that they have the knowledge and expertise to best serve a community. Management companies should provide regular education covering topics such as:

- State codes and laws
- Budgeting, contracts, audits, and tax training
- Communication with various cultures and community-building techniques
- Vendor sourcing and management
- Financial statement, investment and portfolio training

Many companies also require their community managers to undergo out-of-office training in accordance with industry standards, including certification by authorities such as Community Associations Institute (CAI). This guarantees that their managers are updated on the latest issues, laws, and trends that impact homeowners associations.

### **THE MANAGEMENT COMPANY IS RESPONSIBLE FOR HOA BOARD MEMBER EDUCATION**

HOA board members are dedicated to protecting the community for all residents. As volunteers, they're not expected to understand the nuances of fiduciary responsibility, changing municipal regulations, and other issues that can impact a community.

In order to best serve the homeowners association, the management company should provide training workshops that help board members make the most effective decisions for their community.

This includes training sessions like:

- Seminars with experts like CPAs, attorneys, reserve analysts, and insurance brokers
- Board Treasurer training (addressing issues specific to this important job)
- Eblasts and newsletters with code changes and the latest changes in HOA best practices

### **TRAINING BRINGS INCOMING BOARD MEMBERS UP TO SPEED QUICKLY AND EFFICIENTLY**

Depending on a community's bylaws, board positions generally turn over every two to three years. New board members need to be quickly educated about the issues affecting their communities and given tools to make the smart decisions. New board member orientation and training should include things like:

- An in-person orientation and training session conducted by the management company
- Welcome packets that explain the roles and responsibilities of board members and community managers
- Minutes from past board meetings
- Recent contracts
- Community association handbooks

Training sessions ensure that every board member has the same level of knowledge to avoid hiccups or interruptions in the board's daily activities. For communities with on-site management, we recommend a full or half day orientation session to review the on-site management operations and services.

### **ENSURING EVERYONE IS ON THE SAME PAGE**

Training sessions and seminars guarantee that all board members and community managers are working from the same playbook. Rather than disparate approaches to problem-solving, training sessions help everyone operate as a cohesive unit, ultimately saving time and resources.

*Training helps clarify the roles and responsibilities of the community manager and HOA board members. When each party understands the other's role, they can work in tandem without doubling up or stepping on any toes.*

Your community association management company should not stop at simply managing the day-to-day operations of your homeowners association. Instead, their role is to provide ongoing support for your community, which includes equipping their team members and members of your HOA board with the necessary information to make the smartest decisions for your community.

If your community management company doesn't offer these valuable services, it might be time to rethink their role in your community.



## HOW TO HIRE THE RIGHT MANAGEMENT COMPANY FOR YOUR COMMUNITY

Hiring a homeowners association management company to oversee your community can be an overwhelming process. Ultimately, the role of a property management company is to protect and grow the value of your most precious asset: your home (and by extension, your community). When you consider the combined value of the homes, condos or commercial real estate in a particular development, you're looking at the management of a multi-million dollar corporation, so business partnership decisions should not be made lightly.

Many HOA board members have no idea where to start. Every management company has unique strengths, so it can be difficult to discern which company will be the right fit for your community. It's crucial to find a long-term partner who understands the unique needs of your community and can render the necessary level of service and attention.

It is important to use a rigorous evaluation process to determine if a particular management company is right for you. Residential and commercial property management companies are not all equal. Each property management company is suited for particular types of projects and does certain things well. Your goal is to uncover the indicators that a particular company can provide the level of service and attention that your community needs.

### CREATE YOUR OWN SCOPE OF WORK

Before you set up meetings or schedule capabilities presentations, your HOA board should create a very clear request for proposal (RFP) document that lists the exact types of service you want your management company to provide. A single statement ensures that you are comparing "apples to apples" when management firms return their proposals. Terminology can vary between management companies, so a single RFP guarantees that you will understand the costs and capabilities of each management provider.

Your RFP also becomes your first opportunity to evaluate a management firm's customer service level. Do they respond to your inquiry in a timely manner? Do they ask questions if they are unclear? Does their bid match your needs, or did they simply send you a boilerplate response? The first impression a management company makes is a strong indicator of how they will behave when under contract with your HOA.

### 5 TIPS TO HIRE THE RIGHT PROPERTY MANAGEMENT COMPANY

Finding the right management company seems complex, but here are five key areas you can explore to ensure that you've done due diligence during the evaluation process.

#### **1. Ask about a manager's qualifications and personality to find the right fit.**

When residents or commercial property owners are dissatisfied with their management company, it usually boils down to the performance of their assigned manager. Therefore, it is important that you are assigned the right individual for the job. Ask the management company to detail how they hire, train and support their managers. Here are some questions and discussion points:

- How many years experience, on average, do their property managers have?
- How long have their property managers been with the firm?
- What practices do they use to retain managers?
- What is the process they use to assign managers to specific accounts?
- With regards to your account, ask why Manager A would be a good fit
- Ask how many accounts the specified manager handles at one time

You're looking for satisfied, enthusiastic, well-trained managers with sufficient support to ensure that they can do the best job possible.

## **2. Discuss your expectations regarding communication and follow-through.**

Poor communication is one of the top frustrations we hear from homeowners associations, so it's important to uncover what to expect from the management company before engaging with them. This can save you from the irritation of working with a company whose communication standards do not match your expectations. During your initial evaluation, ask the company to explain their communication philosophy. Their response will reveal how they prioritize communication. Next, ask for specifics regarding their communication strategies:

- Do they utilize current tech capabilities such as email or text messages?
- Do they follow up with written communications?
- Do they have a policy regarding response time?

You're looking for a management company whose communication style matches the needs of the residents or commercial renters in your development.

**3. Request details regarding HOA board member training and education.** As volunteers, most board members have little formal training regarding the technical, municipal and financial topics that impact a community. A property management company is responsible for educating your board members about these issues, so you can make the best decisions for your community. If a management company does not offer any educational workshops, lectures, training sessions, or materials, they're not servicing your community in the best way possible.

**4. Speak with real people for accurate testimonials.** Online message boards like Yelp or Nextdoor.com tend to become forums for residents to vent their frustration instead of honest assessments of working relationships. Therefore, ask each management company to provide a list of references and speak with current or past board members about their experiences. Don't be afraid to get specific by asking about the firm's strengths while also probing for areas that need improvement. Knowing the complete picture will help you make a better decision.





**5. Look for accreditation and professional certifications.** Property managers undergo a comprehensive evaluation process when seeking accreditation. A certified company is guaranteed to meet certain financial and/or ethical standards, as set down by various industry organizations. Look for any of the following certifications from managers and management firms:

- Association Management Specialist (AMS®) designation from Community Associations Institute (CAI)
- Certified Manager of Community Associations (CMCA®) designation through CAI
- Professional Community Association Manager (PCAM®) designation from CAI
- Accredited Association Management Company (AAMC®) from CAI
- Accredited Management Organization (AMO) from the Institute of Real Estate Management (IREM)

## FINAL CONSIDERATIONS

Your property management company should be your ally in protecting and growing your investment. In order to enable them to offer you the best service, you must be fully transparent with the problems and challenges facing your community. Outline your needs honestly during the evaluation process so you can facilitate an open dialogue. This will help you assess the level of creative problem solving the management company will bring to your community.

Above all, don't ever feel rushed or pressured to make a quick decision. Residential and commercial property management companies should be long-term business partners who can service your community for many years to come. Don't jump into any service agreements without carefully considering the management company's strengths and experience and how it aligns with your community's needs.

## ABOUT KEYSTONE PACIFIC PROPERTY MANAGEMENT

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