



HOA MANAGEMENT QUICK REFERENCE GUIDE

A brief introduction to the role of HOA management companies in your community.



Choosing the best property management company for your HOA can be a tricky process.

Do all management companies offer the same services?

What qualities should you look for?

How can you compare the cost to the value you'll receive?

Not all property management companies are alike, and not all are a great fit for your association. Here's a quick reference guide that explains the differences in management companies and which is best for your community.

TABLE OF CONTENTS:

THREE TYPES OF PROPERTY MANAGEMENT COMPANIES 3

National companies 6

Boutique firms 6

Full-service local management companies 7

THE ROLE OF THE HOA PROPERTY MANAGER 3

A community manager facilitates the daily operations of your HOA 6

Managers act as the “professional” side of the HOA’s board of directors 6

Property managers are great communication hubs 7

Managers are a great source of information 7

HOW TO CHOOSE A PROPERTY MANAGER FOR YOUR COMMUNITY 3



THREE TYPES OF PROPERTY MANAGEMENT COMPANIES

NATIONAL COMPANIES

Advantages:

National property management companies have a wide reach. These organizations are usually built around a central corporate office with satellite branch offices in or near your city. The service model of large management companies involves systematize functions and service while achieving economies of scale. This means that your association gains access to high level accounting, communication and management services from experienced professionals with proven track records.

Drawbacks:

Large companies do come with some drawbacks. As you share a pool of resources, if you encounter a problem, you might have to wade through several levels of customer service before reaching the department you need. With such a large network of staff, you'll be further separated from decision makers. Changes to your accounting or communications processes might take longer to implement as your management team navigates their own internal bureaucracy. Additionally, many of these companies have service agreements with local contractors, like landscapers, pool maintenance companies and builders. While they might advertise this as a cost-saving benefit, at a minimum, it limits your options. At worst, it could present a conflict of interest.

The Best Fit:

National companies are a good solution for developers who build properties throughout the nation and want to rely on their property management company for a predictable service model.



BOUTIQUE FIRMS

Advantages:

Boutique companies are often small, sole proprietorships that were started by managers who come from a larger property management company background. Because of their small size, these firms are generally able to offer a more affordable fee structure. With a small client list, boutique shops must provide highly responsive customer service in order to remain competitive.

Drawbacks:

These firms can become quickly overwhelmed, both of staff and processes. Small, “mom-and-pop” management companies often lack sufficient manpower to take on large-scale improvement projects. As a cost-saving measure, software systems might not be updated until absolutely necessary. Sole proprietorships also have little reason to continue to innovate or apply emerging best practices. For these types of companies, it’s easiest to do business the way it’s always been done.

The Best Fit:

Boutique firms do have advantages for certain communities. If yours is a very small association (think 2-4 unit condos or limited infill projects) without notable amenities, these firms can provide an affordable yet basic level of service such as collecting dues, cutting checks, preparing and distributing annual documents and making sure vendors arrive on schedule.

A boutique firm provides the necessary expertise and administrative support to ensure the association remains compliant with state and local laws. For small-scale associations, this level of service for a reasonable price is the ideal value.



FULL-SERVICE LOCAL MANAGEMENT COMPANIES

Advantages:

For medium to large communities, full-service local management companies can offer you the best of both worlds: proven reputation, experience and processes, along with fast response and a personalized relationship with HOA boards and membership. Companies of this scale usually possess deep expertise in a particular region, and their corporate office might be within minutes of the properties they manage. As such, managers and other departmental support staff are able to keep pace with changes in the region. They can physically visit properties they oversee, thus keeping their finger on the pulse of your community.

These companies have the scale and resources to offer a complete scope of community management needs, including accounting, project management, and education and training for membership and board members. They also feature robust communications systems, like community website maintenance, online bill-pay, social media outreach strategies, and other helpful online resources. Finally, since these companies operate at a larger scale than boutique firms, they must maintain industry best practices in order to ensure that they can compete with other companies their size.

Drawbacks:

Usually their required minimum service fees are higher than boutique firms, so micro- communities without significant amenities or an involved membership might not achieve the best value for the cost.

The Best Fit:

For all their benefits, full-service local property management companies are not ideal for very small associations that need to keep costs in check. However, for associations that range from approximately 50 houses/condos to sprawling master planned communities, full-service local management companies offer the best value in terms of personalized, dependable service in exchange for dollars spent.

5



THE ROLE OF THE HOA PROPERTY MANAGER

A community manager plays an important role in the effective running of an HOA. A strong working relationship between board, homeowners and property manager makes it easier for the HOA to run smoothly. Your community manager acts as an agent of your HOA and provides service to both the board and residents.

Below are a few ways a property manager helps an HOA run smoothly:

A COMMUNITY MANAGER FACILITATES THE DAILY OPERATIONS OF YOUR HOA

Backed by resources from your property management company, your manager facilitates business activities that increase your association's efficiency and reduce exposure to liability. This involves overseeing projects that require keen attention to detail and diligent follow-through.

MANAGERS ACT AS THE "PROFESSIONAL" SIDE OF THE HOA'S BOARD OF DIRECTORS

Managers assist with board meeting administration by keeping meetings on track and on schedule. They interface with vendors on the board's behalf to make sure that projects are completed on time and within budget. Managers also provide sound advice on business decisions and advise as to when is the right time to involve legal counsel.

PROPERTY MANAGERS ARE GREAT COMMUNICATION HUBS

Community managers provide a helpful buffer between members to make sure that communication stays positive and constructive. Managers also understand the most effective ways to relay information from the board to the membership and vice versa.

MANAGERS ARE A GREAT SOURCE OF INFORMATION

Managers are available to answer questions, provide context for decision making and act as an information resource for homeowners and board members. Take advantage of their expertise.





HOW TO CHOOSE A PROPERTY MANAGER FOR YOUR COMMUNITY

How well a particular individual can meet your community's needs sets the tone for the entire professional relationship. Managers are as diverse as the communities they serve, but here are some basic characteristics that every manager should possess:

- Great communication skills
- Consistent follow through on promises and tasks
- Patience and respect for others
- Proactive personality type
- Knowledge of state and federal laws that impact HOA management

If your current community manager is not living up to your expectations, don't be afraid to speak with your property management company. Take notes regarding how your manager performs and speak candidly with your management company about specifics. Ask about the company's communications policies, manager training, and vetting practices. Look for transparency, clear articulation of company policy and willingness to supply your community with a manager that is a better fit.

Once you hit your stride with the ideal community manager, you're in for a long-lasting relationship that will help your community thrive.

READY TO LEARN MORE ABOUT WHAT KEYSTONE PACIFIC PROPERTY MANAGEMENT HAS TO OFFER YOUR HOA?

[Contact us](#) today for a custom proposal from our HOA experts.

Phone **(949) 833-2600**
Fax (949) 777-1723
www.keystonepacific.com

Corporate Office
16775 Von Karman, Ste. 100
Irvine, CA 92606

Regional Offices
Rancho Santa Margarita
Temecula
Ontario Opening Soon