

## **Things to consider in choosing a Management Company .....**

Your choice of a management company (MC) is important to the success of your villa at Terra Verde. Great care should be taken in choosing a company that can contribute to your success. We do know that some homeowners have had a bad experience with some companies, but a greater many have had a wonderful experience, which has played a part in their success.

We do encourage you to speak with your fellow homeowners that have had success with their choice of MC. A great place to reach out to fellow homeowners is through the Terra Verde Homeowners forum, where one can pose questions of this nature and other things that may be of interest.

These are many things to consider when choosing a MC. The list below is for guidance only and not exhaustive, but is a good starting point:

### **Cost/Service Provided**

Managers generally charge a monthly fee to watch over and maintain your property. These fees will vary depending on the services they provide and/or you require. You can expect to pay more if you opt for them to pay all your bills. Find out what their fees are and exactly what service(s) they provide for this.

Ask for names of satisfied clients and ask for references from other Terra Verde owners or seek fellow owner's views through the forum. You will find that fellow owners will always share their experiences (good and bad) with you.

Check out of hours arrangements in the event that a guest has an emergency.

Find out how long they have been in the property management business, how many properties they manage and how many staff.

### **Communications**

Communication with a manager is of the utmost importance. You need someone who is responsive to both the telephone and email and get a response back in a timely manner. You want to let companies know up front your expectation, and make sure they're willing to be flexible for you.

### **Termination of your Agreement**

In the event that your "relationship" does not work out, you want to know up front what exactly it will take to terminate your agreement. Is there a charge for breaking your contract? Penalties?

### **Repairs and Maintenance**

Does the company have their own maintenance crew, or do they contract out to a handyman? How much do they bill out at? Can they handle all kinds of repairs? What happens if they can't do something? Do they have other contractors that they work with? If they contract work out do they add a fee to the contractor invoice and if so what is that fee.

Air conditioning is obviously essential in Florida so ask what their arrangements are for an out of hour's emergency.

In addition, you probably want to have a maximum that the company can spend without contacting you for authorisation (\$200-250 is typical).

### **Monthly Statements**

Does the company send out monthly or quarterly statements? Give serious consideration to if you want to be with a company that does not provide monthly income/expense statements.

### **Non-Compliance with MC/Owners Terms & Conditions or HOA By-Laws**

How does the company handle guests that are in breach of terms and conditions/by-laws?

### **Pool Enclosure/Courtyard Work**

Check what is included in the service? Do they control weeds? Do they clean pool furniture (may be covered under pool maintenance)?

### **Reserves**

What kind of reserve does the company require? The reserves are used in case anything comes up. Most managers will require a certain amount (\$500 typical). Management companies are legally required to hold this in an Escrow account. Ensure you check their arrangement for this.

### **Bookings**

Always ask the management company to substantiate rental income claims and occupancy rate. Find out if they charge a fee or take a percentage for bookings that you generate, or they take on your behalf. There is no reason to pay this fee, since many managers don't charge it. .

Make sure you are ~~you~~ free to rent your property yourself and use it when you wish? (Some management companies imposed restriction on your own use. Remember it's your property!).

Be aware that companies that offer guaranteed rental schemes are probably receiving bulk rentals from tour operators and the rates can be up to 50% less than rates achievable by generating your own rentals. What exactly do they mean by 'guaranteed'?

### **Advertising**

Find out where they advertise and if you are expected to contribute towards marketing costs. Also, do they have contracts with tour operators?