



MISSOULA

PROPERTY MANAGEMENT



WE DON'T JUST SHARE YOUR GOALS . . .
WE PARTNER WITH YOU TO ACHIEVE THEM.

Missoula Property Management's mission is to set the highest performance standards in managing owners' properties as we deliver to residents the most affordable, high quality and comfortable living experience possible. Our management team recognizes that the key to our success is focusing on achieving the goals of our property owners, caring for the well being of the properties we manage, and realizing overall excellence in everything we do.

Everything You Need to Know Before Hiring a Property Management Company

Your property is an investment, so it's essential you hire an honest, responsive, and fairly priced property management company. People you can trust to treat your property as if it were their own investment, and whose focus is to partner with you to maximize that investment.

Choosing the wrong property management company could not only be frustrating, but could cost you in lost rents and expensive repair bills.

We created this guide to arm you with revealing questions to ask any company you are considering before you hire them, making it easy for you to weed out the pretenders and identify the professionals.

Read on to discover:

- The dirty little secret most property managers won't tell you, because they don't know
- How to instantly spot an unethical or grossly incompetent property manager
- Four costly misconceptions owners have about property management
- What you need to know to protect yourself
- Two more mistakes to avoid when choosing a property manager
- Why "cheap" or "bargain" property managers are no bargain
- The single surefire sign you should run—not walk— from a property manager

17 Questions to Ask a Property Manager Before You Hire Them to Manage Your Property

Q1: Do they answer the phones live or will you always have to leave a voice mail and wait for someone to call you back?

OUR ANSWER: Licensed property managers answer our phones Monday through Friday 9:00 am to 5:00 pm.

Q2: Do they have the technology for you to see, at any time, your financial reports, service requests, etc?

OUR ANSWER: MPM has invested in web technology which gives our owners access to their rental income, expenses, work orders, and custom reports 24/7. This allows us to provide our owners with answers, even when we are out of the office.

Q3: Do they actually visit the properties they manage?

OUR ANSWER: We proactively inspect every property we manage. This includes exterior inspections at least once per quarter, annual interior inspections, and interior inspections through scheduled maintenance. Our annual interior inspection is considered when determining whether or not a tenant is eligible to renew their Lease Agreement. Please understand that while we cannot control how a tenant lives in the property, we can control the screening process prior to their moving in and use available legal procedures upon moving out.

Most tenants do not destroy/damage the property unless something goes wrong during their lease term. When a tenant doesn't pay and we have to go through the eviction process is when we find that tenant damage is the worst. Most tenants hope to get their security deposit back and follow our detailed, Helpful Move Out Guide, to ensure the return of their deposit. With a successful lease term, most tenants receive a full or the majority of their deposit refund because they've followed our vacating instructions. They leave the property in a clean, rent ready condition, less normal wear and tear, which means less turnkey costs for our owners.

Q4: Are there multiple people in the office who can help answer a question? What is the turnover rate for staff?

OUR ANSWER: While each of our staff has a primary responsibility for a function in our office, we cross-train to provide better service to our tenants and owners. In addition, we communicate daily about outstanding items so that at any given time, someone can typically assist you, prospective tenants, and current tenants with any questions.

When something arises that can not be immediately handled, we have a policy to address non-emergency issues within 24 hours.

The average tenure of our management staff is over 4 years and 10+ years for our Executive Team due to our ability to attract and invest in quality people. Our low turnover rate allows us to provide a better experience for our owners and tenants.

STANDARDS OF PROFESSIONALISM

Q5: Do they have licensed agents for staff, capable of providing guidance and advice about your rental property, rental market and the real estate market in general?

OUR ANSWER: With the exception of our administrative staff, all employees are Licensed Property Managers and members of NARPM (National Association of Residential Property Managers). NARPM is a professional organization that promotes education, designations and networking as a resource to empower it's members with knowledge and skill. A NARPM member honors and subscribes to a Code of Ethics and Standards of Professionalism, and commits to the professional and ethical practice of property management.

The NARPM designations have stringent requirements for education, experience and service. It takes many years of hard work to meet these requirements. Our staff travel and attend NARPM Conventions and NARPM Conferences to seek additional education.

Q6: Do they carry adequate Errors and Omissions Insurance (E&O), Liability Insurance, and Worker's Compensation Insurance, to protect you?

OUR ANSWER: It is important to ask if the company you are considering has the proper E&O insurance. There are only a very limited number of insurance companies that will underwrite insurance for property management due to the liability and risk involved.

We have employees and pay workman's compensation for ALL our staff, to protect YOU! We also carry liability insurance so we have the protection required to deal with any issue.

Q7: Do they require that you have the property insurance to protect yourself?

OUR ANSWER: This is such an important area for owners of investment properties. We require that our owners have an adequate Landlord Insurance Policy that covers them as well as us for a minimum of \$300,000 for liability. We do this by asking to be listed as an Additional Insured on their policy so we can ensure the owners and MPM are adequately covered.

Not all insurance companies will accept Additional Insured parties, so it is important to check with your insurance carrier prior to contracting with MPM. While \$300,000 is the minimum amount, we certainly would encourage an owner to look into an umbrella policy as well as increase the limits above that for added protection. A million dollar umbrella policy is relatively inexpensive.

We can recommend an insurance agent, should you need one.

Q8: How do they handle non-emergency repairs? Are they using reliable vendors with proper licensing and insurance (including workman's comp)? Do they have a system in place to make sure their vendors insurance is up to date and current?

OUR ANSWER: Maintenance is the second most expensive part of owning investment property, just over vacancy, and we understand the need to keep this cost down. We use our bulk buying power to get repairs done as cost effectively and quickly as possible, while making sure our owners and MPM are protected.

We work with reliable contractors who have been in the business for many years and have the proper licensing issued by the State of Montana and proper insurance including general liability, auto liability, and workman's compensation. We review and evaluate the insurance and licenses of our vendors on a regular basis to make sure we are covered too.

Q9: What are their thoughts on privacy for owner and tenants?

OUR ANSWER: We believe this is one of the most valuable reasons to have a property management company—anonymity. People can't sue you, if they don't know who you are or how to reach you.

To protect you, the tenant and MPM, we take privacy laws seriously for tenants as well. We will not disclose any personal information about the tenant other than names and number of occupants. Credit fraud is rampant, therefore we will not disclose a copy of the tenant's application, credit report, or other information that could open the door for us or you to be accused in a lawsuit.

All our employees sign a non-disclosure agreement, and all internal vendors are accompanied throughout the building to ensure we safeguard this delicate information.

Q10: What criteria do they use for screening tenant applications?

OUR ANSWER: We have developed a proprietary scoring system that evaluates each applicant on a wide variety of factors. These factors include income, length of employment, criminal background, and credit.

Please notice that credit is only 1 factor in the equation. There are many tenants with poor or no credit, who have proven to be great tenants. We evaluate every situation as a whole and do not just focus on one dimension.

Our scoring system has taken many years to develop, test and retest. It is one of the reasons we can be so confident in our ability to make quality tenant placements.

Q11: What methods are used to reduce the vacancy time period?

OUR ANSWER: We understand that vacancy is an owner's largest expense, and we do everything possible to minimize the length of time a property is vacant.

The primary reason a property doesn't rent is that the rental rate is too high for the area or condition of the property. Our owners are provided a realistic market rental rate which we reevaluate every two weeks.

We also employ a variety of marketing methods, which include being available to answer questions, having the home easily accessible for viewing, signage at the property, internet advertising, and a bi-weekly analysis of the rental rate and competition.

Q12: How and when are payments made to owners?

OUR ANSWER: We pay our owners, via ACH, on the 20th and 1st of the month (or next business day) for rents received. This allows for bank checks to clear and for us to process payments through our system and get you paid. If a tenant pays late, you are paid as soon as funds are available.

Q13: Is their pricing inclusive or will you be "nickled and dimed"?

OUR ANSWER: Our all inclusive management fee means you aren't charged for items pertaining to the professional management of your property. Everything is covered in our management fee.

Our competition may offer you a lower management fee. In these cases, please be aware of their other fees: charges to send violations, deal with HOA concerns, interior inspection fees, fees to send you an electronic disbursement, etc. These additional profit centers will cost you well in excess of any small percentage difference between our management fee and theirs.

Q14: Do they have a business license?

OUR ANSWER: We have a business license with the City of Missoula and are registered with the Montana Board of Realty Regulations.

Q15: How many clients have they lost to a competitor and why?

OUR ANSWER: Since we opened in 2003, MPM can proudly boast we have a 99.95% retention rate. The few owners which did change managers, were gladly released from their contracts due to differences in management philosophy—they were just not a good fit. We are very proud of our reputation in this area.

Q16: What happens when the tenant doesn't pay?

OUR ANSWER: When a tenant can't pay their rent, it is not a good situation for anyone. Typically, the tenant doesn't pay, not because they don't want to, but because something has happened in their lives. Their situation has changed—they lost a job, became ill, lost wages or hours, had a death in the family, etc.

At MPM, when a tenant doesn't pay, we first attempt to find out the reason. Is the issue something we can work around or not? We do this by following a proven system we developed that works in conjunction with the eviction process. If the tenant is responsive, we will make payment arrangements or negotiate a move out.

When the tenant doesn't respond, we start the eviction process to regain possession as quickly as possible. We have partnerships with attorneys and other professionals to make this as smooth, quick and painless as possible.

Q17: Do they have a proven track record with references from other owners as well as from their tenants?

OUR ANSWER: Our owners and tenants love us. Many of our tenants, several owners and local real estate agents have repeatedly referred friends, family members, and colleagues to us—not only as tenants, but also as property owners. We couldn't ask for a better compliment than that of a referral.

Here are a few things people say about us:

"The Diane Beck Team has had many opportunities to work with Missoula Property Management in both business and personal capacities. They have always been accommodating, responsive and fair. Heather Schwenk & Sherrie Featherly are true professionals and it's obvious they love what they do. We would highly recommend working with Missoula Property Management!"

DIANE BECK AND TEAM, WINDERMERE REAL ESTATE

"This was my first time renting and they were great. I had some anxiety about some Google reviews but they proved to not be true in my case! They were always respectful and nice. They always got back to me in a timely manner and were willing to help when they could! I definitely recommend them." AMBER D.

"I have a lot of respect for this company. Responsive, thoughtful, professional, courteous, and thorough are words I'd use to describe the management and staff. Thank you for all your help!" VICKI H., MISSOULA REALTOR

"I've been a Missoula Property Management tenant more than once over the last 10 years. The MPM staff has always been incredibly helpful in locating housing and fixing repairs when needed. They are always professional, warm, and welcoming. MPM provides a great service to the community of renters in Missoula!" EMILY L.

"Our family owns property that is managed by MPM & we've never had anything but a good experience with them. They are professional, kind & always easy to work with. They have gotten to know us on a personal level & are wonderful to communicate with us. We always have found it easy to work with them & they make it easy to resolve tenants problems. We couldn't ask for a better group of people to work with." JENNY M.

"I have worked with MPM in multiple capacities, both as a renter and as a local partner at the Missoula Housing Authority. I can say with the utmost confidence that the team at MPM work hard to provide our community with clean and affordable rentals! Thank you!!!" LISA P

"As an Owner of properties in Missoula I have had several prospective renters that have rented from Missoula Property Management previously, and have had great experiences and positive feedback!" MISTY B.

"Speaking as someone who works in this industry, I know that, Missoula Property Management, like most management companies in Missoula, strives to be fair and offer good, habitable properties to its clients. It sounds like the issues in question were addressed and MPM did everything to correct the problems. Personally, I've known a lot of MPM staff over the years and have never known them to be anything but professional and attentive to the needs of their clients."

DAN W., FELLOW PROPERTY MANAGER

"MPM is professional and always helpful. They work hard to maintain their properties and are always willing to help my clients out. I would and do recommend them first!!"

KENDRA R., MISSOULA REALTOR

"The crew at MPM took care of my little rental house and found the best tenants ever. Thank you heather and crew for taking care of my little home for me!" JESSICA G.

"As a Realtor I have times where I need to find something quick for relocating clients. MPM has always been helpful and gone out of their way to help me show and tour rental properties for clients of mine in need of a rental"

BRINT W., MISSOULA REALTOR

"I rented from Missoula Property Management for 2 years and never had any issues. The staff was always courteous and polite and whenever an issue arose with the unit itself it was handled timely and in a professional manner. The property grounds itself was maintained weekly which made it a nice place to come home to. I have also had several friends and co-workers who have rented from them as well that would say the same. I WOULD DEFINITELY RECOMMEND THEM TO ANYONE!" JASON B.

"My experience with Missoula Property management has been on of the best! They are incredibly nice and always super helpful. I have been renting with them for 2 years now and will miss them when it's time to move. I would highly recommend renting with them or using their services!" VICTORIA B.

"Hands down the the best property management company in town to work with. In my 14+ years of working in the real estate industry this company has never disappointed. The staff is exceedingly friendly and helpful with all of their clients whether property owners, HOA's or tenants. All of the staff are well trained and educated on managing properties and it shows!! They are professional and know what they are doing; I have great peace of mind recommending my clients to MPM. Thank you for all you do!!" JENNIFER C., MISSOULA REALTOR

The Four Most Costly Misconceptions About Property Management

Misconception #1: The biggest cost to an owner is the management fee paid to a property manager

This is one of the biggest and most costly misconceptions. The biggest expense to an owner is vacancy. If the house has a mortgage, that payment is typically the highest expense on the property. A management company that understands vacancy is the biggest cost will work hard to do what they can to reduce this cost by finding you a quality tenant at the highest market rental rate.

Misconception #2: All property managers are created equal, so choose the one with the lowest price.

There is a big difference in the quality of property managers. Find one you can trust. Your property is one of your largest assets and you want to make sure you protect your investment. In addition, you will be working

with the property manager for YEARS as they deal with long term contracts.

Misconception #3: All a property manager does is collect rent.

A good property manager manages one of your largest investments. Rent collection is certainly part of what we do, but we also manage the relationship and expectations of the tenants, screen the applicants to make sure they will take care of your property, deal with communication issues and problems, set the right expectation with the tenant up front, provide accounting details, deal with maintenance issues and emergencies, handle disputes, attend court when needed, and so much more. A good property manager makes it look easy, which is why you hire us, but rest assured a lot of time and attention to detail and good written policies and procedures are what makes it look that way to our owners.

Two More Mistakes to Avoid When Choosing a Property Management Company

Mistake #1: Choosing a property management company based solely on the monthly management fee.

The actual difference in property manager's monthly fee is very small. Typically it is less than \$20.00 per month, about the cost of a meal out- So don't risk your largest asset by working with someone who is not a professional. Typically a quality property manager will SAVE you more than the small monthly amount you may pay them.

Mistake #2: Choosing a property management company that doesn't invest in education in their field.

We believe strongly in education to grow and keep up to date on the housing market and trends. We are members of local and national real estate boards & National Association of Residential Property Managers (NARPM) to support our industry and speak with other professionals about the market and stay in touch with market changes.

Let's Talk!

We hope you find this guide informative and helpful as you search for and qualify a property management company.

You are also invited to give us a call so we can discuss ways we can help you optimize your investment and answer any questions you may still have.

Please call us to set up an appointment, at your earliest convenience. We look forward to meeting you and earning your business.

Sincerely,

Missoula Property Management

