

Choosing A Managing Agent: Key Questions To Ask In An Interview

By Jim O'Connor, Douglas Elliman Property Management



If you really want to know what separates one management firm from the rest, there are a few questions you need to ask during your interview process. Surprisingly, many boards — even seasoned property owners — fail to ask some of the most important questions when searching for a new managing agent.

One of the biggest complaints we hear from prospective clients is that their current firm keeps changing their building's Account Executive. This is a real problem, because a management firm needs to provide your property with an institutional memory. The best way to keep track of all the myriad decisions that go into the management of your building — investment history, billing and finances, staffing issues, maintenance, capital improvement projects, vendors' history and so on — is to have a long-term relationship with a reliable manager.

How Long Will Our Manager Stay With Our Building?

At Douglas Elliman Property Management, our managers have been with us an average of 15 years, and there are buildings that have been in our management portfolio for over 50 years. This kind of customer and staff loyalty results in an unparalleled level of continuity in our management services.

So when interviewing for a new Managing Agent, ask how long your Management Account Executive will stay with your building. Having the same manager for many years will not only ensure continuity of information, but may give you a higher level of expertise.

Who Manages Construction Projects?

Another very important question to ask when interviewing a prospective management firm is: who manages construction projects when they arise? As we all know, they inevitably will. So much work needs to be done on a regular basis to maintain buildings in New York that we at DEPM have developed a very sophisticated system for managing construction projects. From elevator replacements to oil-to-gas conversions to new roofs, we have the depth of experience — and the manpower — to see your projects through from planning to completion. We approach each project at every building the same way: diligently and carefully, with the oversight that every project needs to have, so that it gets done on time and on budget.

How Do You Track Building Codes and Violations?

It is very important that your property manager stays current with all of the City agencies and regulations, and the paperwork they

require. From the Department of Buildings to the Fire Department, there are filing deadlines and regulatory requirements that must be met on time; some monthly, some annually and some every third or fifth year. Failure to meet these deadlines can result in substantial fines and building code violations.

At DEPM, we have arranged with a number of outside vendors to maintain computerized records for each one of our buildings, to make sure that deadlines are met, to search databases on a regular basis to see if there are any violations, and to clear up those violations as needed.

With over 350 properties in our management portfolio, we get emails daily about our properties, about what needs to be done when, to make sure that each property is in compliance. We are also informed immediately should any of our properties be in violation of building code regulations, what the problem is, and what has to be done to clear it up. We know that violations carry fines, and we try to ensure that the properties we manage meet their filing deadlines and keep violations and fines to a bare minimum.

Other Important Questions

Questions about financial reporting and investing are also important, so be sure to ask what kinds of reports the firm will prepare for your board, and when you can expect to receive them. You may want to know if the company offers online payment options for maintenance fees or common charges. Most firms now offer online access to financial information, budgets, work orders, payment approvals and other building records, but it's important to ask about these systems and get a walkthrough of how they work.

Finally, be sure to ask: what separates your firm from the competition? If a firm can't offer any substantive reasons why they stand out from the others, perhaps there are none. A firm with a long history of management service, a large portfolio of properties representing a wide range of types of buildings, experienced personnel who participate in continuing education programs, and a back office with a good reputation among vendors and contractors should be able to tell you what separates them from the rest of the pack.

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