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Thinking of Managing Your Own Commercial Property?

You Might Want To Reconsider.



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Managing a commercial property might sound like something you can handle all on your own. You own a property, you're an adult with at least a good head on your shoulders, so you should know how to manage your own property, right?

You get the lease signed, you collect the money every month, and every once in a while, you have to deal with something breaking. It's not rocket science, after all. Besides, surely the tenants can take care of most anything that happens on their own anyway, so why should you worry! You're sitting on the gift that keeps on giving without a care in the world.

If you detected the sarcasm there, good. Sometimes you need to bring foolish ideas to light so everyone can see just how foolish they are.

Property management is one of the biggest pains in the you-know-what out there. If you think it's all sunshine, rainbows, with an occasional scattered shower, you will be so surprised when the monsoon hits you.

If you're still dead set on doing property management yourself, let's take a look at some things you'll want to know before going into this specious idea.



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No Love, No Support, No Thank You

Welcome to the world of property management you've just chosen. Congrats! Now your phone is ringing off the hook. That's because your services are required at your property. The AC went out and someone needs to come and fix it.





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You're not going to let one busted AC from bringing you down. No, sir. You get that puppy fixed up, good as new. You're kinda proud of yourself, actually, for taking care of it. You know the tenants will be thrilled about it, too.

If you're waiting for them to thank you, you're going to be waiting a LONG time. Property management is a thankless job. As far as tenants are concerned, they paid to work/live in a space that is 100 percent functional at all times. Not having the amenities they signed up for – air conditioning/heating, running water, etc. – means they're not happy. And if they're not happy, you're going to hear about it. A lot. At least, that is, until you get whatever the problem is remedied.

And hey, we know managing your own property is probably not your only job. Chances are, this is something you're doing on the side as an investment. So, don't be alarmed when you get phone calls during important business meetings, or at 3 a.m., when you need to rest before a big presentation the next day. Trust us, your tenants aren't going to care. Something needs to be fixed and you're the property manager.



“Let Them Fix It, I’ll Take Money Off the Rent, It’s a Win-Win”

Think about that statement. Take a moment and think about it really hard. It’s not uncommon for larger properties to have tenants fix the problems themselves in exchange for a deduction in the cost of rent.





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It's a win-win, right? You don't have to deal with contractors, the tenant fixes their own problem, you might even save a little money by not using a contractor, so everything is great, fine, and wonderful!

EXCEPT WHEN IT'S NOT.

The number of things that could go wrong is astounding and, given the odds, it's almost a certainty something bad is going to happen. Need some examples? What happens if the tenant, while fixing the problem, hurts themselves? You could be liable for damages. Or, if the tenant does a poor job of making the repairs, it might cause an even bigger problem down the road that you won't know about it until it's too late.

Just like when you look for the best deal from a contractor, your tenant is probably going to look to do the repair the quickest, cheapest way possible. In this case, ignorance is not bliss.

It's always good to know what's going on. In order to do that – and to know that the repairs are done correctly and appropriately – you need to have a licensed contractor or maintenance person you trust to do the work. That way, you have one less thing to worry about.



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The Things That Keep Property Managers Up at Night

Let's face it, the challenges you face as a property manager are the same challenges everyone in property management have to battle. These issues really haven't changed a lot of the years. Still, there are four issues that hit home for all property managers, no matter what type of properties you manage.



- **OPERATING COSTS** – Skyrocketing energy costs are hurting every property manager of every type of building. Higher direct costs can be seen in your utility bills. Increased indirect costs show up in higher prices for just about everything you purchase, from soap to light bulbs to construction materials. Energy saving initiatives should be a priority, as well as a strong maintenance program to make sure all your heating and cooling systems are in top-notch running condition. Buying supplies and equipment in volume can offset rising costs.
- **STAFFING/SERVICES** – It is a constant challenge to find, train, motivate, and keep a customer-focused staff. Excellent training and competitive wages can go a long way toward retaining your staff. In addition, letting them know they are goodwill ambassadors and they are an important part of the operation is key – ask for their input and expect them to take ownership and be accountable. Staffing problems can also spill over to the services you contract out, such as janitorial services. Unions have become more aggressive about demanding higher wages and more benefits. When negotiating new service contracts, make sure you look at your historical data and see if there are any potential savings you can uncover and possibly negotiate more favorable terms.
- **TENANTS** – It always costs more to bring on a new tenant than it does to renew an existing tenant, so taking care of them should be paramount. One thing that has not changed over the years is a tenant's demand for comfort. They want the heating to work in the winter, the air conditioner to work in the summer, they want to feel secure and they want to have pride in their facility. What has changed is the amenities tenants want. Tenants are also driven by their bottom line, so they are focused on using their space more efficiently by increasing their density through creative floor plans. Other important areas include ADA compliance and telecom and high-speed internet access.
- **LEASES** – Tenant leases have become a huge issue for today's property managers. The important thing to remember is that landlords really drive the lease terms, even though tenants can be tough negotiators. Landlords are trying to reduce the rights and options of their tenants, while tenants are looking for more flexibility with shorter terms, the ability to sublet or more termination options. The key is to find a middle ground. For new tenants, negotiations may include concession packages for free rent and improvement allowances.



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Face It, Property Management Stinks

Sure, you might think that it's a little tough, but still worth it overall in the beginning. However, once you get into the day in, day out drudge of managing a property or, even worse, multiple properties, you will quickly realize all this property management hassle is nothing short of a nightmare.



There is light at the end of this dark tunnel, though. You don't have to do property management yourself. All you need to do is find the right property management company.

Blackwolf Commercial, located right here in Frederick, Maryland, specializes not only in finding the perfect commercial properties for local businesses, but excels in simplifying property management.

When you work with Blackwolf Commercial, you don't have to think about your property every day. Your property management experience becomes 100 percent hands-off.

If you're searching for management services for your commercial income property, but you don't have the time to deal with preventative maintenance programs, maintenance requests, tenant issues and correspondence, or upkeep, we take care of the legwork, so you don't have to worry about it.

We take care of your tenants, so you can concentrate on other activities. Our comprehensive property management services allow you to collect rent checks without dealing with landscaping companies, calling for repair services, or fielding requests from tenants.

What does a hands-off property management experience look like? At Blackwolf Commercial, we believe that investment should not take up all your time, drain all your assets, and become a bigger hassle than it is worth.

Our property management services include:

- Managing tenant matters and ensuring everyone enjoys a safe, productive environment without maintenance issues.
- Supervising any maintenance or repairs, so that your commercial property investment is protected at all times.
- Ensuring your property remains in top shape, and alert you or any proactive repairs that will save your investment dollars.
- Keeping your property running and your tenants happy, so you can gain a return on investment without hassle.





We'd be happy to answer any questions or concerns you have about commercial real estate brokerage or property management. Please give our office a call at 240-578-4220, or visit our website at rockpointcommercial.com, and someone from our team will get back with you.



Ready to maximize your business growth and stop stalling in a location that doesn't work for you?

CALL ROCKPOINT COMMERCIAL AT 240-578-4220.

ABOUT ROCKPOINT COMMERCIAL

Rockpoint Commercial is a leader in commercial, professional, and medical real estate in the greater Frederick, Maryland, area. Our philosophy is simple—Rockpoint Commercial will never “sell” you anything.

Instead, our team of investment property experts provides you with the information you need to save money, maximize investment returns, and experience long-term and hassle-free growth. To start the process of relocating your commercial offices, give us a call at 240-578-4220.