



Guide to Choosing an HOA Management Company

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Table of Contents

Should my HOA consider using a Management Company? 3

What is the goal of an HOA Property Management Company? 5

What are the services an HOA Property Management Company provides? 6

Steps in Selecting the best HOA Property Management Company for your Community 9

Consider Choosing The Hignell Companies to Partner with your Community 16





Should my HOA consider using a management company?

Are your community members able to handle the load of managing your association, or do you need a professional? This is a great question to be asking and there are a few factors to consider.

If you are managing your own association, when filling board and committee volunteer positions, you will want to consider people who have skills and experience in:

- Finance
- Public Relations
- Operations
- Management
- Legislation/laws
- Combination of professional and DIY

If your HOA board can handle some of the responsibilities, but doesn't want to take on all that needs to be managed and get done, then you may consider splitting the work between your volunteers and outside professionals. There may be a case for your board to handle the financial management, but you need to hire a company to manage outside vendors and contractors as well as handle inquiries, correspondence and complaints from owners.





If your board is thinking about hiring an HOA management company here is a checklist of things to consider. Hiring an outside property management company may benefit your HOA in cases where:

- Home owners don't have the experience or skill necessary to do HOA work such as tracking accounting and budgeting, managing the pool, or collecting outstanding dues.
- Home owners don't have the time to volunteer to manage your HOA.
- Your HOA is managing a large number of units, properties, and/or amenities.
- A management company can offer your association discounts and benefits from service providers that are important to your HOA.
- Or there is a need for 3rd party ability and consistency in managing the whole HOA system.

Whichever management option you choose, keep your focus on what is best for your community. Management should always take its direction from your HOA Board and keep community priorities top of mind.





What is the goal of an HOA Property management company?

The goal should always be in maintaining and improving on the value of the homes/properties in your association. Smart home buyers will look for HOAs that keep a well maintained HOA and are prepared for the future. They will avoid buying into associations where common areas are unkempt and budgets that show cost overruns for unplanned maintenance and repairs.





What are the Services HOA Property Management Companies Provide?

Although each management company will have their own list of services, these are types of services you can expect to receive from a quality property management company.

Administration Services:

- Maintain association files, minutes and membership records.
- Prepare correspondence relating to association business.
- Follow through on collection policies
- Creation of association supplies such as stickers, membership cards, etc.
- Legal resource for legislative changes
- Access to legal counsel experienced with Association Law





Financial Services:

- Fiscal management
- Budget preparation
- Provide actual vs. projected budget performance
- Provide for receipt and distribution of funds
- Accounting reports
- Recording of assessment payments
- Monthly financial statements

Customer Service:

- Staff available for member's questions
- Regular on-site property visits
- Follow-up phone calls on requests
- On call service





Communication:

- Newsletters, bulletins, and notices to keep members apprised of Association business
- E-mail communication ability for both internal and external needs
- Coordinate, prepare documentation for annual and Board of Director meetings
- Attend annual and Board of Director meetings

Maintenance:

- Monitor sub-contractor work
- Review and supervise special work projects
- Access to lists of licensed, bonded, and insured contractors





11 Steps in Selecting the best HOA Property Management Company for your Community:

The selection process can be time-consuming and confusing, so you want to make sure you have a clear picture of your association's needs and a plan of action. The following are steps you will want to consider in this critical process. If you can take these steps you will have all the critical information your board needs to make it easier to select a management company that will provide your association with the best future.

Step 1:

KNOW WHAT YOUR HOA NEEDS AND SET CRITERIA.

Start your research by understanding what you are searching for. Start with looking at the unique needs of your

association and its board. Be familiar with your governing documents and have an understanding of what they stipulate for the management company, your Board, your committees and your members. List out what you would like a management company to do. But make sure you keep the responsibility of overseeing the association's actions and decision making in the hands of your HOA Board. Knowing what your HOA needs will focus your search and the decision making process.





Step 2:

CHOOSE A PERSON OR COMMITTEE TO DO THE PRELIMINARY SEARCH.

By starting off with a small focused group, you can narrow down your search much quicker, but you should still plan to spend around 20 hours total choosing a company. The time you spend on this will benefit your decision making process and give your board a very clear picture the companies that will be the best fit for your association.



Step 3:

PLAN AHEAD AND SET DEADLINES FOR THE PROCESS.

By creating a plan and setting goals, you will help your committee stay focused and on track. Set deadlines for research and gathering of information, submission of written bids, visitations, oral interviews, follow-up interviews and the final awarding of a contract. Once you have made a decision, allow sufficient time for your new management company to obtain records and set up their systems.



Step 4:

REVIEW THE LOCAL HOA PROPERTY MANAGEMENT COMPANIES AND THE SERVICES THEY PROVIDE.

Compare the services each property management company provides and make sure they align with your community's needs as well as your governing documents. Examine whether or not the services are all inclusive or if there are additional fees per item or time extensions. Also consider the level of involvement the management company provides. Some companies are proactive and regularly drive or walk through the community checking for member compliance and addressing concerns, while others will wait until after complaints are received before addressing problems.

Step 5:

LOOK FOR A PROFESSIONAL COMPANY WITH COMPETENCE.

The management company you hire should be able to facilitate communication between the members, the Board and their company. They should monitor and oversee projects, bidding processes, and sub-contracted work. You will also want to find a management company that understands and stays current on laws and regulations, as well as insurance and risk management issues.





Step 6:

LOOK FOR A PROFESSIONAL COMPANY WITH EXPERIENCE.

Research and find out about the company's history and how long they have been in business. Find out the types of properties the company manages and their success. Find the company's references and endorsements and follow up with them.

Step 7:

LOOK FOR A PROFESSIONAL COMPANY WITH CHARACTER.

It is easy to only focus on the list of services provided and the costs associated with them, but remember to take the time to gain awareness of the company's values and make sure they mirror the values and culture of your community. Do they value community? Do they emphasize communication and transparency? Do they balance cost effectiveness with quality to make sure your community is given the best service for the right price? And most importantly-Do they care? These are all great questions to ask as you are searching for a company that will meet your needs and fit in your communities values.





Step 8:

DO AN ORAL INTERVIEW.

It is important to use the list of criteria your committee has developed to ask questions and gain the answers necessary for you to make a decision. Evaluate the experience, competence and character of the company. For

comparison, it may be helpful to ask each company the same standard questions. Remember you are the interviewer and you control the questions you ask.



Step 9:

ARRANGE ON ON-SITE VISIT.

Arrange in advance to meet the property manager and speak with a variety of departments on site. An on-site visit will tell you a lot about the company and if they have the adequate staffing and services to handle your association's needs. It is essential that you do this prior to selecting a company.



Step 10:

READ AND UNDERSTAND THE CONTRACT BEFORE MAKING A FINAL DECISION.

It is much easier to evaluate the management contract before you hire a company, than to find out later that you cannot agree to contract terms or that there are hidden fees or fine print that you didn't read. Make a fair comparison of any additional charges and remember that a company with a higher fee may offer programs and services that will save your association money, making the total management cost much lower.





Step 11:

REPORT TO YOUR BOARD THROUGHOUT THE PROCESS.

This is a step that should be taken throughout the process. Communicate what you find to your committee and to the Board of Directors of your association. This will help everyone have a better understanding of what will be best for your community and hopefully make the final decision easier to make.

Choosing a property management company is a very important decision for every community association to make and will require time and energy on your board's part. But your association deserves a company that will give you the best performance and service for the best price, as well as align with your community's goals, values and will work with you to establish a long term, productive relationship.





Consider Choosing The Hignell Companies to Partner with your Community:

The Hignell Companies have established a long history of creating caring communities in Northern California. Our Community Association Management Company is one of the largest of its kind north of Sacramento and is devoted to the professional management of association communities. For over 25 years, the Hignell Companies have place priority on providing the highest standards of excellence and service to enhance the individuals and communities we serve. As a full-service community management company, Hignell's highly skilled, professional staff of community mangers, bookkeepers, administrators and maintenance staff are ready to anticipate and meet client's needs. With a staff of over 150 we are large enough to meet all your needs, but small enough to give your association the personal, individual attention you deserve.





We recognize that each HOA has unique and specialized needs, so we have a dedicated community manager assigned to oversee your association. Each manager is supported by a team of support, to make sure every detail is taken care of. From our finance department to our maintenance services, we are all dedicated to providing a variety of services designed to assure the ongoing care and maintenance of your member's properties and the satisfaction of your community.

Call us today to find out how choosing The Hignell Companies to manage your association can make it more efficient and less time consuming for your board!

FREE HOA Evaluation!

CONTACT US NOW!