



Successful Property Managers

Advice and Winning Strategies from Industry Leaders
Vol. 2

Special Excerpt

Featuring:
Russell Munz, Pyramid Real Estate Group

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Successful Property Managers
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“The biggest opportunities for property managers are in single-family and vacation homes.”
Russell Munz, Pyramid Real Estate Group



BACKGROUND

Russell Munz lives in Stamford, Connecticut. Russell is a co-owner and the chief operating officer of Pyramid Real Estate Group, which was established in 1972 and currently employs 25 people. The company manages 75 community associations and 20 commercial mixed-use buildings.

INTERVIEW

Q: How did you get into property management?

A: My dad was a real estate appraiser and a construction loan reviewer, which got me very interested in real estate. At Cornell I majored in business, taking classes in hotel management, property management, and real estate finance. After leaving the Army as a captain, I decided to get into a small business that focused on real estate, and became a property manager.

Q: Did you have a mentor at the time you got into property management?

A: My current partner, Michael Gray, was a great mentor who helped me understand the business of property management for residential and commercial properties, leases, brokerage, maintenance and construction. He’s been in the field since 1972; I joined the company in 2001 and it’s been a real education, experiential learning with a coach.

Q: Are there any books, publications, or educational classes

that you have found to be particularly valuable to you?

A: The property management and real estate classes at Cornell were beneficial. The Institute of Real Estate Management (IREM) and Community Association Institute (CAI) also have some great publications and books.

Q: How do you keep up with all the laws that affect your property management business?

A: Our law firm helps us stay on top of things by distilling information on upcoming laws into a paper for me. We're members of the Connecticut CAI, which is very active and provides training programs on proposed laws that govern community association management.

IREM HAS SOME GREAT PUBLICATIONS AND BOOKS.

Q: How does your company use the Internet to help you with your property management business?

A: We have invested in Internet systems that provide more interaction and transparency for our clients. People can pay their rent and common charge statements online; property bills are scanned and posted so clients can be part of the approval process, giving them a better sense of control. We e-mail financial reports to our clients on a monthly basis, and use our website as a portal to showcase properties that are either for rent or for sale.

Q: Do you use any third party websites to do additional advertising?

A: Yes, I've used AdWords on Google ("pay-per-click"), and I've done paid advertising with Yahoo. Both of these have been valuable in generating leads for us.

Q: Does your company use any of the social media tools like Facebook, LinkedIn, or Twitter?

A: We have a LinkedIn profile.

Q: What do you do in the way of PR for the company?

A: I use traditional press to provide updates on the market and my company, such as local newspapers, the *New England Real Estate Journal*, and *Common Interest*, which is a community association magazine for the state of Connecticut.

Q: Do you use any traditional advertising like newspapers?

A: No, it's expensive and I get little to no benefit, although I maintain good relations with newspaper editors and writers to be a resource for their real estate related content or questions. My focus has been on PR. I personally write eight to 12 articles per year about property management and real estate, some of which are published in the local magazine for community association management.

I ESTABLISH GOOD RELATIONSHIPS WITH NEWSPAPERS, EDITORS, AND WRITERS TO BE A RESOURCE FOR ANY REAL ESTATE RELATED QUESTIONS OR CONTENT THAT THEY NEED.

Q: Didn't you also write a property manager's guide that you put online?

A: Yes, I recently wrote *The Quick Start Property Manager Program*. It's a training and business start-up kit for property managers. I put what I've learned in the last nine and a half years into an easy-to-read book, including management agreements, marketing materials, forms, and checklists. I've sold it all around the country as a practical "how-to" resource for getting into property management quickly, and benefiting from my mistakes and successes.

Q: What do you attribute your success to?

A: First, we're accountable and have a "Can Do!" attitude. We deliver on the promises we make about our services. Second is responsiveness; I've got great staff members who handle our customers' questions and resolve their problems as

quickly as possible. Third is hiring those great employees in the first place; we do charge a little bit more for our services because we have better people.

Q: When things don't go particularly well and things are looking a little bleak, from where do you draw your strength and inspiration?

A: If I'm having a tough day, I'll think about my grandparents. One side of the family immigrated here and made it through World War II; on the other, my grandfather worked his way up from bank runner to bank president. I'll remember what my family members went through and my problems will seem relatively small.

Q: Do you or your company operate by any particular slogans?

A: "We're on it." When somebody calls in with a problem, right away we're on the case and taking care of it for him.

Q: How do you attract and retain the best employees?

A: I am always looking for ways to take care of our employees and to help them be successful. Those tools can include more educational opportunities or training events. Prospective employees see what is happening at our company and want to be a part of it; very few employers really take the time to develop their staff.

I ATTRIBUTE MY SUCCESS TO BEING ACCOUNTABLE, HAVING A "CAN DO!" ATTITUDE, BEING RESPONSIVE, AND HIRING GREAT PEOPLE.

Q: What's the most important attribute you look for in an employee?

A: I look for people who have a desire to help others, because that's my main motivation in life.

Q: What are you doing now in your property management business that you wish you had done sooner?

A: It took longer than I wanted to provide an online payment solution for our clients. I've also taken a course and read the book, *Topgrading* by Bradford D. Smart, to learn interviewing techniques and improve my chances of hiring only "A" players for my team.

Q: What are the biggest mistakes that you see new property managers make?

A: Property management is basically a "flat fee for services" business. Some new managers may have trouble setting proper boundaries with clients. They'll want to go above and beyond what's in the management agreement, but not confront the client when something requires an outside resource or additional compensation. They wind up being taken advantage of and getting burned out. New managers need to set expectations and boundaries that are fair to both parties, and stick to them.

THE BIGGEST MISTAKE NEW PROPERTY MANAGERS MAKE IS NOT SETTING PROPER BOUNDARIES WITH CLIENTS.

Q: Do you have any tips or tricks that you use so that you don't repeat the same mistakes?

A: Training is essential for consistency in operational procedures. I wrote up the standards, and on a monthly basis we review them and train managers and employees. This way new hires know where to go for answers, and how things are done; current employees have a better understanding of how to provide our services on a consistent basis.

Q: Have you ever had a chance to read Michael Gerber's, *The E-Myth Revisited*?

A: Yes. It's exactly what I went through, a valuable road map for me and for anyone wanting to grow his business. I just sent one to a landscaper looking to take his company to the

next level, and I give a copy to every new entrepreneur that I meet.

Q: Describe for me your best client.

A: My best client wants great service and is willing to pay a premium for it. We want clients who appreciate what we do and will take advantage of our services, like our numerous online tools. Feeling valued for what we provide is great for employee morale.

Q: What has been the most rewarding aspect of your property management business?

A: Seeing an idea grow from five clients into a continually improving, successful business.

Q: What do you see as some of the biggest opportunities for new property managers getting into the business?

A: The easiest and most abundant opportunities will be two-fold. Single-family homes offer a resource when people have to relocate but can't sell their house; a rental is ideal because someone can occupy and look after it for them. Vacation homes are more common now because of low-interest rate loans and present opportunities for rentals as well. There's a good volume of work in these areas with little competition from a property management stand-point. I outline this and more examples in my training program for property managers.

Q: What types of business models are there for property management?

A: Property management, traditionally, is a relatively low profit margin business. If you want to grow your company and really see it pay off, you need to add areas of revenue. For example, you can offer brokerage or maintenance services. This strategy also allows you to improve responsiveness and quality control, giving your customers a better value and experience.

NEW INSIGHTS IN PROPERTY MANAGEMENT

In this book, 25 very successful property managers share their stories, advice, and tips that is certain to inspire others to pursue this wonderful professional career of Property Management. These 25 property managers are perfect examples of individuals that are continually striving to improve their industry and the quality of service they provide their clients.

Over the last few years, Property Management as a profession has taken some very big steps forward. Universities are now starting to offer official degree programs in Property Management, lending even more credibility to this amazing profession.

The diversity of work, the never ending challenges, and the ever changing environment of the Property Management industry can offer an individual the chance for a very exciting career.

Whether you are a seasoned veteran or a novice just entering the Property Management field, this book will provide you some excellent advice and winning strategies from some of the best leaders in the Property Management industry.

Excerpts from the interviews:

"In our hiring process we now do personality profiling. My last three hires were the first to go through a new system of personality testing and we found some good people. That's one thing I wish I would have done a lot sooner."

— Vickie Gaskill, NARPM's National President in 2010 (Bell Anderson Associates, LLC)

"We have a position in our organization called the director of social media. Their sole responsibility is to monitor our Facebook, MySpace, and Twitter accounts, as well as the Village Green blogs. We communicate with our residents through all these vehicles. It's incredibly popular."

— Kellie Sanders, Senior Vice President (Village Green)

"Everything is a process. We need flawless processes and if we have that, then the system can minimize human error."

— James Donnelly, Owner, President, CEO (Castle Group)

ABOUT THE AUTHOR



Michael Levy is a very passionate entrepreneur who has started four companies in the last six years (Levy Consulting, LLC, NorthernColoradoRentals.com, LLC, NoCoAds, and USAPropertyRentals.com, LLC). Michael lives in Fort Collins, Colorado and likes to spend his free time during the winter months downhill skiing at the Winter Park and Mary Jane ski resorts in the mountains of Colorado.

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