

Industry Fees Associated with Property Management

Fees will depend on the three types of property managers: individual property manager, individual building manager, and the resident manager. Property management fees can range from 6% to 12% of the monthly rent (10% common), but can be higher or lower depending on several factors including: location, services provided, period of time, and type of property. Other fees may be incurred with the monthly management fees, including leasing fees, maintenance fees and vacancy fees. Below is a detailed breakdown:

Monthly Management Fee:

This is the most common fee, usually a percentage of the monthly rent. The following services may be included: rent collection, tenant communications, maintenance, property inspections, financial reporting, and emergency response. This is a monthly/recurring fee (6%-12% +/- depending of the property).

Leasing Fees:

These fees are charged when a property manager finds a new tenant (showings, applications, screenings, preparing the leasing, closing). They are often a percentage of one month's rent (50%-100%).

Maintenance Fees:

These fees cover the cost of repairs and maintenance of the property.

Advertising and Marketing Fees:

Some companies include in the monthly fee. Other's charge an additional fee (\$100 + upfront, monthly, etc.).

Vacancy Fees:

Occurs when a property is vacant to cover marketing, security (weekly inspections), maintenance issues, and preparation costs (staging, etc.). Costs can range from \$50-100 + per month.

Setup Fee:

A one-time charge to setup the account (account setup, conduct initial property inspection, integrate new clients into the system).

Other charges that may be added to the property management fee include:

Inspection Fee: Reviewing the property in transition between tenants (report included).

Security Fee: Review of perimeter and property (report included).

Late Fee: Consider charging a late fee if rent is not received on time. Some prop. mgrs. Charge 25-50% to secure the rent due.

Lease Renewal Fee-Same tenant(s): Some charge for a renewal of the lease. That cost should be smaller than the initial fee. Either a percentage or a flat fee (\$150-\$350).

Eviction and Collection Fees (Legal Fees): Expect to pay upfront costs plus legal fees/retainer, etc. Collection agencies and attorneys usually charge 50% of the awarded judgement.

Early Termination Fee with Company: Cancelling a contract early with a prop. mgmt. company may result in a month's worth of income, to higher penalties with a breach of contract.



Fixed Management Fee:

A fixed fee is based on factors like the property's size and type as opposed to how much the rent on the property is. For example, this fee might be \$100 per month for a single-family home, but a larger property with multiple units would be more. A fixed fee might seem attractive. However, property managers may not be as excited to maximize the earning potential of your property's rental income with a fixed fee.

****Things to consider with your property/properties:**

Do you have the time, temperament and knowledge to handle on your own?

Do you have a security concern that requires outside assistance?

Do you need help with your daily responsibilities?

****Commercial properties** may have different fee structures involved. To be determined upon the initial consultation and subsequent meetings.

****Information provided is for general reading purposes only. A true assessment of one's property must be conducted, specific goals addressed, and a final agreement achieved, for an accurate cost to manage the desired property or properties. Executive Protection Detail costs are determined separately.**

****PPM Services is upfront about our rates. No hidden fees. Determined on a case per case basis. Feel welcome to contact us today and let's see how we can be of benefit to you and your property goals.****

