

New Income Sources

One ongoing issue among property management companies is that of generating new sources of income. A number of diverse talents can be applied to this important task. Among them is creativity and analytic capabilities. Creativity allows staff to be resourceful and recognizing conditions, events, and structures that may provide the sources of new income, A garage may be a current source of income, but a better source may be converting it into resident storage or laundry facilities.

Another service increasing in popularity is the use of private boxes for mail and FedEx and UPS deliveries. As the Internet continues to increase its share of purchases over brick and mortar purchases tenants are looking for secure deliveries and are willing to pay for the security.

Staff is already involved with leasing units for its managed properties. What are the benefits in providing leasing services for other properties? A Lease fee from the tenant prospect and a referral from the owner or property management company that acquires the tenant prospect may provide a profitable ongoing source of income especially when the leasing management company's units are already leased.

Renting of in demand equipment such as large screen TV's, barbeques, microwaves, etc, can usually be paid for and return a profit in less than a year and become all profit after payoff. They add to the value of the unit for follow on residents.

Excess space associated with a property may be converted to long term RV or boat rental space. That can be a significant increase in ancillary income especially if the parking space is fenced and secure.

General Parking fees can be a source of income by charging for priority or covered parking and for additional spaces for for all vehicles other than the primary vehicle associated with the resident.

Guests can generate income after a week or some specific time, They do generate expenses and utilize services, i.e. utilities, parking spaces, wear and tear, etc. Of course the rental agreement must identify the arrangements re: the guest charges and policies.

Large apartment and condominium properties have for years provided recreation rooms, pools, workout and racquet ball courts with fees charged for their use.

Some property management companies are beginning to provide off site facilities which the resident may use for an additional rental charge. The management company establishes an arrangement with the facility for the use of the facilities and services which they now offer to the resident for a fee that may provide a discount for the tenant some income for the management company. A number of nearby diversified businesses may be providing products or services in this manner. Fitness services are quite popular now.

Some property management companies are also beginning to offer concierge services and in some cases offering other residents as dog walkers, chefs, tutors car washers . etc. Agreements identify

that property management assumes no liability and that a fee is paid to the management company based on the fees that the designated resident or local business providing the special service receives. An attorney should assist in the creation of this type of arrangement. Obviously there are benefits for both the tenants receiving the services and the tenants or local business providing the services. The services would generally include both convenience and normally a lower cost available from the local provider.

Newer technology is now being offered by some management companies. Artificial Intelligence assistants devices offered by IBM, Amazon, Google, etc. are providing numerous services that are being offered to tenants by some management companies. The services are both unique and growing in demand. These devices appear to be of special interest to millennials which have become a significant element of tenant prospects.

New income sources are to some degree related to new thinking and imagination of management and staff. Analyze the property, its surroundings and talk to the tenants to determine its possibilities for new income sources and new services.

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