Lackluster Profits? Balance Your Property Management Data with Human Insight

A 45-year property and asset management veteran, Jeff Goldshine says good property management requires personal judgment

Got a problem managing a property? There's an app for that. Or, maybe not.

Superior property management will never boil down to a single automated decision tree, says Jeff Goldshine. Don't ditch apps and reports. But don't let data take the place of getting out from behind your desk and looking around.

"Spend an hour walking the grounds," Goldshine says. "Is there garbage on the ground near the dumpster in the middle of the day? Does the office feel inviting? Or is it cold and dirty? Are people smoking cigarettes in the back?"

Goldshine has managed over 70,000 units for owners and investors across four decades. Now, as the owner of Goldshine Management Consulting LLC, in Chapel Hill, NC, he delivers white papers and snapshot reports that tell clients how to boost their property's performance.

His biggest piece of advice? In an industry awash in data and metrics, property managers sometimes forget that common sense is their biggest asset.

"A manager has to be an advocate for the property and do the right thing, and there's no bible that tells you what it is," Goldshine says. "You're still dealing with people. You need to ask—How would you want it done for you if you were a resident?"

It's what Goldshine did years ago when he was handling 2,500 units in Washington D.C for an owner's group who self-managed their property. One hot July 4th weekend, electrical problems knocked out the air conditioning for one of their 75-unit buildings. Many of the people who lived there were elderly.

"I said, 'Well, we can't keep them there. Don't tell me what the budget is, I don't care,'" Goldshine says. "I had to arm wrestle a bit, but we got it done."

They moved residents into a hotel for five days while electricians repaired the building. Goldshine, who lived 90 minutes away, drove to the Holiday Inn and ate breakfast with them on several mornings to make sure everyone was OK.

"It's the kind of thing that makes you feel good in this industry," he says. "It's not just about the rent and the economic strategy. This is your life."

Treating people decently saves money on the back end, in company reputation and customer retention. But it's not the only thing to pay attention to. There's no silver bullet to grow you property's performance, Goldshine says.

"It's looking at the different processes and making sure they're all working correctly," he says.

There are a range of issues that can impact the bottom line, from tenant communications and marketing to operations, maintenance and security. Make a 360-degree assessment to find out where the weaknesses lie, Goldshine says. Here are some problems he's flagged over the years.

Rent delinquencies. A 900-unit property was stacking up delinquencies of $300,000 and more. That's way out of range, Goldshine says. "They needed to crack down on their collection policies and procedures and then make sure staff was following up with tenants."

Budget overages. A property manager turned in financial reports showing variances in several categories. That doesn't deliver any insight, Goldshine says. "They should be able to explain why there's a variance, not just report the numbers."

Occupancy problems. Oftentimes apartments can be beautiful, but they're not renting. Check out the competition, Goldshine says. "Make sure you're not asking $100 higher than the rest of the market. Or that you're not offering concessions when everyone else is."

Uneven performance. A property in one region was boasting 92% occupancy, while another region was at 84%. Consider whether the wrong person holds a key management position, Goldshine says. "I asked—What would happen if you moved the first manager over to the region that was struggling. Could they turn sales around? The answer was yes; that meant the problem was with personnel."

For most people in the business, property management isn't the career they first imagine for themselves. Born into a middle-class family in Washinton D.C. and a graduate of George Washington University, Goldshine initially had his eye on a career in politics. Then, he realized his job potential was limited.

So, Goldshine picked up a gig as a leasing agent for the father of a friend who owned property in D.C. and Virginia. That was back in the days of ledger cards, adding machines and trips to the bank.

It was fun, every day was different, and Goldshine saw it was a way a person could better themselves through steady work. It's still true today.

"There's a feeling of accomplishment, that I can help a resident, or I can get a problem solved," Goldshine says "The landlord should not be a mean guy. They should be there to help make the resident enjoy their time with us. I've always believed that. Even before anyone was using the phrase 'customer service.'"

Jeff Goldshine is a real estate and property management professional with over four decades of experience and also, the owner of Goldshine Consulting, LLC, in Virginia. The firm provides property/asset management consulting services to multifamily ownership, property management companies, and developers. To learn more about how you can maximize your property's performance, visit www.goldshineconsulting.com.