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## **Will a Condo/HOA Manager Shortage Affect Your Community? Plus, 4 Things You Can Do to Keep a Good Manager**

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It may shock you to learn that people entering the workforce today aren't crazy about jobs that require them to attend evening meetings and deal with angry people. Who could have predicted that?

We're kidding, sort of. It turns out that communities in Canada are struggling to find good managers. Many of our experts say that's also true in the United States. Here's what you need to know to ensure you don't run into an unexpected and prolonged search for a qualified manager.

### **Management Industry Shifts**

"We're all experiencing the same thing as those communities in Canada," says Zuly Maribona, LCAM, the Bonita Springs, Fla.-based senior vice president and partner at KW Property Management who oversees the company's southwest Florida, Jacksonville, Orlando, Tampa, and North Carolina operations. "It's true in Southwest Florida and in other markets in the state.

"In Southwest Florida specifically, we at management companies are seeing somewhat of a shortage in finding candidates," she adds. "Whether it's salary driven or something else, it's becoming very competitive here. But I think management companies are seeing staffing shortages everywhere. With the competitive nature of the employee market and the more communities that are built, the more competitive it becomes.

"Also, if a community is looking for a lifestyle manager, it's looking for a manager skilled at higher levels with leadership and project management skills," says Maribona. "And those candidates are looking for more money. They're saying, 'Pay me what I'm worth.' That's one side of the issue.

"On the flip side, with condos and the challenges that have arisen after the condo collapse in Surfside, I've seen some managers—not a lot, but more—looking for jobs outside the industry," she says. "They're saying, 'I'd like to work remotely rather than dealing with the everyday property management environment.'"

Alex Noland, CCAL, founder of Noland Law PC in San Francisco, which represents 200-plus community associations throughout California, has seen rising costs factor into manager-search challenges, too. "In California, there are some associations that directly hire their general manager if they have one on site, and they're usually

employees of the management company," he says. "In San Francisco, there's a manager shortage because of COVID-19, because of people having changed jobs and moved away, and because of remote work.

"Finding managers, especially portfolio managers, meaning those who manage many communities at once, is always a big challenge," adds Noland. "That's especially true in big cities like San Francisco where it's very expensive."

"When you have a general manager who works on site, I do think that it seems the search process is taking longer," he notes. "For some of the bigger projects and the luxury projects, they're bringing managers in from out of state. For high-end or bigger communities where managers aren't from California, I'm seeing salaries above \$200,000. Those types of communities may have to pay more to get a qualified manager.

"If you're a community in Modesto, Calif., your general manager's salary won't be that much," says Noland. "But if you're in San Francisco, Los Angeles, Chicago, or New York, if you want to have a pool of candidates, you're going to have to pay for it."

### **It's Hard to be a Manager**

The squeeze also exists on the east coast. "In my area, clients and property management companies are both struggling to find qualified people," reports Janet Oulousian Aronson, a partner at Marcus Errico Emmer & Brooks in Braintree, Mass., who is licensed in that state, in addition to Rhode Island and New Hampshire. "I've always said that I don't know what's going to happen. I think the industry is going to change a bit.

"Young people aren't interested in killing themselves, working day and night at night meetings, not for the money they get paid," she adds.

Maribona agrees that evening work gives potential managers pause. "I don't think it helps for quality of life," she says. "Would it be good for communities to schedule meetings during the day? Sure. But is that a practical approach? No. Plenty of properties have working board members, and evenings are when those people have to have meetings."

Aronson says some property managers are pivoting to deal with the challenge. "The larger property managers are trying to compartmentalize the business, where the property manager deals with operational issues, and the administration and finance is handled by someone else," she explains. "Property managers are also putting into our contracts that board meetings have to be by Zoom. And they've reduced the number of meetings they'll attend to two a year. Also, retired property managers are coming back on a part-time basis."

### **Is Licensing a Contributor?**

In an interesting twist, Elina Gilbert, a shareholder at Altitude Community Law in Lakewood, Colo., who has specialized in community association law for 23 years, says her area *isn't* experiencing this crunch as much as it had in the past.

"It's a little bit better here now," she says. "We used to have manager licensing, and then management companies had a hard time getting qualified people. Our legislators decided to sunset the licensing requirements about three or four years ago, and there are now more management companies getting brand new people and training them from the ground up."

Has the elimination of the licensing requirement affected the quality of managers in the state? "I feel like when we had manager licensing, managers would memorize what they needed to pass the test," says Gilbert. "I'm not sure of the quality today, but it's easier now to get people in and trained."

### **How You Can Keep a Good Manager**

If communities are increasingly going to be competing for the most qualified managers, what can you do to be a community that managers *want* to manage? Here are four things:

1. **Let your manager do their job.** "Higher-level decision making is for the board, and day-to-day operations are for your management team," says Maribona. "So allow your management team to be empowered to execute with things like approved spending amounts and templates managers can use."

"Hold us to account, of course," she adds. "But don't micromanage managers because you'll end up with a manager who's afraid to make the smallest decisions because they're waiting for your board to give the OK."

2. **Seek common ground.** "This is our biggest hurdle," says Maribona. "Board members need to work together. Too often, with board politics, board members make management their casualty of war. That's a huge one."

"Boards need to stand united when they make decisions—and they need to make decisions," she adds. "Often there's paralysis when it comes to decisions and that hurts the manager. Then there's the hero syndrome, where all the board members have 100 items they want to tackle, and they all think their ideas are important. They don't prioritize. We can't start everything and finish nothing."

3. **Be patient.** "Boards' expectations have to be adjusted," says Aronson. "I've seen some boards that are constantly emailing their manager and their lawyers, too. I get it if it's an emergency. But perhaps your board can come up with a way to identify issues as tier 1, tier 2, and tier 3, with tier 2 and 3 issues able to be handled at a later time."
4. "If a manager is managing, say, five properties, they might have one day a week total for each community," she notes. "Contact with the manager can't be

constant because they're getting that from five different boards. If you find a property manager you like, you shouldn't burn them out. Try to be respectful. Or if you want that constant-contact ability, be ready to pay more."

5. **Remember that you get what you pay for—and we mean no disrespect to any managers when we say this.** Noland agrees that a firehose of emails and requests can be overwhelming and isn't helpful in building a good relationship with your manager.

"I have boards who complain all the time that they're not getting the service they want from their manager," he notes. "And I'm like, 'You're paying for a portfolio manager who manages five other properties. You're getting one-fifth of their time. You can get more, but you'll have to pay more.'

"What it boils down to, especially in urban environments," he notes, "is that you're going to have to pay more to get a good manager or to have your manager stay with you."