

# SELF-MANAGEMENT FOOLISH OR WISE?

John Curran & Lyndsey Knox

WHY?

# Dissatisfied with the service your managing agent is providing?

- Non payment of service charges?
- Lack of communication?
- Angry owners/members?
- “15% of owners have confidence in their managing agent”<sup>1</sup>
- <sup>1</sup> (Ref :- *Managing Apartment Developments - John Neelon*)

# Control “Costs” and Financial Management?

- “70% feel sinking fund inadequate”<sup>1</sup>
- Bank Account / Cheque Book - Who has control?
- Budgets - Incorrect or Insufficient?
- Insolvency?
- Expenditure particularly Repairs & Maintenance
- Reduce Service Charge?
- Best practice accounting procedures?
- <sup>1</sup> (Ref :- *Managing Apartment Developments - John Neelon*)

# Snapshot of ELMC's PL Account managing agent in charge?

Inv Date	Inv No	T	Description Curr	Curr Amt	Net Amt	Vat Amt	Total Amt	Rem Bal
<b>GLO GloCorps (Global Property Care), Mark Fisher, Tel: 1850343534</b>								
30/09/2009	OP BAL	C	Opening Balance		36,982.37		36,982.37	
30/09/2009	OP BAL	D	GPC Overcast per GPC		-2,486.00		-2,486.00	
06/10/2009	TRANSFER	P	PL Payment		-1,500.00		-1,500.00	
06/10/2009	BRB	D	Pmnt Paid Direct GPC BRB		-2,000.00		-2,000.00	
08/10/2009		7716I	Repairs - Rain Pipe at Shed		170.25		170.25	
20/10/2009		7781I	Repairs - Recreational Area		561.82		561.82	
20/10/2009		7790I	Intercom Installation JMC		13,620.00		13,620.00	13,620.00
21/10/2009		7791I	Install Flush Lighting JMC		8,389.92		8,389.92	8,389.92
23/10/2009		7820I	Block Lighting JMC		1,115.75			
27/10/2009		7827I	12 x Zappers for GatesJMC		779.99			
27/10/2009		500232P	PL Payment		-1,200.00			
29/10/2009		100357N	CN Inv# 7847 Inst CCTV		-10,180.95			
27/10/2009		500234P	PL Payment		-1,000.00		-1,000.00	
29/10/2009	7847BRB	I	Install CCTV Security Cameras		10,180.95		10,180.95	
30/10/2009		7849I	Gate Repair JMC		124.85		124.85	124.85
30/10/2009		7850I	Gate Repair JMC		124.85		124.85	124.85
30/10/2009		7862I	Gate Repair		612.9		612.9	612.9
30/10/2009		7657I	Monthly Services		3,600.92		3,600.92	
01/11/2009		7928I	Postage & Stationary		93.74		93.74	
11/11/2009		500236P	PL Payment		-6,200.00		-6,200.00	
17/11/2009					124.85		124.85	124.85
18/11/2009					124.85		124.85	124.85

Actual invoice from supplier  
was for €10,215 - Hidden  
Costs/Overcharging?

Actual invoice from supplier  
was for €70 - Hidden Costs!!

Incorrect Invoicing?

# Aged Debtors (Member owe)

- Increasing year on year
  - Increase in number of units owing (recession)
  - Service Charges owed?
- Members don't pay as don't see any 'value for money'
- Serial Non - Payers don't appear to be pursued through the courts?

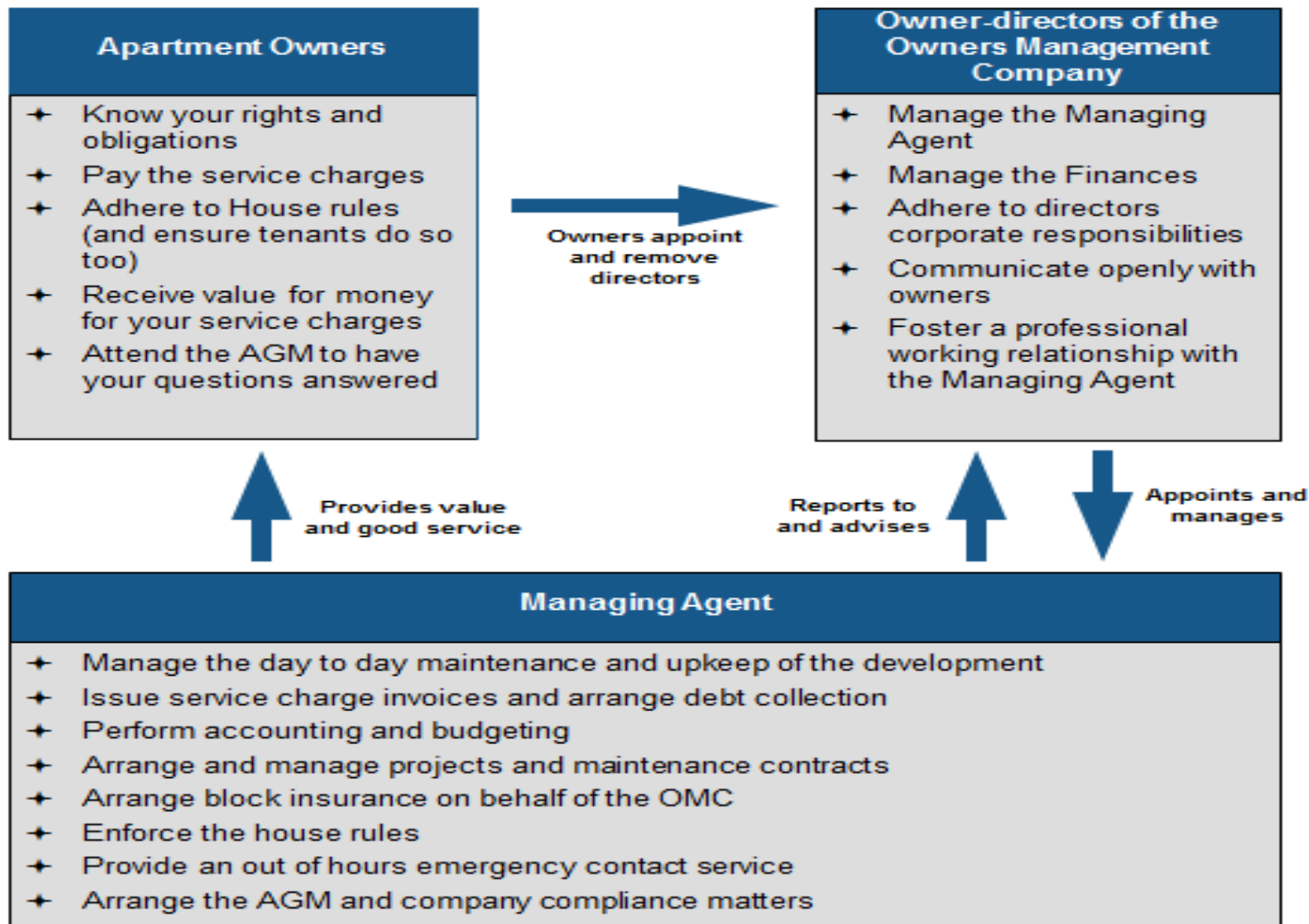
## Aged Creditors (Management Company owe)

- Increasing year on year?
- Hidden Costs?

## The Board of Directors?

- Managing Agent acting “Company Secretary”?
- Managing Agent- Bully style tactics & lies
- Directors not educated or usually inexperienced?

# Normal OMC Management Structure



## To This...

### Owners

- Know your rights and obligations
- Pay Service Charge
- Adhere to House rules
- Receive 'Value for Money' for your service charges
- Attend AGM to have questions answered

### Directors

- Manage the Finances
- Adhere to directors corporate responsibilities
- Communicate openly with owners
- Foster a professional working relationship directly with suppliers
- Manage the day-to-day maintenance and up-keep of development
- Ensure health & safety standards are met
- Issue service charges and arrange debt collection
- Perform good accounting practices and budgeting
- Arrange contracts and projects
- Arrange block insurance - and claims
- Enforce House Rules
- Provide out of hours emergency contact
- Arrange AGM and company compliance

**WHERE TO BEGIN?**

# TIME - Don't underestimate!

- Very time consuming - but rewarding
- Look at outsourcing certain areas of the business
  - Call-Centres
  - Book Keepers
  - Debt Collection Agency's
- Monitoring emails daily
- "On Call" Phone weekends and during the day
- Insurance claims
- Issues/Complaints
- Meeting Suppliers
- Board Meetings
- Repairs (being on site)

# Directors

- The OMC must have members sitting as Directors or be in a position to vote new directors in and get rid of the old.
- You need to have at least 3-4 willing Directors with a real and lasting passion to improve your development?
- Directors with current skills in trade, accounting etc. all beneficial
- Payment to directors - should be considered due to the amount of time involved.
- Educate Yourself
- Relationships, Politics & Trust!!

# Bank Account

- Set up business online banking ( slightly addictive!!)
- Gain control
- Quite easily done
- Massive benefits

# Budgeting

- Need to have a reasonable understanding
- Setting realistic budgets?
- Allowing for non-payers in your budget
  - Service charge €1600, non payers 10?? That's €16000 missing from your budget before you start

# Accounting

- Reasonable understanding
- Very easy P&L account - Straightforward
- Invest in accounting package - Tas

# Communication

- Communicate effectively with members -  
Newsletters / regular updates ([Click Here](#))
- Statements - how often?

# Ongoing Issues

- Communication
- Educating owners - what did I buy?
- Managing expectations
  - Shoot the children!!
  - Shoot the dogs!!
  - Count the daffodils!!
- Holiday and absence cover - 24/7
- Vesting and handover - new territory

# And finally...

Is it worth it?

Would I do it again?

What would make it  
easier?

Thank You