

How property managers are evolving into mediators

By [Gregg Huntingford](#)

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The role of the property manager continues to evolve. Once thought of as merely rent collectors, it has become all too evident that the role of a good property manager has progressed to encompass that of asset management. And now, with the effects of Covid-19 being keenly felt by businesses the world over, the role of the property manager has evolved once more to now include mediation as a key skill.



Gregg Huntingford, CEO of Spire Property Solutions

Mediation between landlords and tenants has become a critical tool as part of an essential need to retain tenants who are going through a temporary slump due to Covid-19 and lockdown.

Tenant, landlord remediation

Some people may think of property managers as just being that person who knocks on the door once a month to collect a rent cheque from the tenant on behalf of the building owner, however, the evolving role of property managers means they are taking on the responsibility of tenant and landlord remediation as part of ensuring the long-term success of the property. Given the financial impact of vacancies on a building as an asset, it is key to try and retain tenants in the long term, making allowances for impermanent loss of income.

Negotiation between the two parties is a critical skill that good property managers need to master. Our managers sit with both parties to ascertain what each of their objectives are – what are their goals, their priorities and needs; we ascertain where they are able to make compromises, and if there are ways to keep up a continuous relationship. It is important that we all work together during this time to try and reach solutions.

Applying tenant relief on behalf of landlords

In order to determine what measures to apply, it is critical to understand the needs of both the property owner and the tenant. In the first instance, many owners have had to keep the lights on at the building and pay bonds, and so have incurred ongoing costs. But equally for tenants, many are fighting for their livelihoods. There is no one size fits all.



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In some instances, it is a case of a rent deferment. The tenant can't pay the rental, and the landlord is perhaps more under pressure. So one allows some extra breathing space on rental, but with the quid pro quo limited application of credits. In other instances, the tenant will simply not survive without a meaningful rental credit. This then means that the parties have to sit down and really understand the business plan of the tenant because even with a credit, both parties will have to endure some pain. There is no getting around that.

And sometimes the application of deposits on a mutual understanding of delayed reinstatement helps with much-needed cashflow on both sides. Consideration of renewals and building in solutions that can be amortised over time is also possible, where one or both of the parties can endure the immediate cashflow impact. Our

experience has been that the array of cases has been exceptionally varied and even businesses that are still doing well nationally under Covid-19 may need a specific nodal focus. One has to open the discussion and understand that in the end, a solution will be imperfect but will inevitably be a better result than doing nothing.

Strategic thought and implementation

To aid in such discussions, property managers are experts in the day-to-day operations of a property. They also serve as asset managers, applying strategic thought and implementation in order to actively enhance the cashflow and value of the assets - maximising the return on investment and value of property.

No time in our recent history has called on property managers to test their skills as Covid-19 has. Our role is evolving speedily as we seek ways to secure win-win situations for landlords and tenants during this unprecedented time. It is vital that we come out the other side of this pandemic with symbiotic landlord and tenant relationships if we are to try and boost the economy as fast as possible.

ABOUT THE AUTHOR

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