

7 REASONS

TO HIRE THE PROPERTY MANAGER BROKER



PROPERTY
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BROKER



7 Reasons to Hire the Property Manager Broker

Naturally, if you have read this far we want to offer you some insight as to why we feel you will want to hire the Property Manager Broker to assist you with possibly one of the largest transactions you will ever undergo. Our focus is to assist residential property management companies to reach their acquisition and selling goals.

Accurate Valuation

The Property Manager Broker service was founded by Brad Larsen and Phil Mazur. Their experience in owning and working with residential property management companies gives them intimate familiarity on placing a value on an existing business. Phil Mazur is a certified business valuator working daily inside property management companies. He is trained to accurately put a dollar figure to the worth of a business through his valuation process. This may be the most critical part in selling anything is to price it right from the very beginning allowing the selling business owner to feel confident that figure can be reached. Remember, there are no public records for selling a property management company, unlike homes or publicly traded companies. This makes applying the inside experience of selling management companies that much more critical.

Confidentiality

By working with a business broker to review, market, and negotiate with buyers on behalf of the seller keeps the rumor mill in the business to a minimum. Team members, clients, and vendors should be kept out of the initial conversation to sell any management company for

a host of different reasons. The biggest is that possible disruption leads employees to act in a manner that may cause the business a bit of pain such as spreading rumors, telling clients that the principal business owner is leaving, or just getting spooked feeling their career is in jeopardy. We work to keep that information very confidential understanding this is extremely critical to protect the seller's intentions at all times.

White Label Marketing

Since there is no concrete valuation method, and often the management company being put up for sale is the only one in that marketplace - this makes the effort to mask the business being sold extremely important. The intent is to be able to receive multiple offers for that business while protecting the identity of that business from competitors, clients, and staff members. By creating a way to market that management company without initially fully revealing the identity allows us to get Non Disclosure Agreements, and weed out the shoppers or competitors offering to buy under false pretenses. This is ultimately for the seller's benefit to get the max value possible with multiple engaged buyers.

Remove the Emotion

By working with a business broker, this allows the broker to act as an intermediary negotiator working on behalf of the seller to help them understand the terms / conditions of offers received - and implications in selling to that purchaser. This should not be understated as a good negotiator - which is the role of a business broker - is to

keep cooler heads active when the process runs into challenges. Selling a business is extremely emotional for most sellers and can be filled with frustrating moments. An expert business broker can shield the seller from the mundane details that sometimes can simply upset a seller to the point of them not wanting to sell at all. An example would be when the buyer wants 100 questions answered during the due-diligence phase. To the seller, this feels like a lawsuit going through “discovery hell” being asked questions as if they were a defendant in a criminal trial. A good business broker can handle a lot of the follow up questions from a buyer and work directly with a seller to provide answers that seem less intrusive. When a seller feels that the buyer is asking too many questions, this is where deals fall apart leading all parties away from what they ultimately want.

Trusted Advisors On Hand

During the process of selling a business, there are several advisors that need to get involved to include:

1. Buyer’s Attorneys
2. Seller’s Attorneys
3. Purchase Agreement Drafting Attorneys (often the buyer’s)
4. Lending Institutions (SBA loans)
5. Escrow Officers and Third Party Closing Facilitators
6. CPA’s for Accounting Due-Diligence and Tax Planning
7. Financial Advisors for Sellers

All of these different points of contact will influence the transaction at some point. It’s the duty of the business broker to facilitate all of them in order, and to resolve conflicts as they arise. An example is that sometimes the

buyer’s or seller’s attorneys can get in their own way by spending too much time in crafting the “perfect” language for a contract - redlining an existing contract - or just simply giving either party bad advice knowing that by encouraging inaction is how they make their most money possible as attorneys. We protect you from that allowing cooler heads to prevail working to complete the transaction to a win/win scenario for all involved.

Exit Preparation

One of the absolute most important questions to ask up front when working with a seller is to find out what they plan on doing after the sale. The entire transaction will often surround that intention. Not only is getting the seller what they want in price / terms / involvement / legacy extremely important, but preparing them for the exit of the business is paramount from the beginning. This includes tax preparation and possible tax deferral planning. The best example is that if an owner wants to be “hands free” from the day of closing, an all cash purchase may be appropriate, but may not bring an equivalent price compared to an owner financing purchase. All of this can be explained in more detail but it’s important to know that we start with the end in mind for the seller and work from there in determining the path to completing a sale to include answering the question of what the seller will do after the sale.

The Final Hour

There is a saying in sales that indicates “time kills all deals”. Nowhere is this saying more applicable than selling and exiting a property management business. Getting the buyer and seller to the final closing table,

especially during the last week of the transaction, can be extremely difficult. There are numerous challenges from attorneys, lenders, and even buyers & sellers involved that can put severe road blocks in completing a transaction. It's the role of a business broker to work through these challenges keeping the transaction on track to help accomplish what all of the parties ultimately want - to complete the sale. Just because a buyer / seller seem to agree in the beginning, does not mean they will

agree towards the end. Without an intermediary, the do it yourself deals often fall apart for an array of reasons. This is where the business broker shines the most by getting through all of the last minute challenges while on the road to getting the deal done!

To find out more about our business brokerage services - contact us at Info@PropertyManagerBroker.com.

What We Do

The Property Manager Broker service is designed to fill a major need as the industry undergoes consolidation. There is an extreme knowledge gap between sophisticated buyers of property management companies and the prospective sellers. Until now, a property management company owner simply goes to the local business broker to assist them in selling their company. Or worse, they did it without much help. This can be a mistake that leads to an uncomfortable sales process and even the loss of tens of thousands of dollars. We are here to change that.



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