11 REASONS TO CONSIDER WHEN DECIDING WHETHER OR NOT TO OUTSOURCE YOUR INSPECTIONS TO A THIRD PARTY

While it is no secret that there are third party services that offer to do your management inspections for a fee, is this a good option to choose for your property management business?

We have compiled a list of information and put together a list of 11 reasons to consider when deciding whether or not to outsource your inspections to a third party.

First, let's look at the benefits of using a third party inspection service.

BENEFITS:

1 LIABILITY

Do you really release your liability as being property manager? Not totally although there might be some limit of liability to an extent. Hiring a third party service may not totally relieve your responsibility as a property manager but in the event something went wrong it is possible that a judge may take the third party into consideration. We recommend checking with your local and state licensing laws to know your laws and liabilities.

2 TIME

Hiring a third party might save you some time. If you are a smaller management company this may be beneficial for you starting out if you simply don't have the time to implement property inspections into your management systems.

3 GOOD REPORTS

Third party services can help you to create professional reports.

4 YOU DON'T NEED TO CREATE INSPECTION SYSTEMS

This can be beneficial when you are first starting your management business if you don't have the time to create the proper inspection checklist or SOP's on how to properly conduct property inspections.

NOW LET'S LOOK AT THE 11 REASONS YOU NEED TO CONSIDER TO NOT OUTSOURCE

YOUR PM DATA IS BECOMING MORE VALUABLE EACH DAY FOR YOUR COMPANY

1

As technology progresses controlling your data is a growing asset for your property management business.

Soon artificial intelligence tools will measure, predict, and automate many of the business systems that your staff is currently tasked with today. If you are serious about growing your PM business it is vital that your inspection data remains in a software system that you control or ensure that it is integrated into a system that you control. In the very near future artificial intelligence tools will advance to the point where it will be necessary to implement it in your PM business to keep up with the competition. Predictions of water heater life expectancy, recurring maintenance notifications, photo comparison tools, and other working components will all use analytical data from PM inspections. If a third party is collecting all of your inspection data then they are controlling this data and you may miss out on the opportunity for future benefits.

These types of tools are already on the horizon and the sooner you start retaining your inspection data in-house, the sooner you will be prepared for the future.

LIABILITY NOT REALLY RELIEVED

2

Many third party inspection services market the liability aspect which can sometimes scare PM's but the real question is when you outsource your inspections to a third party does this really relieve you from the possibility of being sued or from being the responsible party? The truth is the driver of the operation is usually the one responsible and for most states that regulate PM licensing the PM is still responsible if something goes wrong. When a PM signs an agreement with a property owner they still have a fiduciary responsibility. Whether it is a maintenance man, a cleaning service or any other third party service you hire. Third party inspection services generally do NOT relieve you of your responsibility when in fact it is STILL your company name thats on the line as a PM.

It is recommended for you to check with your state licensing laws to see if you are relieved of responsibility as a PM when hiring a third party.
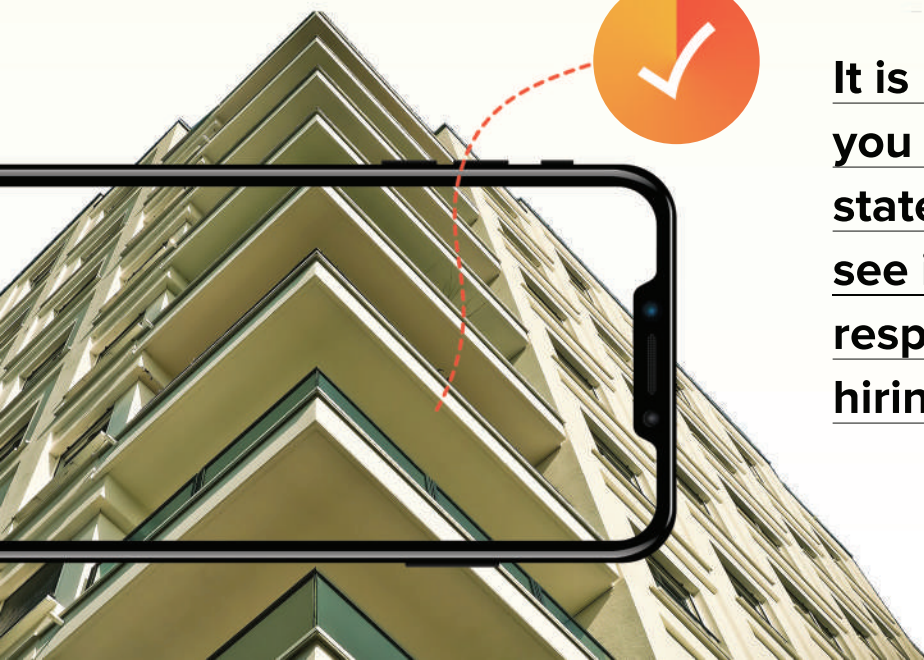
3 LOSS OF REVENUE

Did you know PM inspections are a revenue stream for your company that you control? If you would like to take a look at how you can charge for property inspections check out our report **[10 Tips Check-List - How To Charge For Inspections]**

Regardless if it cost $85, $95, or higher with the technology progression available, PM's are now able to provide professional management inspections that provide the opportunity to charge for this service. Generally, the amount that PM's can charge for this service is much higher than what the actual cost is to pay staff to do the inspections. By keeping this service in-house you retain all the benefits by controlling the inspections process as well as benefit from the additional revenue.

When you use software to complete your property inspections there is a large ROI opportunity that you may be missing out on. The larger your company, the larger the opportunity becomes.

YOU HAVE SOFTWARE AND ACCESSIBLE HARDWARE AVAILABLE DURING THESE MODERN TIMES

4

Nowadays, modern smart devices are in nearly every person's possession. During the earlier years it was more difficult and time consuming to provide professional inspection reports, however with today's modern Apple and Android devices (which offer high quality definition) photo capturing and video capabilities enable you to provide your own in-house professional reports.

5 LOSS OF INSPECTION SYSTEMS FOR WORK ORDERS

Seamless automation creates a better working engine for your property management business. Modern day software tools allow you to mark defective items on an inspection report and it then can immediately notify your maintenance vendors or staff to create seamless work order systems. This ability alone can cost you thousands of dollars in wasted resources every month if you are using a third party.

When you have an in-house inspection system the report should be able to notify all of your vendors instantly as well as create a work order by either pulling an overview work order report from the inspection software or integrate the data to your accounting software.

If you do not have the ability to annotate data directly to maintenance from your inspection report in-house then this is a very large opportunity for a growing management company.

YOU CAN CONTROL AND BE A BETTER PM

6

Property management is a people business and meeting with tenants and owners is an opportunity to always be closing the communication gap. The more contact you have with the people that make your business successful, the more likely your business will be successful.

Most tenants view your third party inspector relationship as if you are "buddy-buddy" with them. Tenants are just as much if not more likely to write negative reviews about a management company that hired a third party vs if they did the inspection in-house.

Every opportunity to communicate with your customers enables you to build rapport, get referrals, and create a better experience. When you have your staff complete inspections you also create a better experience for your customers because you control the PM experience by having the ability to speak to them about their property in first person vs. third person (as is when using a third party).

Hired third party inspectors are not the ones talking to your owners or leasing your properties to tenants. As a property manager, it is beneficial for your staff to be viewing these properties to be able to better discuss them, lease them, and care for them in an effort to provide a better experience as a PM.

7 YOU NEED LOTS OF MARKETING PHOTOS TO SEE PROPERTY CONDITIONS

Most of the third party inspection services are similar to a hired home inspector. The photos that are provided are generally of the deficiencies and negative items only.
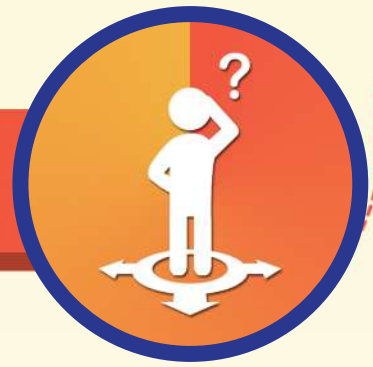
An in-house property management inspection should be different. It is more effective to take a large number of photos of the deficiencies as well as a large number of overall photos showing the condition of the property.

Similar to curb appeal photos, interior photos should be done the same way. Since most third party inspectors are not the ones marketing the properties, many times your staff are still required to make the necessary trips to acquire the necessary marketing photos.
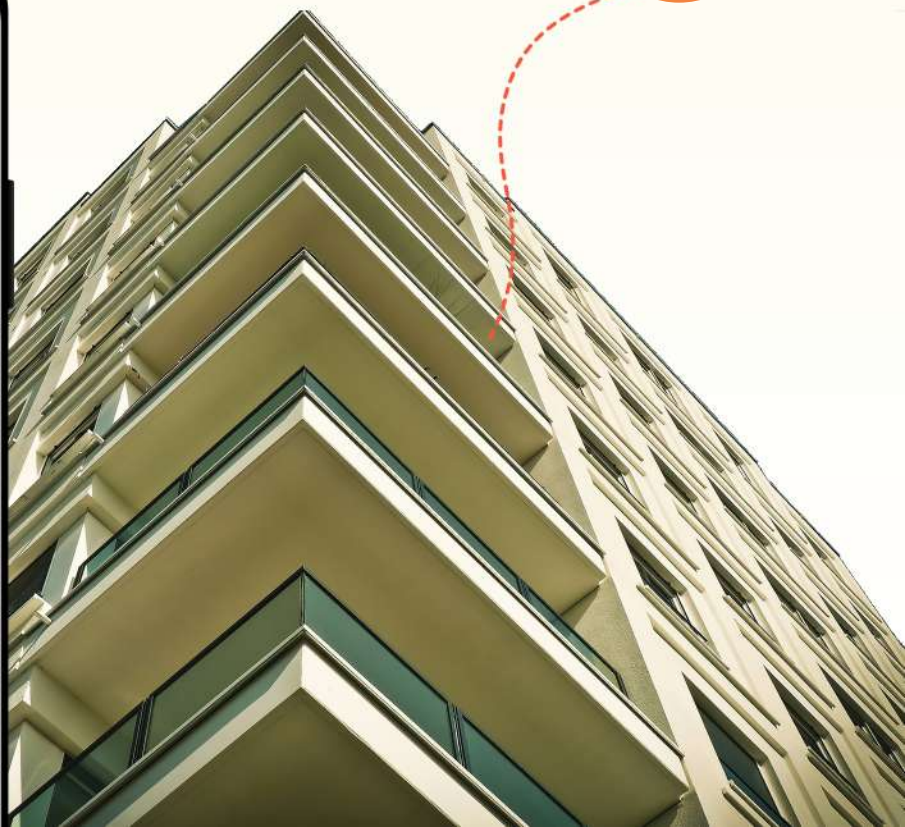
THIS PUTS YOU AT A **DISADVANTAGE WHEN COMMUNICATING** TO MAINTENANCE PEOPLE

8

When your staff does not see the rental properties in person you lose that personal touch and the ability to be a hands on PM. The connection you have as a property manager between your maintenance vendors needs to be strong and consistent. Third party companies are not the ones assigning maintenance and discussing the property conditions with your maintenance vendors.

Owners sometimes have questions about their properties. Some of the questions might be things such as: Did you check the thermostat when you were there? Did you notice a musty smell in the den? Did you happen to see the extra cans of paint in the utility room? Do you have any input on what we should do about the different wall colors in the 4th bedroom? These are all basic questions that give you the opportunity to be a hands on PM. If you or your staff can only respond with "Im sorry, let me ask our third party inspector instead of being able to respond with, "Yes ma'am, and I noticed the A/C was left on so I turned it off." What is this saying about your hands on management service?

Your relationship with your property owners should be strong and by inspecting properties in-house you enable better conditions for rapport with owners.

YOU LOSE THE ABILITY TO AUTOMATE MOVE IN/OUT REPORT COMPARISON

10

When you use in-house inspection software you have the ability to pull a move-in/out report any time, from anywhere for any two reports. The move in/out report provided with I&C is the most advanced on the market because it takes this process a step further and highlights all the deficiencies in yellow.

When you use a third party you lose this ability which in the long run cost much more money because you need to pay staff extra hours for proper accountability of before and after inspections.

This is an EXTREMELY important process that should be automated for property inspections.
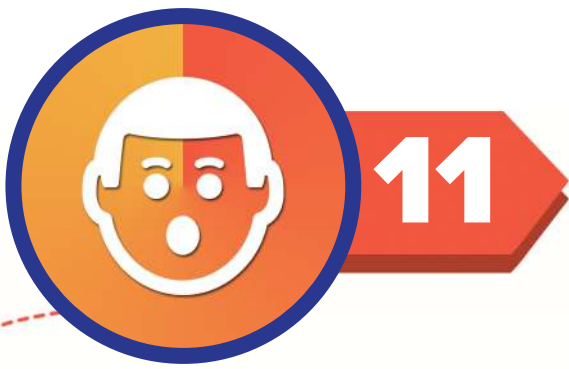
11 YOU LOSE THE OPPORTUNITY TO IMPRESS OWNERS

Many of the third party services do not offer a Quick View online version of their reports and only provide you with a PDF version. A PDF only version usually provides small difficult to see photos and offers a poor experience when clicked to view the photos larger.

✓ By using software you can host easy to view reports for property owners that remain available online branded with your company in the URL with the ability to click on **photos larger, scroll through them left/right and magnify them as needed.**

✓ By using software you can can provide professional **video reports** organized with each room area that owners can download the videos directly.

✓ By using software you can provide professional **360 Reports** with **panoramic views that impress property owners.**

IN SUMMARY:

Similar to training wheels, if you are just starting out your management business then hiring a third party could possibly be a good fit if your intentions are to limit the relationship potential with property owners.

If you are a serious PM and want to grow your business and increase revenue for your company then consider the reasons why you should make your inspections an in-house system and use an affordable inspection software instead of paying a third party.

For more information on inspection software visit [www.inspectandcloud.com] or to read our other report check out [10 Tips Check-List - How To Charge For Inspections].

FREE SECURITY DEPOSIT DISPUTES APP:

I&C also offers a FREE app for their members that enables them to provide a customizable mobile app for tenants to complete their move-in inventory inspections to attach photo documentation to their reports. For more information check out [www.residentinspection.com].