

CHICAGO HOMES

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Should you hire a pro or self-manage your association?

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Some community associations hire professionals to manage their buildings and people. Others prefer to do it themselves, dividing various tasks among the owners. Which is better?

The size of your association isn't the determining factor, said Shirley Feldmann, an association consultant and co-founder of Association Advocates in Chicago and Park Ridge.

COMMUNITY LIVING

"There are some very large properties that are successfully self-managed, and there are some very small associations that hire professional management, even though it is expensive for them to do so," she said.

You'll make a better decision by first identifying the needs of your property. Then weigh the availability and willingness of owners to meet them versus the cost of hiring a manager. One asso-

ciation might have a group of talented do-it-yourselfers who would rather save the money, while another has a large population of professionals who travel and prefer paying for services.

"Somebody has to do the work, and it cannot be ignored," she said.

Attorney Kathleen Penland of Penland & Hartwell in Chicago said she favors professional management. From her experience, self-managed associations tend to be more lax in their

record-keeping. They don't have the same industry connections as a professional, so they hire contractors who don't specialize in association work. Then they make bad deals with them.

"You are not held to a lesser standard because you are self-managed," she said. "You have a duty to know what the law is and to manage that association every bit as well as a professional manager."

Managers also serve as a buffer in unpleasant situa-

tions, which can be difficult for neighbors to do with neighbors, she said.

"In today's economic environment we're seeing many associations with collection problems," she said. "Some are very expensive buildings where there has never been a collection problem and now all of a sudden there are three people in collections and four people in foreclosure. You've got to keep up on your collection issues."

The list of chores goes on: go to the bank, pay the bills,

supervise contractors, send notices and announcements, meet with inspectors, listen to angry neighbors, invest reserve funds, keep track of expiration dates on contracts, buy the right insurance, and attend court hearings.

Small associations often have no choice but to self-manage. That's because management companies typically don't take small associations as clients or they have fee minimums that the associations can't afford.