

MARKET SPOTLIGHT

# THE BENEFITS OF ACTIVE PROPERTY MANAGEMENT



NATHAN  
HOLDINGS





## VERTICALLY INTEGRATED REAL ESTATE

A vertically integrated real estate company handles all of the operations under one roof, from purchasing and raising capital for acquiring the property, to property management of day-to-day operations and rehabbing or upgrading the property as needed.

This means it can develop a strategy that is both cost-effective and streamlined, with one goal in mind: maximize profit. Why? Because every move the company makes will benefit every other department under its umbrella.

## LEAVE NOTHING TO CHANCE

When you're investing in multifamily properties, the property management company can make the difference between making a profit or losing money on your investment.

An active property management strategy ensures that your investment properties remain productive and profitable, saving you time and effort while increasing the value of your assets.

## DID YOU KNOW?

Fewer than 1-in-4 managers call the property owner satisfaction a priority.\*

\* The 2022 Property Management Industry Report

## WHY INVEST WITH A OWNER- OPERATOR INVESTMENT COMPANY?

Investing with a company that oversees every aspect of the property independently, ensures that investors always see the full picture and have a single address for all their inquiries, without the mixed messages or buck-passing common in other arrangements.

## ATTRACTS MORE TENANTS

A well-managed property has a significantly lower vacancy rate than properties that aren't cared for. This creates a much more stable flow of income for your investment—no vacancy period means more time to find tenants and fill that unit with rental payments.

Tenants are far less likely to move if they know there is reliable staff managing their home, so being proactive with tenant concerns helps ensure they stick around longer.

## ATTRACTS HIGHER QUALITY TENANTS

A professional property management company with experience in residential properties will be able to attract higher-quality tenants who want better service than what they may find in other properties.

Some investors don't realize that getting good tenants is not just about pricing—it's also about ensuring your property has better services, maintenance, amenities, which requires a thoughtful approach to property management. This can help you increase the value from properties that are underperforming or are otherwise tricky properties for many owners.



## MAXIMIZE RENTS

Active property management is much more than maintenance, though that's a big part of it.

**Active property management will also get your units rented out as quickly as possible and for top dollar.** They can market your units more aggressively and create a friendly environment for renters, including making lease renewals easy, keeping tenants longer without losing money in eviction fees or turnover costs.

## INCENTIVIZES TENANTS TO TAKE CARE OF THE PROPERTY

When property managers actively incentivize tenants to take better care of their apartments, there are higher chances that properties will last longer and tenants will stay in their apartments for a longer period. With active property management, it's easier to spot potential issues with a unit before they turn into problems. Property managers can step in and find solutions.

The better job tenants do taking care of their apartments, the lower your expenses should be over time. Increasing the property yield while simultaneously decreasing tenant turnover rates. It all adds up to more long-term value.

## PROMOTES A BETTER REPUTATION IN THE COMMUNITY

**Better reputations create better communities**, which create more desirable places to live; thus, improving rental values over time with little additional work from you as an investor.

Actively responding to maintenance requests quickly, allocating adequate resources towards repairs when needed, and overall creating a friendly environment where renters are happy to stay put for years on end will promote a stellar reputation for the property. Community involvement can also improve an area's value-add over time by way of increasing local jobs or decreasing crime rates.

## SAVES MONEY ON UTILITIES

A good property manager will be able to get your apartment building properly insulated and can cut down on utility costs. Additionally, a good property manager knows how to inspect each unit in their building regularly, find potential issues (like mold or water damage), and resolve these issues quickly. This helps save money on utilities and extends your asset's life, and will add value to your investment portfolio over time.



# MANAGE ALL RISKS THROUGHOUT THE LIFE OF THE INVESTMENT

While many investors are focused on real estate assets and how they can produce returns, smart multifamily investors understand that risk is a factor in any type of investment.

It is important to always approach investments as an opportunity while taking into account the potential risk or threats involved.

Risk cannot be completely eliminated from an investment portfolio; but risk can be quantified, evaluated and managed through consistent planning and minimize by full control of the property operations.

By managing all risks throughout the life of investments, active management will be able to protect against unexpected events that could cause property value declines or other losses.



## THE COST OF LOSING A RESIDENT

As cited by the National Apartment Association, the cost of losing one tenant starts at around **\$1,000** and can grow to **\$2,500-\$5,000** depending on capital replacements needed to get the unit move-in ready.

# HELP YOUR MULTIFAMILY INVESTMENT THRIVE

When real estate is left to its own devices, problems tend to pop up and become unmanageable.

Managing these issues involves more than basic property upkeep; they include neighborhood and tenant issues as well.

An active property management company will be able to spot potential problems before they affect you negatively.

## DID YOU KNOW?

Among truly large rental properties—those with 150 units or more—only 5% are owner-managed.

“BY CONTROLLING ALL ASPECTS OF OUR INVESTMENTS, WE ARE ABLE TO OFFER OUR PARTNER INVESTORS SOLUTIONS THAT OVERCOME THE MARKET FAILURE IN THE RELATIONSHIP BETWEEN THEM AND MANAGEMENT COMPANIES.”

*DMITRY ROZIN, NATHAN HOLDINGS CO-CEO*





## VERTICAL INTEGRATION ADVANTAGES

A vertically integrated real estate investment firm can generate an unmatched level of domain expertise and understanding of both real estate best practices and the market in general that other companies simply cannot.

A company that simply acquires commercial properties, holds them in its portfolio and outsources to third-party experts all of the other aspects of the business: property management, financing, maintenance work, rehab, construction will likely gain expertise in the process of identifying and acquiring viable investment properties. This is fine for its investors.

## CUT OUT THE MIDDLEMAN

But if that same company also had in-house expertise in property management, demolition, and construction, consider how much more money it could be saving and generating for its investors.



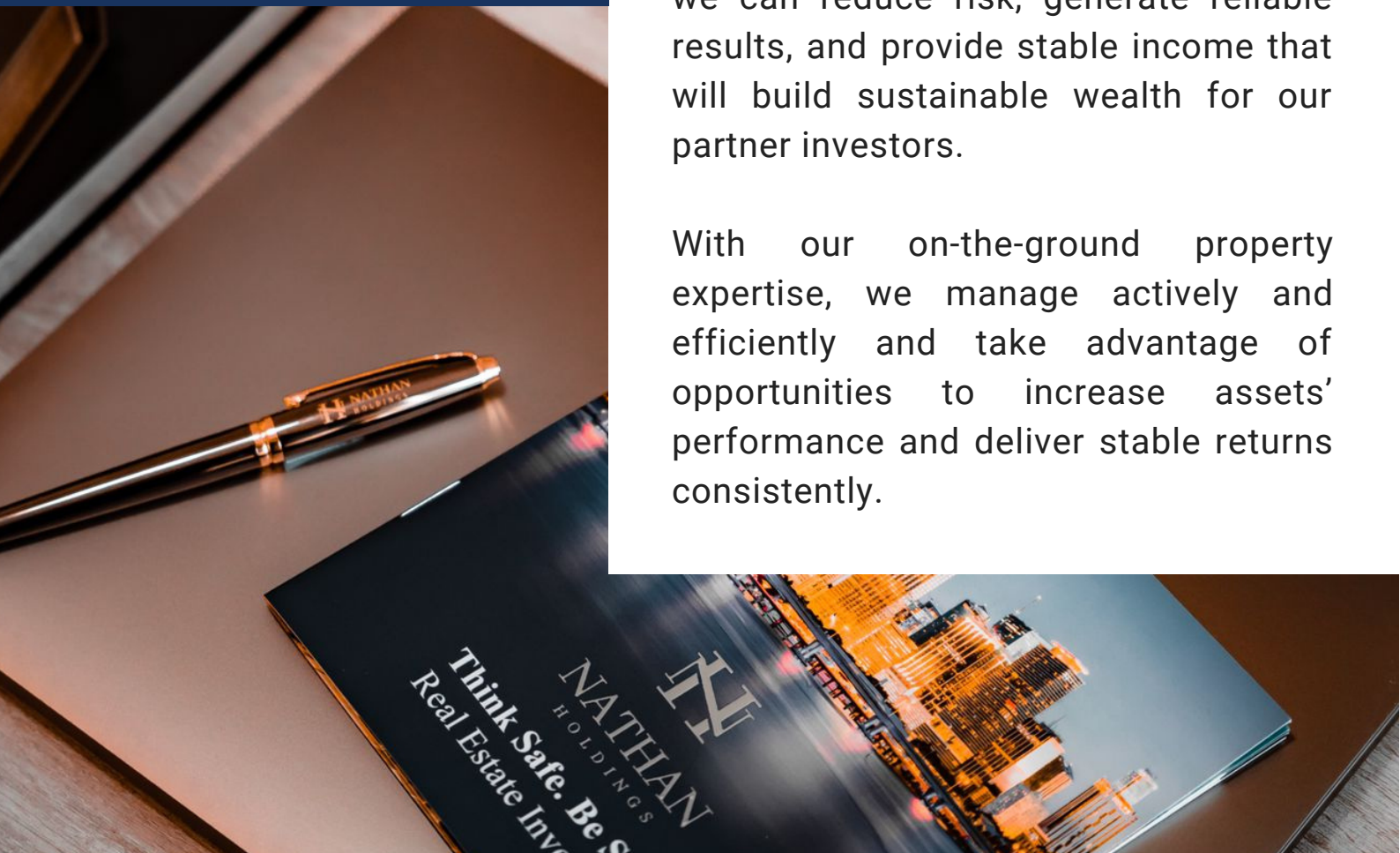
## ABOUT NATHAN HOLDINGS

Nathan Holdings is an experienced Florida-based real estate investments group focused on investing and managing value-add multifamily properties in high-demand locations.

We ensure that our investors feel confident with their investments by advocating only thoroughly researched, planned, and well-structured real estate opportunities that we are happy to invest in ourselves.

As specialists focusing on precise strategies in areas we know inside-out, we can reduce risk, generate reliable results, and provide stable income that will build sustainable wealth for our partner investors.

With our on-the-ground property expertise, we manage actively and efficiently and take advantage of opportunities to increase assets' performance and deliver stable returns consistently.



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