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## Protect Your Investment with Technology

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### Why even a small portfolio needs a property management system in uncertain economic times

*By Steve Lloyd, President and CEO, DIY Real Estate Solutions*

It's long been understood that as your portfolio grows, the need for sophisticated reporting and forecasting systems increases as well. Historically it's been the desire for more in-depth financial information that drives an owner to leave behind pen and paper or basic accounting software for a specialized property management system.

Yet today new factors are at work that make it more important than ever for independent rental owners to use the same kinds of systems as the larger regional and national firms. These include: greater pressure to find reliable, rent-paying residents; the real possibility of increased bad debt and the need for collections; and the ever-looming threat of litigation and regulation.

Given today's economic outlook, the need to qualify your prospective residents is of tremendous importance. Today's online credit screening services allow you to access information in minutes. With a complete property management system, you can then integrate that information into your resident record. Later, you can review tenant payment history and maintenance history and make smart decisions about renewing that lease.

With bad debt potentially on the rise, automated debt collections tools will also prove invaluable to owners. The right Web-based property management system offers integrated access to national debt collections firms. These are the same systems that larger management companies have been using for years.

Of course, some of these online tools are available separately from a property management system. Yet integrating all of these services with one point of data entry can protect you from another, even more alarming threat—litigation. No matter how unjustified, the mere whisper of a lawsuit is enough to terrify any owner. While litigation is a serious concern for firms of all sizes, it can be particularly frightening for the smaller owner/manager who lacks the legal team of a regional or national firm.

Here again, resident screening services provide a valuable tool by serving as a consistent, accepted process for making decisions. When you can show the use of quantitative tools for rejecting a resident, you can be more confident in the decisions you make. More importantly, having one point of data entry will help ensure all data is captured and no mistakes are made.

What about cost? Historically cost has been a barrier to the kinds of technologies used by larger companies; today the Web makes access to new solutions much more affordable. In many cases these online services— as well as services like Internet advertising and electronic banking – can be included in one low monthly fee. Hardware, server, upgrade, extra license, and other costs are eliminated as well, leading to considerable savings.

As the Internet has been the great leveler across many industries and businesses, the independent rental owner can now afford the systems that larger companies have been using for decades. The affordability of Web-based systems is a trend with a positive impact on the independent owners. Property management systems no longer have to be reserved for the larger companies with deep pockets. They can be used by anyone who wants to protect their investment.

#### About the Author

Steve Lloyd is CEO of DIY Real Estate Solutions ([www.diyresolutions.com](http://www.diyresolutions.com)). DIY is the developer of web-based property management software solutions designed specifically for the independent rental owner and manager of apartment units or single-family dwellings. Software is delivered over the web, reducing complexity and the cost of software ownership while increasing functionality and ensuring affordability for customers.