

CASE STUDY

FIVE-PROPERTY OWNER



BACKGROUND

An owner of five multi-family communities in Texas totaling more than 1,500 units was working with two different management companies. These national management firms provided full management and financial reporting for each property.

The owner spent an average of \$8,900 per property per month, for a total of more than \$44,000 in monthly management fees.

CHALLENGE

The owner of the properties felt his properties weren't getting the attention they needed and was looking for ways to have more control over his properties. He hired a property management consultant who advised him to consider bringing the management in house. He learned there were alternatives to how much he was spending on third-party management every month. His best regional manager from one of the two property management firms was talented and efficient...but spread too thin. He wanted to continue working with that regional manager but allow her to focus more on his properties and less on paperwork and other administrative functions.

PLAN

After a thorough analysis of the properties and their accounting needs, the owner decided that outsourced accounting (including payroll and human resources) offered him the ability to bring the management in house without a major disruption to his current operations. He was able to hire his preferred regional manager to directly to oversee the properties, and Ascent to handle accounting and financial reporting.

A surprising result also occurred. With fewer properties to manage than when she was employed by one of the national management firms, the regional manager could spend more time on the owner's properties. As a result of Ascent's extensive knowledge of the management software, the client was able to optimize their use of the system and implement best practices based on Ascent's input.

Within twelve months, the firm saw occupancy increase by an average of seven percent per property. This gave the owner more than \$55,000 in additional income per month.

As a result of taking his properties in house and using Ascent Multifamily Accounting, this owner saw his net income increase by almost \$1 million annually.

Call the accounting professionals at Ascent today to see if you could gain more flexibility and save time and money by outsourcing your properties' accounting services.

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RESULTS Immediate Monthly Savings

Costs of Internal Sourcing

Management Fees \$44,300

Costs of Outsourcing

Payroll, Taxes, and Benefits 9,950

Ascent Accounting Fees 7,500

Miscellaneous Costs 2,500

Total Costs 19,950

Total Monthly Savings 24,350

Annual Savings \$292,200

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