



Concierge Service

The Ideal Front Desk Solution in a Down Economy

by Rebecca A. Witmer

Concierge services seem to be popping up everywhere—now offered to clients of credit card and car insurance companies to employees of law firms and hospitals. An amenity adopted by professional organizations and corporations to increase productivity and employee satisfaction, concierge services have proven to be a sound investment. But is this still the case when it comes to real estate?

Concierge service has been a staple amenity in luxury, high-rise condominiums for decades. In a time of abundance, concierge services are an

obvious choice, and during the real estate boom, it saw a particular resurgence. Now that the “boom” is over, and residents struggle to pay their mortgages and HOA dues, the question arises—are concierge services still a cost-effective amenity to offer? Some may even consider concierge service to be an expendable “perk” that is not essential to the proper functioning of your property and, therefore, not worth keeping or adding. In actuality, hiring a professional concierge service can not only increase the overall image of your building, but it will increase your efficiency, attract and retain residents, and, in some cases, even decrease your expenses. A concierge service provider can also provide unique benefits and discounts to your residents that won’t cost the HOA any money, and won’t take up any of the property manager’s time. Concierge service can be an affordable asset, not only to the residents, but also to the manager and board.

Essentially, there are three main reasons why a concierge service provider may be the right choice, despite cutbacks and foreclosures: 1) You get more for your money; 2) You can save the property manager time and the HOA’s money; 3) Your residents will be happier, and you’ll attract more buyers.

You Get More for Your Money

What do I mean by this? Well, this can apply in two ways. First of all, if managed correctly, the concierge staff can take on time-consuming tasks that the property manager would otherwise have to attend to. For example, how much do you think your residents would want to pay to have the following tasks accomplished: stuffing envelopes; collecting resident information; directing phone calls; making photo copies; programming the call box; and facilitating move-ins and move-outs? Well, if the property manager is doing these tasks, then they are paying \$22–\$25/hour (assuming your manager makes around 50k–54k/year) for these simple tasks to be accomplished.

However, if a concierge provider is employed, these tasks can be taken off of the property manager’s “to do” list and, in most cases, given to the concierge to accomplish at a rate of \$16 or \$17/hour (average hourly rate for concierge provider). Since there are usually some “slow” periods at the desk, the concierge staff can be utilizing their down time for such tasks and freeing up the property manager to accomplish tasks appropriate for his or her pay grade. For example, the HOA can save \$1000 per year just by delegating the call box programming and move-in logistics to the concierge. If on average these tasks take three hours/week, it would cost \$3696 per year (of their salary) for the property manager to accomplish these tasks if they made \$50,000/year. The same task would only cost \$2688/year if the concierge handled it. The property manager can then use those extra three hours a week to focus on more important tasks. Money well spent...and saved!

Secondly, not only will the association’s funds be appropriately utilized, but a concierge service provider can offer “perks” and discounts to residents, and it won’t cost the HOA any money. Concierge service providers have unique relationships with vendors across the city which they can leverage for the benefit of your residents. In fact, you may be able to significantly reduce, if not totally eliminate, funds allocated for socials for the residents just by employing a concierge service. Oftentimes, concierge services will offer to host regular

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socials for the residents. They will utilize their business networks around the city to bring in the food, beverages (alcoholic or not), coupons and services (massages, flu shot clinics, etc.) in to the residents. In many cases, this won't cost the HOA any additional money, and it will be a huge hit with the residents! This will both increase resident satisfaction and potentially save the HOA money.

You Can Save the Property Manager Time, and the HOA's Money

What are some of the biggest time wasters of the board's and property manager's time? Usually conflict resolution and miscommunication fit into that category. Hiring a concierge service can help with that as well. When you hire a concierge service, you are employing a company that is focused on communication and customer service. Concierges usually understand that their job is conflict resolution and customer satisfaction. This can go a long way in resolving issues so they never even have to reach the property manager.

For example, say there is a problem with parking. Resident A is new to the building and parked in another resident's assigned parking spot. Resident B comes home late from a business trip at 11 P.M. only to find their parking spot taken. Frustrated and tired, resident B comes to the concierge desk to ask for the car to be towed. The concierge, in a friendly and calm manner, assures the resident that they will do their best to resolve this issue. Rather than simply writing an incident report or calling the tow company, the concierge first does some investigation

in order to properly resolve the issue and avoid further complications. The concierge searches the license plate in the database to see if it is a resident before they call the tow truck. Sure enough, they see that license plate is that of a new resident who must have mistakenly parked in the wrong spot. The concierge is able to call the resident and the car is moved to the correct location. Both residents are happy and informed and the problem was resolved. A detailed report is written and submitted to the property manager who reviews it in the morning. If a concierge had not been on duty, the property manager would have had quite a mess to clean up in the morning!

Not only can a concierge communicate policies and resolve issues, but they can also be instrumental in helping define and revise front desk procedures. By allowing the concierge provider to be involved in the formation or revision of the policies and procedures, oftentimes, you can avoid problems before they even begin. Because the concierge interacts with the residents 24/7 (in most cases) they have a very firm grasp on the frustrations of residents and staff. Therefore, they can be very helpful in determining the safest and most effective front desk and parking procedures. The property manager will have the final say, of course, but letting the eyes and ears of the building help to define what those procedures look like will eliminate a lot of

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frustration, angry residents, and wasted time.

Your Residents Will Be Happier, and You'll Attract More Buyers

Hiring a concierge service is a fantastic way to not only attract new buyers but keep your current residents happy. Aside from the customer service element that a concierge service brings to the property, residents like to feel that their money is going to good use. A concierge service gives them the option and convenience of having a personal errand service. Whether or not they use the service, they like to have the option! For the part-time resident, they find the convenience of having their refrigerator stocked when they arrive back in town to be invaluable; for the lonely widow, she simply values the friendly face at the front desk welcoming her home every day. Again, this is an incredibly valuable amenity to residents that won't cost the HOA any money!

As far as attracting new residents—well, let's be honest, who wouldn't want a concierge service? Once informed of the discounts, travel arrangements, and personal services available to them, potential buyers will be impressed to say the least. For most, this can be a significant factor in determining whether or not to buy in your property. Again, even if they don't actually take advantage of the additional services offered by a concierge company, the option alone is valuable. The unique offerings of a concierge service go a long way in attracting new business and keeping

your condominiums full. This will also keep the bank account in balance; a very good thing in a down economy.

What About Doing It "In-House"? Won't That Save the HOA Money?

It depends on how you look at it. Yes, you may be able to do it in-house for a dollar or two less per hour. But, that savings may be eaten up in the time the property manager has to spend managing the front desk staff. Outsourcing a concierge company will free up the property manager's time and ultimately be the most effective use of your funds because they will no longer have to spend time hiring, firing, and training the front desk staff. These tasks can become significantly time consuming and really take away from the main focus of the property manager's job responsibilities. In most cases, it's worth the extra dollar per hour to outsource the concierge service so that your property manager does not have to spend any time managing that aspect of the property. It's simply not the best use of their time or the HOA's money. One important note—if you choose to outsource your concierge service, it is important that your expectations are outlined in the contract. Be clear about your expectations prior to service implementation so that there aren't any misunderstandings. As in most cases, communication is key! However, if you take the time to find the right service provider, and clearly outline your expectations from the beginning, you will have a more efficient, friendly, and cost-effective property.

Ultimately hiring a concierge service is the best way to keep your residents happy, your bank accounts full, and your property manager effective.

Rebecca A. Witmer is the co-founder and CEO of Cosmopolitan Concierge. For more information, visit www.cosmopolitanconcierge.com. ■

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