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Understanding the Market for Seasonal Services

The seasonal and infrequent services market is often tricky for property managers to maneuver. This article will shed light on some of the associated issues and give concrete suggestions for managers to succeed in dealing with service contractors in this space. Infrequent seasonal services, such as window cleaning, garage cleaning, carpet cleaning, painting, caulking, etc., occur annually or bi-annually. There are several challenges faced by property managers when dealing with infrequent seasonal services. Some pain points include staying on budget, meeting quality expectations, and minimizing resident disruption – which can be challenging to manage, given factors such as budget constraints and contractor availability. However, property managers can overcome

these challenges by clearly understanding contractors, planning ahead, and approaching pricing differently. With these strategies in mind, most managers can find great value in infrequent seasonal maintenance contracts, regardless of budget constraints.

Condo decision-makers need to know their budget relative to other condos in the market to understand what their budget buys them. Since proximity to spring is an expensive commodity in this market, decision-makers need to know what they can expect given their budget for infrequent seasonal services. The way to do this is by comparing to the market on a ‘per-unit basis.’ This is the only way to compare across all condos and know what their budget can buy them since all condos vary in size and shape. Of course, this is more

of an art than a science because there are many variables.

Understanding the Market

The spring is a time of booming demand for infrequent seasonal services and when seasonal contractors replenish depleted coffers after a long winter. As they select their contracts, they know there is a short window to capitalize on the spike in business because, by late July, most of the contracts will have been serviced. The pressures of keeping up with overhead costs and maintaining enough work to employ one or several crews of technicians mount as the spring window closes. This often leaves contractors taking on as many contracts as possible by offering low bids to attract budget-constrained boards. With a full pipeline of business, contractors have to



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ensure the contracts continue until the fall season begins.

Decision-makers in condos don't always consider that contractors have finite availability during high-demand seasons and expect to get excellent service right away in the spring. What isn't made transparent is that contracting business management and owners are responsible to their employees and interested parties to prioritize their most profitable contracts during peak periods in the annual business cycle while pushing the less profitable contracts into the slow seasons.

Some contractors will agree to as much work as possible in the spring-time and use less wholesome practices to ensure that enough work is still available to keep their crews busy in late July, August and September. These methods used by contractors will sound familiar to most property managers. They include delaying start dates, blaming the weather, understaffing projects, allowing projects to drag on for months, assigning under-trained and unsupervised staff to job sites, and excessive subcontracting.

Contractors don't usually want to deliver bad service, but sometimes it is unavoidable when faced with market conditions. Poor service goes beyond just quality complaints; no-shows, late service, unprofessional appearance and poor workmanship are not uncommon. Bad service providers don't come back in a timely manner to deal with quality issues, don't show up in a professional

manner wearing uniforms and treating residents with courtesy, have poor communication, and don't operate with condo residents in mind.

The solution to poor service quality for condo decision-makers is to objectively assess their budget relative to the

service is delivered and the training and experience required. The type of technician that can handle difficult work is in demand and attracts higher wages; therefore, these technicians cost more and raise the price of the service. Other factors in pricing these services are the

The solution to poor service quality for condo decision-makers is to objectively assess their budget relative to the market and choose the time period for service based on their budget.

market and choose the time period for service based on their budget. Now, all condos are different, so condo decision-makers need to assess their budget on a 'per-unit basis' to compare their budget to other condos. Pricing in this way allows for more objectivity. It allows management and boards to discern where they stand relative to the rest of the condos and what they can afford, given the scarcity of peak buying periods.

What Drives Costs?

Factors that impact the variance of price on a per-unit basis for infrequent seasonal services include the difficulty of the job, the cost of materials and overhead (insurance, fuel, warehousing, etc.) involved in accomplishing the service, and the time of season the

cost of materials in a given season and the cost of overhead. These costs fluctuate with market conditions, based on the economic conditions that are out of most contractors' area of influence. Finally, seasonality is a huge factor in the price of these services. Since demand spikes in May to early July, availability of services is most scarce. As a result, there are much fewer contractors available to take on unplanned work during these times due to increased volume.

Unfortunately, this is precisely when condo managers plan to receive their service - regardless of their budget. Again, it is essential to consider the budget as objectively as possible and relative to other condo corporations in the marketplace. For example, if condo A has a budget of \$28,000 and condo B has a budget of only \$12,000, then



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condo A should feel entitled to priority service based on their spending. But what if condo A has 950 units and condo B has 250? If we look at both situations on a per-unit basis, it would be easier to compare the relative value of the budget. Condo A has a per-unit price of \$29.47, whereas Condo B has a per-unit price of \$48. So while Condo A has a more significant spend, their price per unit is considerably less than Condo B. This is an important distinction for contractors because they have a finite amount

of time and must prioritize contracts that allow them to fill their coffers, pay their staff, overhead, and materials, and make a profit.

Accommodations for lower-budget condos should be made with the understanding that certain months are more expensive than others. Service demands from boards need to be congruent with their budget, which in fairness, is hard to understand relative to the market without transparent pricing. There are better ways to save money than to

pit contractors against each other in a predatory bidding process. Boards with almost any budget can still afford excellent services.

Assess, Plan Ahead and Schedule

The solution to poor service quality for condo decision-makers when it comes to infrequent seasonal services such as window cleaning, garage cleaning, carpet cleaning, painting, caulking, etc., is to assess contractors and their capacity during peak seasons, plan ahead and consider scheduling according to the condo budget for each respective service. Property managers should compare their budget to the market on a per-unit basis to understand what they can expect given their budget. They should also be aware that contractors have finite availability during high-demand seasons and may use less wholesome practices to ensure they have enough work to keep crews busy. By prioritizing profitable contracts during peak periods and pushing less profitable contracts into slow seasons, contractors can ensure they deliver the best possible service while maintaining their business viability.

Property managers should be aware of and discuss this situation openly with their contractors. Informed negotiators can always create more value for their boards and condo residents. Remember, negotiating contracts with service contractors is not always a zero-sum game. Working with the contractor and having good upfront communication will generate great outcomes for your properties. Understanding the market, your contractors, and the annual calendar for service contractors will help managers make wise decisions for your condominium. ■

Christian Coldea, M.E.S, is the President of ecobc Integrated Facilities Maintenance, a market-leading company in the facilities maintenance industry based in Toronto, Ontario. Christian brings a wealth of knowledge and experience to his role, having earned a Masters degree in Environmental Studies and specializing in the built environment. Christian's focus on sustainability is evident in the company's mission to support the environmental non-profit, ALUS Canada, in rebuilding Canada's nature network.
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