





**Tania Haluk**

President,  
CCI – Toronto & Area Chapter



**Brad Wells, RCM, RPA, CMCA**

President,  
Wilson, Blanchard Management Inc.

# Property Manager Shortage Impacts and Opportunities

The annual Condominium Conference is the place to be for idea exchange and industry discussion. One session, in particular, assessed the very real issue of a shortage of property managers and how this will impact condominiums in the future. Here, in a special to CM magazine, are the assessments of two of that session's presenters – Tania Haluk and Brad Wells, RCM.

### Tania Haluk

At the 2019 Condo Conference, I had the pleasure of sitting on a panel with Brad Wells and Robert Weinberg, moderated by Catherine Murdock, to discuss the current and future position of property management services.

If you missed it, we called the session Property Management Crisis to highlight the ratio of those qualified (licensed) to provide condominium management services versus the number of condominiums in Ontario. From the data at the time, it worked out to be about 1:16 – we agreed

it was a crisis, especially with the hundreds of condos approved for construction and conversion in the next few years.

In Ontario, condominiums have existed for over 50 years and it's long overdue that recognized credentials are finally required to properly and professionally manage them. The challenge is ensuring there are enough people to pursue and maintain the choice to make condominium management a long-term career.

Historically, we found and hired managers with transferable skills in hospitality and customer service-related roles and taught them the condominium portion.

In addition to RCM courses, it was mostly on-the-job training and learning from employers and peers. Now there is a curriculum and two-year on-the-job training prerequisites prior to being able to work unsupervised and empowered to make decisions. Most importantly, there is recognition, accountability and a code of ethics to provide guidance and expectations. This is a transformational change benefiting all stakeholders – the boards (and residents), managers and employers. Expectations include increasing costs to accommodate licensing fees, additional administrative requirements, regulatory



Property Management Crisis session left to right: Catherine Murdock, RCM, moderator, Robert Weinberg, RCM, Tania Haluk and Brad Wells, RCM.

changes and market correction for salaries.

The challenge will be to change our mindset. Change is difficult for many people and in this instance should be seen as process improvement by streamlining tasks for maximum effectiveness. The typical model set over the past 50 years is no longer sustainable. Many of the larger condominium communities have been accustomed to having a full-time manager on-site to fulfil the daily needs and requests of the residents in addition to the contractual obligations set out in the contract. With the limited number of general licensees, the new model will be to create efficiencies by automating most of the administration and leveraging technology to increase response time and track tasks in real-time. We have already adapted to smart homes, autonomous cars are on the horizon and with online shopping overtaking bricks and mortar, we should expect that other areas of home management, such as remote and portfolio management will become the norm. With rare exceptions, it will not be cost-effective to have full-time staff on site.

There are numerous exciting opportunities for the future of how we deliver management services. Boards should invest in the tech for the community to ensure it's always up to date to deliver prompt communication, increase

response time, availability for online access, get information and requests, data analytics for utilities, security equipment and supporting software and building automation systems. Machine learning is coming and will be a normal integrated process in the future, as it currently is in other industries. Board meetings can be held by video conference and we're already experiencing the electronic voting and online proxies and registration for owners' meetings.

It will be critical for communities to work together with their service providers to deliver the best experience for the residents and managers. This is an exciting time to be part of the progressing role of management and the customer service delivery model. I can't wait to see how the next decade will evolve.

### Brad Wells

We have major competition for licensed managers. Management companies are getting more desperate to recruit and retain managers. Today, with some exceptions, any licensed manager can call 5–6 management companies in the GTHA and likely receive 3–4 job offers immediately. The manager now has the power to decide

where they want to work based on salary, benefits, location and company structure. This is long overdue as I believe good condominium managers have been under-compensated for their hard work and dedication for years.

This may not be news to most readers, but most condominium management companies operate at a very small profit margin of somewhere between 5%–15% of total revenue. What does this mean? Management fees must continue to increase, and substantially in many cases, to compensate for the increased manager's salary. If a management company needs a licensed manager to acquire or retain a contract, it is not uncommon for a company to offer instant wage increases of \$10K or more, or even signing bonuses.

Besides escalating management fees, another trend is quality management companies are starting to interview the boards of directors before taking them on as a new condominium client. In this market, companies don't want to take on a problem client that will overburden or harass the manager, micro-manage tasks and have unrealistic expectations. Questions to ask: Has the corporation had five or more managers/companies in the past five

years? Perhaps it is not the management company but the board that is the problem?

Another big shift is changing the staffing structure at buildings. At one time, most buildings in the GTA desired, or demanded, a full-time experienced RCM in the site office as their manager. This is certainly the gold standard and makes the board and residents feel good that they have a knowledgeable professional at their beck and call. This is now becoming unaffordable and unavailable for many corporations.

In a manager shortage market, we must be more creative as boards and management companies to create staffing models that truly fit the need and budget of the building, such as:

- An assistant (Limited Licence) manager and/or a qualified condo administrator that can fulfil needed site hours while an experienced (General Licence) manager supervises and continues to deal with board members and all higher-level matters like meetings, contract negotiations and projects. This “Senior Manager”

could then oversee 2–5 corporations and other LL managers, allowing this one GL to serve multiple corporations instead of one.

- Re-think the need for on-site management hours. If a 5–8-year manager is earning \$70–90K, you are paying top dollar for this person to sit in an office and listen to the owners’ stories about cats, collect deposits or program key fobs. Consider only staffing the office some days or use an administrative model to truly provide the needed customer service to the residents and be less costly to the corporation.

- For portfolio managers, consider the number of board meetings you actually need. Does your 60-unit townhouse site really need monthly board meetings, or could you get away with 4, 6 or 8 effective meetings per year? This would reduce the demand on the manager’s time, and the number of evenings out each week, allowing them to manage other properties (and earn more salary), instead of stepping away from the industry with burn-out.

We must promote condominium

management as the viable and healthy profession that it is and figure out ways to increase those learning on-the-job or this current PM Shortage Crisis will only get worse. ■

**Tania Haluk** has been an operations leader in the management industry for over a decade in addition to the decades of site-level service as a manager. She is the current CCI – Toronto Chapter President and on the advisory committee for CMRAO for property manager core competencies and development.

**Brad Wells**, RCM, RPA, CMCA is president of Wilson, Blanchard Management Inc. working in the Toronto, Waterloo, and Hamilton offices. He has been managing condominium corporations and commercial properties since 2002, achieving the RCM designation from ACMO, the RPA® designation from the BOMI and the CMCA designation from CAMICB. Brad serves as a member of the CMRAO Discipline and Discipline Appeals Committees.  
[wilsonblanchard.com/](http://wilsonblanchard.com/)



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