



**Like most private companies,** association management firms are occasionally sold due to retirement, illness, relocation, corporate divestitures and other reasons. If you are a board member of a condominium or homeowner's association, it is helpful to know what to expect when a management firm becomes involved in a business transfer. The more knowledge you have about the subject, the

So, how will an acquisition impact your association? As a board member of an association, here are some questions to ask your management firm upon a change in ownership:

» Will the staff on my account change?

Acquirers usually prefer to retain property supervisors and continue their current account assignments. In fact, business transfer transact-

# YOUR ASSOCIATION'S MANAGEMENT FIRM WAS SOLD... DON'T PANIC!

By Jim Levy

more likely you are to ask the right questions and effectively address any issues on behalf of your association.

Acquirers are often established management companies seeking to build their portfolios. Since acquisitions usually involve a significant investment, acquirers are highly motivated to retain the accounts. Thus, they typically work to keep the transition as seamless as possible and provide the same, or better, level of service to each association. Similarly, the seller is often vested in the success of the conversion or shift through transition structures that reward them for account retention long after the sale is completed. Therefore, it is likely that the former owner will stay involved for a period of time to ensure the success of the transition.

ions are often dependent on the continuity of key personnel. Most acquirers view the addition of experienced staff from the new firm as an important benefit. However, even if there is a change, most established association management firms have systems and qualified personnel in place to effectively handle staffing changes.

» Will there be administrative changes related to monthly financial reporting, bank accounts, receipts, checks, etc.?

» Will maintenance requests be handled in the same manner both during business hours and after regular business hours?

There are differences from firm to firm. However, between integration of the staff and the securing firm's existing systems, the acquisition process is designed to produce operational continuity.

Remember, your management firm remains responsible for meeting the terms of your agreement, regardless of whether or not there was an acquisition.

Obviously, not every acquisition will satisfy every association every time. However, management firms go out of business too, and that can be quite disruptive. In the big picture, acquisitions enhance the stability of the marketplace by providing continuity of management services to homeowners associations.

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