



How Property Management & Asset Management Can Work Seamlessly in LIHTC Communities

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In the world of LIHTC housing, Property Management (PM) and Asset Management (AM) are two sides of the same coin. While PM is resident-facing — focused on day-to-day operations and the lived experience — AM operates behind-the-scenes on behalf of owners and investors, tracking performance and ensuring long-term viability. When both groups are aligned, the result is stronger financial performance, sustained compliance, and healthier communities. Here's how to make that partnership thrive across the lifecycle of a property.

Lease-Up Success Starts with Alignment

Before a project even reaches completion, developers are making critical projections: construction finish dates, leasing velocity, and full stabilization timelines. Missing these benchmarks can trigger **negative adjusters** and cost the project equity — whereas exceeding them can boost the developer's return.

Property Management Should:

- Start pre-leasing **30–60 days** prior to the anticipated Placed-in-Service (PIS) date.
- Send **weekly leasing and traffic updates** to AM.

Asset Management Should:

- Communicate leasing strategies based on **8609 elections**.
 - Monitor progress via **Qualified Occupancy Summaries**.
 - Set appropriate expectations with **investors and lenders**.
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File Compliance & Income Qualification: Non-Negotiables

Tax credits are only generated once a unit is occupied by an **income-qualified** resident — making accurate qualification and pristine files essential.

Property Management Should:

- Conduct **prompt recertifications**.
- Maintain **organized, audit-ready files**.
- Understand and manage the **applicable fraction** and **Next Available Unit Rule**.
- Flag potential non-compliance early.

Asset Management Should:

- Perform **periodic compliance audits**.
 - Advise action steps when **findings** occur.
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Financial Health: Monthly Reporting as an Early Warning System

Monthly financials often reveal operational realities before they hit crisis levels. Climbing payables may signal cash flow issues; slipping occupancy could indicate pricing, condition, or competitive concerns.

Property Management Should:

- Know the **competitive landscape** (rents, amenities, vacancies).
- Implement **moderate annual increases** — especially when occupancy >95%.
- Avoid large rent shocks, even if below max allowable rent.

Asset Management Should:

- Track trends over time, not just monthly variances.
- Ask questions and dig into **outliers**.



Inspections: Protecting Assets Without Overburdening Teams

Each LIHTC property represents millions in public and private investment. While inspections are critical, overlapping requests from agencies, lenders, and investors can strain onsite teams.

Property Management Should:

- Maintain an inspection checklist aligned with investor/state standards.
- Walk the property exterior regularly.
- Enforce leases consistently.
- Notify AM of upcoming agency or ownership inspections.
- Involve AM when ownership support is needed for capital or maintenance items.

Asset Management Should:

- Conduct **annual sample unit inspections**.
- Proactively communicate recurring physical needs or risks to stakeholders.

Final Thought

PM and AM don't succeed *despite* each other — they succeed *because* of each other. Clear communication, shared priorities, and a collaborative mindset convert tension into strength, ensuring LIHTC properties deliver both **mission impact** and **financial value** for years to come.

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