

How to choose the Best Property Manager

So what should you be looking for when selecting a Property Manager?



When armed with your greatest asset and searching for a Property Manager it can be difficult to negotiate the differences between agencies aside from simply comparing the fee structure. Like everything in life it pays to delve deeper, to research and understand just what service your fees buy you, and is the service level you are paying for in line with your expectations?

So what should you be looking for when selecting a Property Manager? Step one is making sure your property is leased quickly and to a great tenant. A designated Leasing Consultant solidly working to lease property every single day guarantees a lower vacancy rate. Compare this to leasing being left to often time poor Property Managers to complete on the side, no matter their experience, skill level and ability to multitask – there are only so many hours in the day and more pressing property management tasks to get on top of before leasing property becomes a priority.

The difference in the leasing fee between agencies may be several hundred dollars, say a 1 weeks letting fee versus a 2 weeks letting fee. Whilst the monetary difference may be difficult to justify, the vacancy rate without a dedicated Leasing Consultant will push out no matter how desirable your property is. The open for inspection can be the easy part, processing applications promptly and thoroughly is the most time consuming.

A great Leasing Consultant's personality will usually be different from a great Property Manager's as well.

Outgoing, bubbly and the love of meeting new people all of the time are the best assets to possess for the leasing role – they are in more of a big picture sales role to sell a new home to your tenant than a meticulous dot the dots and cross the t's that a Property Manager needs to have.

Access to technology is crucial; does the agency facilitate online application forms making it easier and quicker for tenants to apply for a property? Are prospective tenants able to book into inspections online quickly and easily – freeing up the Leasing Consultant's time to conduct more inspections, process applications and manage the prospective tenant database effectively? Communication is key, working the database ensures your property is reaching more people faster, leading to much faster leasing. Of supreme importance also is the communication you receive from your agent. A dedicated Leasing Consultant has more time to keep an owner updated during a vacancy period – it's a stressful time, made more stressful by chasing an agent for feedback.

What involvement does the owner of the business have with the property management department? With an involved principal you can rest assured knowing procedures and systems are tested and checked to ensure the department continues to develop the best possible ways to do things. A department without a decision maker at the helm can mean systems aren't reviewed or modified as required to ensure productivity and efficiency. The department structure is also important. Is your Property Manager also having to handle account work or leasing? A designated Leasing Consultant will always get better results. It is worth knowing the number of properties your Property Manager will manage and whether the amount is capped at a certain level, ensuring you property isn't lost in a sea of properties and with a stretched Property Manager.

The experience of a Property Management team is important too. Managing property is so much more than chasing arrears and managing maintenance. Does your team have the experience to conduct pre-emptive maintenance such as biannual gutter cleaning and regular smoke alarm assessments? Managing insurance claims are all part of owning property at some stage – with access generally required it is of benefit to a landlord to have a team experienced in managing and following up on insurance claims and reassuring the tenant during a period of inconvenience.

Knowledge around troubleshooting maintenance issues with tenants before engaging tradespeople to attend and therefore charge is something that only confident and experienced Property Managers will take responsibility for. To understand the relevant legislation and advise appropriately, it's crucial your Property Manager knows more than you do! Their ability to advise you on compensation, repair requirements, and tribunal matters at an absolute minimum are a must. Certainly things can get ugly fast in property management. More often than not the central issue was a small one, dealt with poorly by an inexperienced or time poor Property Manager struggling to communicate effectively through issues.



A full service property management company will offer to pay all property outgoings on your behalf, giving you one less thing to worry about and peace of mind. The bonus of one statement per property for the end of financial year means a far easier visit with your accountant. Routine inspections need to be conducted regularly and can be the first thing to slip when time is tight. Routine inspections are a hugely important task. They are a great opportunity for the landlord to see how the investment is travelling either personally attending with the Property Manager or through the report completed (the report should include photos, maintenance and potential renovation suggestions). They also ensure the rental rate on the property is in line with the current market rate, monitor maintenance and note future possible improvements to allow the owner the time to reserve funds for painting, carpet or more extensive works when the property is vacant. As well as these benefits, routine inspections also foster good communication and relationship with all parties.

As a landlord you should have access to your property file. Some Property Managers may be cagey about providing ingoing condition reports or routine inspection reports - a true red flag.

For a successful tenancy everyone should be on the same page and access to pertinent property documents assist in ensuring this occurs. Technology allows for truly progressive property management teams to provide property documentation and tenancy details via application for smartphone. Having access to when the rent is due and paid, with the option of push notifications when the rent is paid to the owners account is just one of the ways a landlord can be kept up to date at the push of a button at any time of the day or night. Knowing the status of maintenance and invoices, the ability to view inspection reports and view property photos are just a few of the features a landlord can expect. The direct outcome of an office using up to date software is the staff aren't wasting time with outdated software and systems. Their ability to work seamlessly and efficiently results in more time to manage your investment skilfully and proactively.

A capable and experienced Property Manager has the ability to recommend property improvements with genuine return on investment (ROI), as managing property becomes more dynamic and strategic focus should be on maximising your clients' investment. Does your Property Manager have the back up of a team to project manage small or large scale renovations swiftly and skilfully; ensuring the works are completed and the property is returned to the rental market as quickly as possible for re-leasing? Domain clients who have used the 'make over' service have been thrilled with the outcome, with the ambitious renovation timeline adhered to and property leased promptly at an increased price.

Some owners can't see the value in paying higher fees with a property on a fairly low rental rate per week. The fact is that each and every rental property can benefit from a full service property management company. Property on a lower rent especially. Perhaps the property hasn't had a current rent review conducted, or there are minor improvements which may change the property's position in the market and secure a great rental rate. The average Melbourne rent per week is \$370, the difference between a 5% and 8% management fee is less than \$2 tax deductible a day; it really isn't worth the hassle and problems the savings will bring you. Remember you get what you pay for. When the average investment in inner Melbourne is \$600,000, why would you save yourself the cost of a cup of coffee to have your retirement and future financial freedom at risk.

