

BEWARE THE 'SLACK' AGENT

What a substandard Managing Agent can end up costing you

You hear it all the time - on the TV, in Social Media - about the 'Tenants from Hell' and how they can financially ruin a Landlord.

For those of us in the industry, it is frustrating to hear these stories because most of the time, these losses can be avoided or at least minimised by careful, thorough managing of the tenancy.

I would like to tell you of a recent incident that happened to a landlord of ours - let's call him Jim.

We took over the management of Jim's property last November from another managing agent. The tenants were 12 weeks behind in rent. Jim told us that the tenants had consistently been behind in rent for the whole 15-month tenancy and wanted them out.

We followed through with an eviction, and by mid-December the tenants had vacated. They had not paid one cent of rent to us and left the property dirty and damaged. After the bond was refunded to Jim, he was out of pocket \$5,340 in rent and \$1,415 in cleaning and repairs - a total of \$6,755.

So - How does this happen, with a managing agent supposedly looking over the tenants?

It really comes down to 2 major errors made by the previous agent:

1. Poor Tenant Application Processing

I was able to view the application which the tenant submitted to the previous agent. She had no rental references and no checks were done. Her income was far too low to afford the \$370 per week rent. If this application had been presented to us, it would not have passed our criteria and we would not even have presented it to the owner.

2. Ineffective management of Rental Arrears

The tenant should never have been allowed to get 12 weeks behind in rent. No Breach Notices had been served, and we effectively had to start the process of eviction from the beginning when we took over.

The real tragedy came when Jim tried to make a claim on his Landlord Protection Insurance. The previous agent had been given the task of arranging the policy for Jim. When the insurer investigated the claim, they noted that when the policy was taken out, the tenant was already in arrears. This is an exclusion in their policy terms and therefore they rejected the claim (much like taking out health insurance with an existing health issue).

So the result - despite Jim paying an agent to look after his property, and dutifully paying for an insurance policy, he had to foot the whole bill.

So let me ask you - what is a good managing agent worth??

LEASED IN FEBRUARY

Burns Pde, Kallangur	2 Bed Duplex, Carport	\$275 (dec \$10)
Woodrose Rd, Morayfield	3 Bed House, in a complex, SLUG	\$280 (same)
Bolte Cres, Kallangur	2 Bed Duplex, Carport	\$285 (same)
Gerald Ave, Clontarf	2 Bed House, Carport, DLUG	\$310 (same)
Thea Ct, Morayfield	4 Bed House, ens, DLUG	\$320 (same)
Aurora Ct, Caboolture	3 Bed House, SLUG	\$330 (new)
Mellino Dve, Morayfield	4 Bed House, ens, DLUG	\$330 (same)
Remy Ct, Caboolture	4 Bed House, ens, DLUG	\$330 (same)
Lloyd St, Caboolture	4 Bed Duplex, ens, DLUG	\$330 (same)
Tourmaline Cct, Mango Hill	3 Bed Duplex, ens, DLUG	\$330 (inc \$10)
Graham Rd, Morayfield	3 Bed House, Shed, Large block	\$330 (same)
Glenn Ct, Morayfield	4 Bed House, ens, DLUG	\$360 (new)
Hervey St, North Lakes	4 Bed House, ens, DLUG	\$400 (new)
Champion Ct, Narangba	4 Bed House, ens, DLUG	\$420 (inc \$5)
Hellcat Cct, Bray Park	5 Bed House, ens, DLUG	\$435 (inc \$10)
Central Lakes Dve, Caboolture	5 Bed House, ens, DLUG	\$450 (inc \$30)
Anderson Rd, Morayfield	4 Bed House on 5 acres, ens, Sheds	\$500 (new)
Anderson Rd, Morayfield	4 Bed House on 5 acres, ens, Sheds	\$500 (new)
Yellow Robin Ct, Narangba	4 Bed House, ens, DLUG, Carport	\$550 (same)
Cobb Rd, Burpengary East	5 Bed House on 1 acre, 3 x ens, DLUG, Pool, Shed	\$850 (new)

River Hills Rd, Eagleby	3 bed Townhouse, ens, SLUG	\$310 (new)
Robert Street, Loganlea	2 bed Townhouse, ens, SLUG	\$315 (new)
Jellicoe Street, Loganlea	3 bed Townhouse, ens, SLUG	\$320 (new)
Jellicoe Street, Loganlea	3 bed Townhouse, ens, SLUG	\$330 (new)

CALENDAR DATES FOR MARCH

Wed 4th Mar
 Wed 11th Mar
 Wed 18th Mar
 Wed 25th Mar

Monthly Statement
 Issued

Wed 25th Mar

DISBURSEMENTS



Happy 7th Birthday!!!

This month, Solutions Property Management celebrates 7 years in operation.

Thank you to our loyal Landlord Clients, reliable Tradies and excellent Tenants.

Most of all, thank you to our fabulous Team whose hard work and dedication have helped us grow from strength to strength.

Looking forward to another great year!



From left: Lorraine, Julie, Liz, Michelle, Laura, Caroline, Debbie, Brooke, Carol, and Jo at reception.

Absent: Renona. Photo by: David