



PULLING BACK THE CURTAIN...

Over the years, we have purchased several rent rolls (management rights) which gives us insight into the processes of other agents. Disappointingly, we often discover deficiencies which negatively impact clients' assets.

Early this year, we purchased two rent rolls of under 100 properties from 'boutique' agencies run by sole principals. Their clients seemed pleased with the 'personalised' service and being able to call their property manager 24/7. But this is not sustainable, and after operating less than four years, these principals burned out and sold up.

Taking on these rent rolls has been a huge challenge, and many of these clients are shocked to discover that things were not going as smoothly as they had been led to believe. (See *opposite*).

These examples show how vital good processes are in minimising clients' exposure to risk. This is why we use software such as Maintenance Manager which documents the whole process from logging maintenance to completion.

Taking over from sole operators has also revealed how dangerous it can be to rely on one person to take care of your investment. We have spent years perfecting processes and allocating tasks to specialised team members to create a system of checks and balances. Furthermore, when a staff member is away or leaves, another staff member can step in and keep the process going.

Property Management is a highly misunderstood and underrated industry which is rife with shockingly bad agents who operate under the radar. They are eventually exposed when a tenancy goes wrong and the client discovers too late that in fact, not all agents are the same.

Failure to Report Maintenance

At our first inspections, we were overwhelmed by the amount of maintenance the previous agents had not actioned. Properties were decreasing in rental value and tenants were getting frustrated and not renewing their leases. Our clients had to outlay significant funds for repairs that should have been done over the course of previous years.

Rent Arrears

Many tenants had terrible payment histories that were never addressed by the previous agents. We worked to get these tenants on a regular payment schedule and prioritise their rental payments.

Inspections Reports Falsified

After receiving our inspection reports, many clients were shocked at the 'sudden' state of disrepair. We discovered the previous agent's inspection photos were taken from previous reports or other properties, giving the false appearance of a property being looked after. Clients were in disbelief at the true state of their properties and felt their trust was betrayed by their previous agent.

Entry Condition Report (ECR) not done correctly

We have discovered dozens of incomplete ECRs which leaves the owner open to financial loss if there is a bond dispute at the end of a tenancy. With no evidence as to the original state of the property, the owner must bear costs of any cleaning or damage, even if the tenant had caused it.

Verbal versus Written

These clients were placated by verbal assurances that everything was being looked after. However, we discovered many tasks were not actioned; and as instructions were given verbally with no written evidence, resolving the issues has been frustrating and costly for the clients.

SEPTEMBER LEASING REPORT

Finding the 'sweet spot' between desired rent and quality of tenants

As the rental market squeeze continues, property owners are enjoying rent rises of up to 10% between tenancies.

During times like these, it is vital for tenancy applications to be thoroughly scrutinised and not just approved because they are offering the highest rent. Many tenants are in desperate situations and have no other choice but to apply for properties above their affordability. This can backfire on owners if the tenant starts falling behind and has to break their lease or worse, be evicted for rent arrears.

A thorough tenant screening process is always the first step in creating a stable, rewarding tenancy. If we find that the property is attracting low quality applications, it's a clue that we may have been a little optimistic about the asking price and need to adjust it to meet the market of quality tenants.

Office vacancy rate - 0.18%

CALENDAR DATES

DISBURSEMENTS

Wed 6th Oct
Wed 13th Oct
Wed 20th Oct
Wed 27th Oct

STATEMENT

Mon 1st Nov

OFFICE HOLIDAYS

Labour Day

Mon 4th Oct

EKKA Show Day

Fri 29th Oct



**MEDIUM AGENCY
OF THE YEAR**



**CONTRIBUTION
TO THE COMMUNITY**



**PROPERTY MANAGER
OF THE YEAR**

We are Finalists



Medium Agency of the Year - Solutions Property Management
Contribution to the Community - SafeHome Alliance & DFV awareness
Property Manager of the Year - Caroline Duxfield

Winners will be announced at the Gala Awards night on 23rd October