

What to Look For In A Property Manager

How to choose the right manager for
your investment before signing
the dotted line



PURSUIT
R E A L E S T A T E

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Searching

Finding the right property manager is about knowing the right questions to ask. Starting with ‘What do I look for in a property manager?’, you’ve made the first step to being more a more informed investor and looking to find a manager who has the credentials to bring you investment success.

It doesn’t matter if you are a first-time investor just starting out, or a seasoned investment pro: You’ve put a substantial amount of your hard-earned dollars on the line to purchase an investment property – or several. You want to know that your property will be expertly managed in a way that promises to respect the investment you’ve made. You’re looking to maximise your returns, minimise the stress of worrying about it yourself and team up with a manager who has your back. So, what do you look for? How do you find it?

This is one of the biggest questions in the property investment community. Because it *really* matters – the representative you employ to care for your property can mean the difference between an underperforming investment or a flourishing return that sees you achieving your investment goals and more.

This guide answers that question. We’ve drilled down to the basics – what are the traits in your property manager you should be looking for when you want excellent property management?

Meet your manager

When you begin window-shopping for a new agency to call home, the first real connection you make will be with a Business Development Manager [BDM], Client Relationship Officer, New Business Consultant – or some other fancy title, who will promote the new agency and its benefits to you.

The job of the BDM is to be the face of the agency for potential clients and the voice behind the marketing spruiking you to take a closer look. They act as the first point of call who will empower you to make the switch and do the paperwork involved. A BDM will show you why their agency and their property managers are the smart choice for your investment. Like most BDMs, once you sign up, your account is then moved to a property manager and the BDM continues to work with other new or potential clients.

Often landlords develop a relationship with a BDM and are then placed with a property manager where they must build a new relationship with, often finding that they are not as fond of their assigned manager whom they must interact with regarding their investment.

Some agencies conjoin property manager roles to BDM roles to avoid this, however the skills required of a BDM do not lend themselves to effectual property management – and vice versa. This is also a strong distraction to the effectiveness of your potential property manager.

When looking for a property manager – meet the property manager, or the team in some cases, who will be assigned YOUR property if successful. This allows you to get to know your manager directly in a way that isn't filtered by a BDM. If you can't meet them, arrange a phone appointment where you can get to meet each other.

Having a positive relationship helps you to trust your property manager will work for the betterment of your investment. This is also an opportunity to vet your potential property manager and see if they demonstrate the skills and experience required to effectively care for your investment.



Professional Career, Personal Attitude

So, you're meeting your manager. What are they like? Are they happy and enthusiastic to meet you? Or do they sound too busy or rushed to have a conversation – a hint they may be overworked.

Ideally, it is best to treat meeting your manager like a job interview. In a way, they will work for you through the management of your investment and by acting as your representative. You want to evaluate that they have the career metrics that show them to be experienced and knowledgeable but also the right attitude that you can partner with for the long-term. Many management transfers boil down to simply not liking the property manager and being unable to see eye-to-eye.

Common questions asked of property managers:

- How many years experience do they have?
- How long have they worked for the agency?

Valid and important questions to ask of your property manager, but not the full story. Here are a few additional questions that should also be asked:

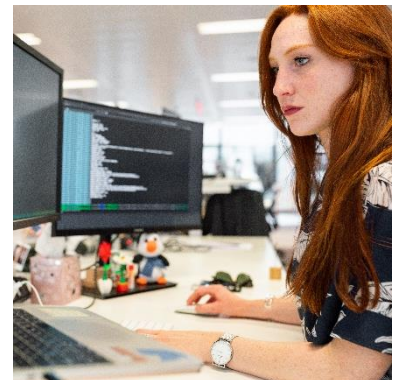
- Are you happy in your position, how long do you intend to stay in your job?
- What do you enjoy about property management?
- What makes you a good property manager?

When talking to your manager, keep it as casual as possible. As much as you do want to interview them to see if it's a good fit – it's not an interrogation. You want to find a healthy dialogue from day one so that you can trust your property manager and they are driven to help your investment thrive. Once you appoint your chosen manager, most of your communication will be through email and phone and you want to be able to chat openly when that time comes.

Years as a property manager is a great tool to estimate their continual performance but importantly should be balanced against their personal attitude. As representative of you and your property, an unhealthy attitude that passes towards tenants does not foster healthy tenant-agent-landlord relationships.

Accordingly, career burn out is exceptionally common with property managers, especially employees who feel overworked or underappreciated and this can show in their attitude. Property Managers with 10 or 15 years in the industry have plenty of experience and knowledge however may be feeling close to burn out and be considering leaving. It is important to attempt to gauge this in your prospective manager. Property investment is a long-term game, you will feel more comfortable having a property manager that is also with you for the long-term – doubly-so if you're new to investing.

Remember! You're looking for the best of both a professional career and a personal attitude.



Testimonials

Another element to look for in a property manager is a genuine track history of happy clients in the form of testimonials. Enquiring into what other clients say can tell you a lot about their current relationships. Include looking for when the reviews were conducted – some agencies will collect reviews in an organic as-they-happen fashion and others will ask for a periodic review – older reviews may not represent the current climate of the property manager or the business.

Public review websites such as Google and Facebook are great for seeing natural reviews that will show both positive testimonials and potential downsides, however they also make an unfortunate tool for review fraud to occur as they cannot be tracked. Disgruntled customers attempting to disparage their agency and ‘fake reviews’ both good and bad are prevalent on these websites, review fraud from competitors and customers cannot be overlooked. The recommendation is to filter out 1 and 5 star reviews where fake negative and positive reviews will live and find ‘truer’ content in the middle.



The best course of action is to see if your property manager can recall moments – much like an interview – where they can demonstrate positive reviews and discuss any criticism openly. Their attitude and career experience will show clearly through how they handle this line of questioning.

Portfolio

While reviewing and discussing testimonials, enquire into their current stock of properties under their care. There are a few variables to the portfolio of a property manager that can affect the service they can provide. The first of this is the number of properties they look after. The mathematics are quite simple: the more properties a manager must juggle, the less time they have for each one, pushing a higher workload into the average work week. In a 38-hour work week, with all other things being equal, a manager who has 100 properties in their care has only 22 minutes per property out of an entire week! Double the amount of properties and this figure halves to only 11 minutes the property manager can spend on your property each week.

A property manager with well-equipped systems and tools should ideally have approximately 100-130 properties each. Any more than this figure and they risk being overworked. Note regarding property numbers: agencies occasionally try to spoof this figure by including all of their team. Its best to try and drill down on your manager specifically to look at the manager-to-property ratio.

Is the property manager part of a portfolio team, i.e. manager and assistant looking after 200 properties together, or are specific duties given to other team members – most often leasing is looked after by another employee.

The other variable to portfolio performance is the physical spread of the portfolio. Are the properties tightly clustered in one or two adjoining postcodes or spread across a large metropolitan area? The further spread the properties are, the more travelling the property manager will need to do. This translates to more driving and less time in the office and less time in property.

Portfolio factors can affect the performance of a property manager and can help you to evaluate your potential manager.



Agency & Team

In the same way you have examined your property manager – it pays to examine the team they choose to work with. The direction of the agency and how the team operates will help establish how they approach property management as a whole, and toward your investment as well.

Attitude

Does the agency have the attitude that respects, cares for and encourages investment property or is their focal point more driven towards Sales performance? The property management department can sometimes be relegated as a back-office extra service but doesn't have the same agency focus. This can translate to a less thorough department that lacks results. What is the vision and the values that the company works towards achieving?

Career

Evaluating an agency involves examining the past and present of the brand. What kind of property management does the agency deliver – a comprehensive service or no-frills – and how do they approach innovative solutions to keep their property investors earning maximum returns. Looking at the brand's fee structure can also be telling about the way they approach, and operate, property management. Accordingly, does the brand have large overheads that increase their bottom-line (charged to you through fees?).

Investigate with your property manager what the professional development provided to property managers looks like. You want to know your property manager is constantly up-to-date with both the local market and the latest legislation and compliance requirements.

Lastly, is the rest of the team capable when it comes to stepping in for your property manager when they get sick, go on holidays, or worse, quits?

Testimonials

Does the company have good testimonials that show the strength of their management services or are they relying on their brand and their size to do the heavy lifting? No matter the brand, big or small, an effective agency leads to happy clients. Be careful to consider whether the reviews are for the investor services the agency offers and not another part of the business.

Portfolio

Lastly, what kind of portfolio of properties does the agency care for – is it all classes of property or only a specific kind. Does the agency in question have a history of selling managements (also known as a rent roll sale)? The for-profit trading of property managements is a lucrative way for agencies to boost their profits. You should feel secure your investment will not be sold to another agency who may not operate the way you intend your investment to be cared for.

Reviewing an agency in the same way you review your potential next property manager can help resolve the questions about whether the Agency will help develop and support your property manager to be their very best.

Operations

The most important question to ask your property manager is *how* they perform their property management. It is often inextricably linked to the operational model the agency has chosen to perform. While property management as a whole is quite fixed in the performance of tasks and duties, the approach to getting the tasks and duties completed differs greatly from agency to agency.

Task Model

In the task-based approach to property management, different employees are delegated specific property management tasks to complete. The idea is the embodiment of ‘many hands make light work’. It is easiest to recognise by the role descriptions of team members in the office – leasing officer, property manager, maintenance admin. For example, a leasing officer will handle all leasing activities freeing up the property manager to focus on other tasks. The larger an agency is that uses this model the more tasks will be taken from the property manager to other team members. In this approach, the property manager must liaise with their team members to ensure the work performed has been completed and accurate. The pros are that a dedicated specific team member can focus on their role – leasing for instance – and have higher attention to detail in each area served. The cons of this approach are that it becomes much easier for items to ‘slip through the cracks’ between each team member. Property managers can also be loaded with more properties under their belt as they have less tasks to complete per property.

Outsource Model

The outsource model is very similar to the task-based approach but is completed by other providers rather than internally in the agency. Duties of property management are outsourced to specialist providers focusing on that task only. Examples of this are:

- Virtual assistants who complete data-entry such as legal documents or system programming
- Inspection specialists who complete entry, exit and routine inspection reports on behalf of the property manager.
- Maintenance administration that liaise with tradespeople, so the manager doesn’t have to.

Outsourcers are not just limited to Australia thanks to the internet with many virtual assistants now coming from countries where the labour cost is significantly lower than hiring in Australia. Outsourcing tasks allows for agencies to lower the workload of their property managers. As the task model requires additional team members, the outsource model can lower Agency operating costs compared to the task model. The downside is there is an additional danger of items on your property or paperwork being missed via a lack of quality in the outsourcer or quality control with the Agency. Additionally, international outsourcers aren’t bound by the Australian Privacy principles and may be a likely subject of cyber attack.

Team Model

Team models function similarly to the task model but restricted to a single portfolio. Think of it like a hero with a sidekick. An assistant and senior team means an extra pair of hands when things get busy. A team of two can divide-and-conquer: one looks after out-of-office reporting; one stays to complete the office duties; one – usually the assistant – looks after tenants and leasing, the other liaises with owners and maintenance. The advantage to a team model is straightforward: twice the people means you have twice the eyes processing work. But this also means that a team can handle twice as many properties than a dedicated single manager can and often have so many properties, they cannot remember them all. At times, both units of the team may think the other has completed a crucial component of work. Office errors can become a “he-said, she-said” blame-game that benefits no one, you and your investment included. The team model requires very strong communication skills so that items do not get overlooked with clear division of duties that can be hard to enforce.

Dedicated Model

The dedicated model is simple to understand but hard to master.

One property manager is assigned to look after your property from top to toe. They handle every task, every component and every report personally. When you discuss your investment with them, you know they have been the one doing the work for you.

Easy to understand, right? So why is it hard to master?

It requires the utmost skill of all managers – the ability to juggle multiple competing tasks.

Out-of-Office

A dedicated property manager is out-of-office to a greater degree than task, outsourced or teamed operation property managers. They must leave the office to process all property reports (entry, exit, routine) and also to conduct leasing inspections. It means that office duties such as calls, emails and processing paperwork must be expertly managed against out-of-office scheduling.

Slower

A single property manager can only make one call or write one email at a time. This slows the capacity of one manager to handle the same volume of work that an office that operates a task-based team. The property manager must process all lease renewals, lease applications, maintenance requests, breach notices, et cetera, themselves. The dedicated model requires individual property managers to exhibit very strong time management skills.

Numbers

A property manager in an different operation style can look after vastly more properties under their belt. The criticism of this is that you and your investment are reduced in 'importance' to the property manager. While with any manager you want to be able to liaise with them when it comes to your investment, a big reason to go with a dedicated property manager is that they aren't managing so many properties that they don't remember who you are. A dedicated-style manager spends more time on your property and will come to liaise with you more often that can lead to a better relationship than one who has multiple properties under their belt.

In summary, a dedicated manager must juggle their time more effectively both processing tasks and managing time in and away from the desk. A property manager in a dedicated-style office must constantly have their finger on the pulse of the property management cycle – effortlessly moving between their duties. They have full range to flex their skills and knowledge of property management and assure that the properties under their care receive their full attention.

The Pursuit Difference

What makes Pursuit Real Estate different to other agencies?

Attitude

We are fuelled by our belief that everyone should have a home for their now and an investment for their future. Pursuit Real Estate was born of property investors to find a property management company that cared enough to get the job done right. We are focused on residential investment and sales for investors who want a team they can trust.

Career

We may have started from property investors, but we are operated by real estate professionals! Everyone says they hire the best and brightest, but our recruitment is focused on finding the same things you are looking for in your manager as our employee. We look for experienced managers who live our mantra of the 'Pursuit of better.' The right candidates have an attitude to approaching property management in a dedicated and caring way that marries with an experienced career of professional growth.

We operate independently with a low-cost mantra – that means no franchise or corporate fees, no indulgent offices or parties, no profligate agency advertising, smarter partnerships and other cost-efficient business choices. We pass these savings on to you with low management fees that maximise your returns.

Testimonials

We are continually collaborating directly with our clients. We strongly welcome both positive endorsement and constructive criticism and our existing client members have contributed to our continual evolution in our Pursuit of Better. Clients and customers who will happily share their experience are one of our treasured moments. Our tendency is to prefer organic reviews.

Portfolio

Property managers are limited to 130 properties in their portfolio along with our decision to operate a dedicated manager style office. KPIs for property managers do not revolve around the amount of properties in their portfolio. We operate across the Brisbane and Moreton regions with area-specific managers.

Operations

Why Does Pursuit Real Estate Run Dedicated?

Like other dedicated offices, Pursuit Real Estate believes that the disadvantages outweigh the advantages of other models than a dedicated-style. Having a single point-of-call for your investment ensures you can trust where 'the buck stops'. We believe that the performance of each stage in the property management cycle is greater when achieved by the same person managing every other stage. It means higher quality work from a property manager that cares for your investment.

This is the one exception to our low-cost operations promise that we refuse to concede – while an outsourced model would create a lower-cost environment for the business, or a team model would allow us to increase our team with less experienced cheaper assistants, we find the risks to you unacceptable to consider.


We believe that what you're looking for in a property manager exists with Pursuit Real Estate. We hope you get in touch to find out how we can improve your property investment journey.



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