



Property Management Q&A

Your property management questions answered

Our property management experts are on hand to answer any queries you have regarding management and maintenance of your investment property. Email your questions to editor@yipmag.com.au

PROPERTY DAMAGE

Q My shiny new house was recently rented to a family of four. They are a nice family, however the first inspection by our property manager revealed that there is already some damage to the cabinetry in the kitchen, ie handles coming off and doors breaking. The property manager told us it's our responsibility to make the repairs, not the tenants. We thought the tenants are bound by a duty of care, that they should keep the property as close as possible to the original state. The manager argued it's wear and tear. What do you think? Should I just do what my manager says and get the things fixed or shall I start looking for a new property manager?

A Assuming that your agent's first inspection was within 6-8 weeks from the beginning of the tenancy and it being a new kitchen it sounds like there is the possibility that the reason for the new doors 'breaking' could be contributed to tenant neglect, so I don't blame you for questioning this.

Doors falling off hinges or falling apart in general from old age would be seen by the Act as general wear and tear. What I have found in my experience as a property manager is some agents look after the tenant more than they do the landlord, which is insane because you as the landlord are the one who is employing the agent; if this is the case it would pay to employ a new manager for your property as they are causing you unneeded expenses and stress.

Personally I feel your agent should be concerned if your



kitchen is new and I would suggest acquiring the advice of a licensed tradesperson who specialises in kitchens to inspect this for peace of mind and have them send you an itemised price for the repair of these doors as well as a report outlining the reason they believe these doors could be broken in such a short period of time.

If the tradesperson reports back stating that the reason these doors are broken is due to miss-use then your agent should be requesting payment from your tenant for the repair. The handles, on the other hand, would be more difficult to prove if your tenant happened to be the cause of this, as it is very rare that this is classified as anything other than general wear and tear; because they are used regularly to open and close the doors, it could quite possibly be that the screws were just not screwed in tight enough! As a closing note, I would always suggest as a landlord you invest in landlord insurance to protect yourself from unnecessary malicious damage by tenants, and would suggest discussing with an insurance professional what's best for your situation.

BIG VS SMALL COMPANIES

Q I'm in the process of interviewing potential property managers and would like your advice on whether I should go for the more established and bigger franchises rather than the smaller operators. I was told the bigger companies have better resources to deal with any issues regarding my investment property. Is this the case? Why?

A Great question! It is kind of like comparing the 'big guys' to the 'little guys', but I really don't think this is the case! As you said they are all franchises. So if all these franchises were to get out of the 'name' umbrella and call themselves any name they too would be just the same.

In my experience over the years I have met many different agents, some from franchises some not. After obviously talking to these different agents the only difference I have come across in general conversation is that the franchises hold events every year when they all get together!

They do not invite their clients to these events, so what benefit is this to the landlord? Any certified agent can have access to the biggest resources there are to offer and become a member of any association by doing the same thing the

The experts



Nicole Keene

Nicole Keene is property manager at Blink Property. Nicole has almost a decade of property management experience behind her and specialises in proactively managing investment properties. Nicole has recently joined the Blink Property team, part of the binvested.com.au group of companies.



Nathan Birch

Nathan Birch is a well-regarded property investment expert. A prolific property investor himself, Nathan is well known for his simple yet effective investment strategies. At just 27, he personally owns a portfolio of more than 72 properties. Nathan Birch is the co-founder of the binvested.com.au group of companies.

franchises do as they are all individually owned and operated.

Don't cross the smaller operators off your list when interviewing potential property managers; some of these guys are operating like this because they have a passion for what they do. Leave no stone unturned when you're looking for the best person to look after one of your most valuable assets.

—Nicole

A This is a good question and as a property investor myself I have seen the good, bad and the ugly property managers (I am not talking about looks either). Personally, when I have employed property managers myself over the years to look after my properties, I interviewed a few of them to see how the agents present themselves to me as a landlord and the way they position themselves.

This is important as some agents will be simply doing their "job" and some managers will be "proactive" and working for me, the landlord, and this is what is important when building a portfolio along with growing my cash flow with minimal expenses and stress.

To find a good property manager, I personally don't see any difference between a franchise or an independent as it comes down to the staffing and management of their day to day activities and the culture of the business. With a franchise the only difference is the principals pay a royalty to advertise a sign for brand awareness, which is no interest to me as a property investor.

I would be looking at how the property manager will maximise my rental returns, screen tenants, minimise vacancies and arrears, and look after me as a landlord from all angles. Hope this helps give confidence in finding a good property manager.

—Nathan

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New Display Homes
 4 cars, 2 bathrooms, 2 bedrooms | G J Gardner Homes | \$491,000

12mths Rent Back!
 4 cars, 2 bathrooms, 2 bedrooms | Dixon Homes | \$471,000

Opening Mid 2013
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Rent Back Display Homes
 4 cars, 2 bathrooms, 2 bedrooms | Empire Homes | \$475,000

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