

Property management

Your burning 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

An eye on standards

Q I'm looking for a property manager for a recently purchased property, and I have been contacted by three different agents offering varying terms. One in particular has a termination fee of \$100. Can I vary these terms before signing? Why are agents offering different fees? Is there a standard? How much should I pay, on average?

A Most agency fees are negotiable to a point, but the truth is that you get what you pay for. You may have heard a lot about a new agent in the area who is offering an outstanding service but charges 1% more than your current agent. And you have probably seen other agents who are offering the same service but are 1% cheaper.

You need to do some research. Have a meeting with the agents and ask them questions about the services they provide in return for the fees they charge. You may find that, after sitting down and discussing the different fees with the agent, you want to pay less for one of the services they offer but you may also be prepared to pay more to get the most out of another of their services.

There are standard fees from area to area, but there is nothing standard if you have a poor property manager who fails to keep your rent up to market, fails to keep a close eye on maintenance, or chooses low-quality tenants, as this could cost you thousands in comparison to paying an extra per cent or two to the agent and having all those thousands in your pocket.

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.



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Breaking the ties

Q My current property manager has been quite timid in dealing with my tenants. She seems to be more interested in keeping them than helping me maximise my investment. How can I get the most out of my property manager and how can I terminate the contract I have with her?

A This is quite a common relationship that many agents have with their tenants. Think about it. They see the tenant at least three or four times a year at their quarterly routine inspections. If a problem occurs at the property, the tenant is on the phone to the agent or drops in to visit them. Or the most famous one: the tenant could be visiting the agent's office every week to pay their rent. The agent and tenant have a good relationship and know each other quite well, so if a problem arises or the tenant gets disgruntled at a recent rent increase, they contact their 'friend' the agent, who goes in to bat against the landlord.

Having a good relationship with your tenant is important for negotiation reasons, but some agents tend to forget that it is actually the landlord who is paying their income. If an agent is willing to lose the commission from a rent increase, then they are not going to bat an eyelid at losing income for their landlord.

It's easy to terminate your agreement. Check your agreement to see what notice period is required in order to terminate it, and put in writing to your current agency that you are giving the required notice to terminate the agreement. Some landlords request immediate transfer and that the fees should be paid upfront for the notice period, to avoid any 'lemons' occurring during the transition phase. This is something you could get your new agent to assist you with.