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**PROBING
QUESTIONS**

**To Ask Your Current
Managing Agent**

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Questions & Answers

Understanding Your Property Managers' Mindset

1. What do your Property Managers consider as the underlying precepts, which determine a top-class Property Manager?

Their answer should be ...

Professionalism:

- ❑ Offering you high-quality standard of service.
- ❑ A level of commitment you won't find anywhere else.
- ❑ Everything they do must reflect a level of professionalism, both toward you and your tenants.

Protection:

- ❑ Poor service can result in legal action and loss of tenants.
- ❑ Your Property Managers' level of commitment is your in-built protection against legal action occurring – which stems from sloppy or unprofessional management.

Procedures:

- ❑ A set of principles and procedures that create the foundation of their whole approach.

Attitude:

- ❑ Professionalism is a MIND SET and an attitude, which should pervade everything Property Managers do for you.

2. Can they list for you the Six Key Principles a competent Property Manager should operate by?

Keeping things moving:

- ❑ They make sure everything you refer to them is quickly and thoroughly resolved.

Follow up:

- ❑ They can't just assume people will do what is promised. Nor can they simply forget about tasks & instructions you have given them.

All issues for your property are completed on budget and ahead of time:

- ❑ It's your Property Managers' task to ensure this occurs. Therefore, they need to have a policy of tracking of all matters referred to them.

Written point-form status report:

- ❑ You need this at least every three weeks – if something becomes protracted.

Legal correspondence:

- ❑ This needs to be replied to, within three working days.

Honour all agreements reached:

- ❑ These agreements are implemented for you as soon as possible; and your Managers must keep detailed office records.

3. What are the three “C”s, which will ensure a lasting relationship between you and your Property Manager?

Communication:

It is extremely important that all parties communicate. Their role is to communicate among themselves and with you ... plus your tenants and various service providers.

Co-operation:

It's only through co-operation that a good, long-term working relationship can develop between all parties.

Consideration:

Your Managers ought approach property management from the viewpoint of the other parties involved – particularly yours.

An astute Property Manager's self interest

4. Ask your Property Manager the two reasons why a properly-run property management department should be viewed as the life-blood of their business?

All-important cash flow:

The income from property management is consistent and regular – unlike the irregular large cheques from sales and lettings.

A constant source of new contacts:

The properties they manage for you will one day come up for sale. And from time to time, tenants may well decide to buy a property of their own. Property management puts your Managers out there in the marketplace with properties, owners and tenants.

5. Ask your Property Managers exactly what it is they do for you?

They ought relieve you of the majority of the day-to-day management responsibilities that you would otherwise have to carry out. They serve you as a Client – and receive an appropriate reward for doing so.

6. Can Property Managers give you specific standards by which they measure their performance?

They should have exhaustive checklists, systems and duties that have been developed and refined over the years, covering all aspects of property management.

7. How do they ensure these standards are actually met?

Their team needs to possess a full range of skills, and a broad base of knowledge relevant to the role of property management. And, importantly, they also need to maintain adequate Professional Indemnity cover for anything that might catch them unawares.

8. What is their system for controlling late payers?

- ❑ Your Managers need to impress upon your tenants the importance of establishing a good payment record.
- ❑ And also, impress upon your tenants they can expect no sympathy, if your Managers need to call their office chasing after arrears.
- ❑ Your Managers should have a watertight follow-up system, not allowing tenants to think you don't care when they pay late.

What's included in your Property Managers' knowledge of ...

9. The Market and the Marketplace?

- ❑ Rental levels in your property's market
- ❑ The balance of supply and demand in your market
- ❑ Up-to-date records of properties, owners, tenants and service providers

10. Taxation (especially GST and Capital Gains Tax)?

- ❑ Taxation advice in relation to repairs/replacement
- ❑ Income management
- ❑ Budget forecasting
- ❑ Depreciation
- ❑ Insurance

11. The Laws governing Ownership and Leasing of Property?

- ❑ Landlord and tenant legislation
- ❑ Subdivision legislation
- ❑ Essential Service Regulations
- ❑ Lease preparation
- ❑ Local Government Act
- ❑ Rights of property owners
- ❑ Trade Practices Act
- ❑ Anti-discrimination Act
- ❑ Dividing Fence Act

12. Trust Accounting?

- ❑ Acts governing real estate agency practice
- ❑ Basic bookkeeping principles
- ❑ Cash-flow management
- ❑ Budget forecasting

13. Various Legislative requirements?

- Health & Safety matters
- Essential Services
- Town Planning
- Building Code of Australia
- Fire regulations

14. Building & Construction?

- Property maintenance
- Building methods
- Cost control
- Alternative materials
- Design and decoration
- Market requirements
- Optimum layouts

Are YOU fully protected?

15. When was the last Essential Services inspection carried out?

- Depending on your Building ... these need to occur quarterly or six-monthly; with a compliance certificate issued annually.

16. Did they provide you with a copy of that inspection report?

- These also need to be displayed on site.

17. Have all identify breeches been rectified?

- Any breeches need to be attended to promptly – because, to reappear on the next report ... creates a potential liability for you.

Feel free to [contact me](#) if you need any help with properties you already own ... or whatever you might be looking to purchase.

All the best ... *Chris Lag*