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Get proactive!

To be “proactive” means “to be in control of a situation by causing something to happen”, whereas being “reactive” is simply “responding to a situation when it happens”. And there is a big difference. Reacting to problems after they have occurred can cause bigger problems and is usually more expensive than being proactive. Story by Samantha McLean



If you can provide a truly proactive property management service to your owners, there are lots of benefits. You can look forward to delighting your customers and growing your business. In fact, your level of proactivity is the difference between you being viewed as a true “asset manager” instead of just a “property manager”. Which would you rather be?

HERE'S A STORY FOR YOU

About a year and a half ago, I was re-evaluating my telecommunications options at home. Like most people, I have a home phone line, broadband, a mobile and Pay-TV. I had been with my current provider for as

long as I could remember and felt that all the new bundling offers and lower prices had completely passed me by. I hadn't talked to anybody from that company in ages.

I decided it was time for a change and found another provider that had better rates and was able to bundle my services. At the time, I was pretty happy with the process, it was all very simple and convenient and I had saved some money.

The real “magic” came a couple of months later, when I was contacted by a telemarketer from my new provider who announced that the company's broadband rates had recently decreased and “would I like to change to a higher plan that would cost me less?”. I

responded that I had only been using the service for a short time and didn't think I would be eligible for the plan that he was offering. Happily, though he assured me that I was, and I got an even better service for even less money.

You can imagine my surprise at getting this phone call! What a fantastic example of being proactive! In fact I told everyone I could how amazed and delighted I was with the service. It can definitely pay from a marketing point of view to be more proactive with your existing customers – in a small area or industry, they can be your best source of referrals.

HOW CAN YOU BE MORE PROACTIVE?

There are three areas where you can work at becoming more proactive. They are: Profit, Protection, and Communication.

1. Profit.

Investors generally buy property to make a profit, either on rental returns or for a capital gain on its sale value.

It has been well documented in the news recently that rentals have significantly increased in most states over the past twelve months. Do you review the rent at the end of each lease agreement, to ensure that your landlords are maximising their rental income (proactive), or do you wait for a landlord who has read the news recently to ring you and ask you if a rent increase is possible (reactive)?

Do you make suggestions to your landlords about how to improve rental returns on

payments, or do you create correspondence each time it happens (reactive)?

3. Communication

In real estate location, location, location is a common catch phrase. In property management it should be communication, communication, communication! Communication to your landlords is so important and the key to being really proactive here is to be able to tailor your communication style to suit the owner's needs.

How much do you know about the owner's current personal investment strategy? Are they growing their portfolio? Can you look out for anything that the sales team may have on the books that may suit?

There are so many options for communication in today's age of electronics. Do you know how the owners like to receive communication from you? Do you have email

regarding a property with the click of a mouse. When your owners have questions about their properties, you should be able to answer them instantly rather making them wait for you to "find it in the file".

You should also take advantage of the reporting capabilities of your system. Most systems provide all sorts of statistics that you can access, for example, a report on properties by lease expiry date. This allows you to plan ahead for rental increases or re-lets. Similarly, you should also be able to track insurances, depreciation schedules, inspections to name a few. Your systems and processes together should allow you to plan ahead before problems arise – even if you happen to be managing a large portfolio.

3. Take action

Nothing happens until someone takes action. Pick up the phone! Call your owners and ask if they would like their statements emailed, or let them know you now have an online portal available to them. Take photos at the next inspection and suggest improvements. Check their insurance details and the date of their last rent review. Let them know you are serious about proactively managing their asset.

Have you made use of the availability of online portals, which give them a view of their investment at any time of the day or night?

their properties? With knowledge of the local market, some property managers are also able to suggest improvements to rental properties to ensure that the property attracts good quality tenants and higher rental returns (proactive), versus only fixing things when they occur (reactive). Here's an extra tip: when you do increase their profit make sure they understand what you have done for them and what value you have added.

2. Protection

Owners want to know that their asset is safe. There are many ways which to assist your owners in protecting their property such as:

- Ensuring they take out a landlord insurance policy. Even good tenants can lose their jobs. If a tenant defaults in their rent and has caused damage to a property, they will need this insurance to claim above what the bond value may be. This also protects the landlord from the tenant injuring themselves inside the property. Educate your landlords that they are much better safe than sorry!
- Maintaining the property (proactive), rather than making repairs (reactive). A property that is not well maintained may not only lose value, but can also alienate good tenants.
- Management of arrears. Do you explain to the tenant before they move into the property your policy on rental arrears (proactive) or do you wait until they are in arrears (reactive) to manage this? Do you have a process which is easily executed – such as a combination of SMS messaging, phone calls and letters (proactive) to be used as early reminders to tenants should they fall behind in their rental

addresses on file for all your owners, and email their statements to them with a newsletter? Have you made use of the availability of online portals, which give them a view of their investment at any time of the day or night?

Even with all the electronic communication methods available today, some owners still like to see their property managers face-to-face. You still need to consider that people buy from people and sometimes the only way to really understand what your owners want is to be able to spend time with them.

HOW CAN YOU BECOME MORE PROACTIVE?

Again, three simple principles can help you become more proactive in the services that you provide to your owners.

1. Use systems

Technology provides us with a great deal these days. The ability to prioritise tasks and keep track of to-do items is a must. You need to be able to look at your to-do list and determine what are the priority tasks that only you can do, and what are the secondary tasks that you can either delegate or perhaps even outsource. Today, there are many options to use either technology, outsourcing, or both, to present a more personal and proactive touch to your owners.

2. Plan ahead

When choosing your business technology, make sure that you are able to have all the information you need about a property, tenant or landlord available at your finger tips, including electronic document storage. You should be able to access all information

ONE LAST WORD OF ADVICE

Earlier, I recounted one of my own happy experiences with a telco provider who appeared to provide extremely proactive service. The happiness I experienced though, was very short lived. Everything that happened after that was awful! They got the billing wrong, responded to my queries when they felt like it, and I never received one of those happy proactive calls. As a result, I changed providers again just this week.

Once you get proactive with your landlords, I can guarantee that that they will love you and want more. But be warned that this is not something to just "try" – it needs to be a long term commitment. If you can give this, and more importantly sustain it, then your ability to become proactive will become a major point of differentiation for your business. ●



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