

WHY SHOULD YOU USE AN ONSITE MANAGER?

Contributed By: Nick Buick on March 22, 2018

I'm licenced real estate principal, the secretary & treasurer of a fifty million dollar body corporate, and owner of 5 investment properties in Brisbane and the Gold Coast. 2 of them are houses, 3 of them are strata titled, 2 of them are in onsite managed complexes, 1 is in a resort, some of them have onsite managers, some of them don't. I have had my fair share of experience dealing with a lot of different properties and managers both in my career, and as an investor. Something that has become really clear to me is this: ***It is generally foolish not to engage your onsite manager to manage your investment property.***

Now before you think my statement is tainted with bias, given I run an agency that helps onsite managers, let me explain: None of my investments are in buildings managed by my clients. So essentially, I have no nefarious benefit to awarding my letting agreements to their respective onsite managers. Furthermore, I am a real estate agent myself, so I have access to all the tools and experience necessary to market and manage properties myself and save the management fees, and the relet fees, and the commission fees, and in the case of my free-standing houses, I do manage these myself... So, why am I paying another manager, who isn't even part of my own agency, to manage my investments? There's six very good reasons why; I shall detail them as follows:

1: Your onsite manager is onsite

This is stating the obvious but the fact that, so often, investors fail to consider this strength, shows why it must be placed at the top of this list. The onsite manager lives, eats, sleeps and works in your building. They spend more time in the building than possibly any other human being. They probably know it better than you and they DEFINITELY know it better than any other agent. They will be the first port-of-call for tenants looking at rentals in the building given they have an office right out front. They know how to correctly price rentals in the building, they know what the demand is for the building, and they can match up tenants with apartments so even if the listing a prospect enquired about isn't suitable, there may be others in the building that are. These factors all mean you find a tenant faster with less down-time, which means more rent in your pocket, and less lost in vacancies.

2: Your onsite manager can market with the best of `em

Nobody looks in real estate windows any more. When people are searching for rentals they jump on the internet. Thanks to agencies like mine, your local onsite manager has access to all the same tools as outside agents. Professional photography; floor plan designers; virtual tours; video walk throughs; tenancy screening; and premium listings are all available to onsite managers, there is no reason they can't present a rental to market just as effectively as any other agent; and due to the sheer volume of marketing we do (my office advertises over 550 listings per month) we can unlock fantastic volume-pricing for such upgrades and services, helping managers to stay competitive in the marketing game. That means less marketing costs to you, the investor.

3: Your onsite manager is the caretaker

The onsite manager has 2 roles: letting agent; and caretaker. In bigger complexes this is undertaken by a team of maintenance and administrative professionals, in smaller complexes it may just be a husband and wife duo, but the result is the same: you get both management, and maintenance rolled into one. If an appliance breaks down, or a pipe bursts, or a fuse blows, your manager is right there with the keys in hand, able to sort the problem on the spot, and chances are, your appliances, fuses and taps are just like everyone else's in the building so the manager has the repair routine down to a fine art. That means less downtime for your tenant; less inconvenience for them waiting around all day for service people who never show up; and of course massive savings in ungodly call-out-fees.

4: The onsite manager (generally) deals only with 1 complex

Unlike a traditional property manager who is spread all over town, and overloaded with rentals, your onsite manager takes care of just one complex. This means they aren't spread thin, they don't have to travel around, and they know what's going on in the complex. It also means they have to work REALLY hard to keep their rent roll. If a traditional manager loses an appointment – no big deal... if an onsite manager loses an appointment it represents a huge chunk of their rent roll. It hurts them, and they'll go out of their way to keep those appointments. That means better service for you and more competitive management fees.

5: The onsite manager is also an investor in your building

Just like you, the manager has put their cash on the line to buy into the building. They have a vested interest in keeping the building in ship shape and populated with quality tenants. You can call your manager up at any time and they'll be able to tell you exactly what's happening with the building, the tenants, and the committee. They know all this because they walk every corridor, they manage every tenant, and they attend every body corporate meeting. This gives them invaluable and highly focused knowledge to more effectively manage your investment and motivates them to make the building a desirable place to live.

6: Your onsite manager is a business owner

Onsite managers have, generally, worked their entire lives to accumulate the massive capital needed to buy a management rights. For a lot of them, this is their retirement nest egg, as well as their life savings and their business all in one. They have so much at stake they can't afford to offer up lousy service, the buck stops entirely with them. Compare that to your average 23 year old letting agent who works a 8-5 on award wages and doesn't get a penny more if they do a good job or a bad one, and ask yourself who is going to deliver the best quality service to you, the owner?

These are the reasons I engage the onsite managers in my investments whenever possible. Knowing what I know of real estate, I still pay good (but very reasonable) money for the services of onsite managers. As an investor, you should too.