

Landlord Guides How To Make The Change To A New Property Management Service.

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Savvy investors know that appointing a property management service to look after their investment portfolio is a wise move. However, often investors can inadvertently make the wrong decision and sadly find themselves dealing with an agency or property manager they find less than satisfactory.

When it comes to an investment, your choice of property manager is not something that should be taken lightly. Your property manager requires the knowledge and expertise to not only fulfill your needs as a landlord and investor, but also protect your property, manage the tenancy, and ultimately help you reach your long-term financial goals.

So what should you do when you know it's time to look elsewhere?

Making The Switch

Often for landlords, just the thought of switching agents, is an enormous headache. Making the time to do the research and applying the energy required to scout around and screen agencies, feels like climbing uphill. It's no wonder many unhappy landlords put it off and continue suffering the consequences.

The good news is, changing to a new property management company doesn't have to be hard at all!

What many landlords don't realise is that switching agencies can be as simple as giving notice, and most property management companies will handle the entire change on your behalf.

For instance, here at Taylors, whenever investors wish to transfer their portfolio to our care, we handle the changeover from start to finish. All they have to do is sign some paperwork - they don't even have to step into our office!

The whole process really is easy and stress free for the client. The last thing a stressed out landlord wants is to have an uncomfortable conversation, or to risk being persuaded to stay for another management term.

Quick And Painless Handover

Here's a sample of how we go about the handover process for new landlords

1. You inform us that you'd like us to takeover the management of your property portfolio
2. We contact your current agency, inform them of your decision and request the required paperwork to be sent to our office
3. We check and fill in the paperwork on your behalf
4. You sign your copy along with a written notice to terminate your agreement (which we prepare on your behalf)
5. We forward the notice to your agency and arrange to pick up your property file and keys from their office
6. We notify your tenants in writing, then their new Client Relationship Specialist welcomes them personally via phone and walks them through a Taylors' orientation
7. Taylors becomes your new management agency (as of the agreed date) and life carries on as normal
8. We arrange a property inspection to update the existing condition report (if required) and keep you informed each step of the way

What If I'm Locked Into An Agreement?

Actually, you're not. Whilst there are many agencies who would like you believe that any Managing Authority Agreement locks you in for the term of your tenants' lease. This is not correct.

In Australia, the management agreement you sign comes with a '**no exclusive period for the on-going management of a property**'. This means you can give your agent the required notice at any time during the management. Typically, it's 30 days notice required (we are also happy to check it for you, on your behalf if you prefer).

Put Your Notice In Writing

Notification to terminate a management agreement must be in writing. If arranging the termination yourself, we recommend sending the notice via certified mail with return receipt requested. That way you have it on record that was sent and received.

Check For Any Hidden Costs

Even if you do give the required notice, sometimes there are agencies who will charge a fee if a landlord terminates early. Check what your agency is entitled to before giving notice, so you're prepared. You can then take the responsibility for paying the manager all fees they have incurred up until the contract termination effective date.

Give The Required Notice

Check the termination clause of your management contract. Most management contracts require between 30 and 90 days notice to terminate a contract. If you don't give the required notice, you risk breaching your contract and may be exposed to penalties or find yourself in a lawsuit.

Don't Make It Personal

If your experience has been upsetting or you've been treated poorly, it can be hard to keep the emotions at bay. Once you've made your decision to leave, remember this is a business decision. Just focus on the transaction and look forward to this new stage for you and your property.

Ensure Tenants Are Correctly Informed

It's important that your tenants are properly informed of the change in management well in advance. They should be informed in writing by the landlord or the current property manager told who will manage them and their rental deposits, from this stage forward. The new management company will also welcome them personally, so they feel acknowledged and confident they'll be taken care of.

Allow Time For The Transfer Of Funds

The transfer of all funds from one trust account to another can take some time. Depending on your accounts current status, expect it to take one to two months to receive all landlord funds due to you. This is to ensure the existing agency has paid all prior invoices before transferring the balance. Tenant rental deposits however, should be set up to be deposited into the new management account on the transfer date.

Ensure You Receive Copies Of Important Paperwork

Always ensure you receive copies of all leases, records of security deposits and a statement of all income and expenses from your former agency. These documents should be sent to immediately upon termination of the contract and kept in your records.

Would you like some guidance and support to help switch from your existing management company?

Get in touch with a Taylors Property Specialist today.