

If you are thinking about having an Agency manage your investment property, here are 10 questions that you should ask your prospective property manager:

1. Does the agency have a dedicated property management department and how many staff will be looking after my property?

Ensure that your agent has a dedicated property management team. It would be preferable that the team is staffed by a number of experts so there is continuity of management in the event of one property manager being ill or leaving.

2. Is a director/owner of the agency involved in the day to day management of the property management department?

You will find that an agency where the director has an active involvement of the property management department will take the business of property management more seriously.

3. How many years has the property manager looking after your property been working in real estate?

This relates to the property manager and not the agency. Going to a brand name agency doesn't mean their service is going to be any better. Many people start their career in real estate as receptionists and then move up to the property management department, and move into sales.

The individuals that choose property management as a career are the type of person that should be looking after your property.

4. How many years has the property manager been with the agency?

You should look for stability in your property manager. You want someone who will learn your property inside and out.

You want to pick up the phone and talk to that person today, and in 6 months' time you want to be able to talk to that same person. Due to the stresses involved in property management, the staff turnover tends to be quite high. This is another reason why you should look for an estate agent who has chosen property management as a career.

5. Does the property manager give you a written proposal?

Look for someone who has put in the time and effort to present a professional image to you and gives you a written proposal. If they make the effort to present their services professionally to you, it is likely they will look after your property professionally.

6. Does the Property Manager hand out keys or do they attend property inspections with prospective tenants?

If they just hand out the keys and let the tenant inspect the property on their own, move on to another agency. Too many things can go wrong with this approach and the security of your property is compromised. Inspecting your property with a prospective tenant means that the agent has a better opportunity to promote the property, as well a chance to get to know the tenant a little better.

7. How many properties does the manager look after?

A property manager who looks after too many properties may not have time to devote the attention to your property. Some busy agencies have 200 properties per property manager. In general, this is far too many to give your property individual attention.

At some boutique agencies each property manager looks after about 100-150 properties. While these agencies may charge a little more for their property management services, landlords find this extra expense translates to a trouble free investment that often produces a higher return.

8. Do you have staff available to show my property to prospective tenants six days a week?

The hectic pace of life and the advertising of rental properties on the Internet 24 hours a day means a good property manager must be available to show prospective tenants your property when it best suits the tenant.

9. Do you have a system for checking prospective tenants with regard to credit worthiness, past rental history and their current employment?

Ensure that your property manager subscribes to a major tenancy database and screens all prospective tenants carefully.

10. Will you go to court for me if need be and what is your success rate for previous appearances?

Unfortunately, you just might have to go to the tenancy tribunal to protect your rights as a landlord. If this happens you will need an experienced property manager to represent you as tenancy laws have become quite complex.

When you have chosen your property manager, establish a collaborative relationship and agree on your working parameters. Explain to them how involved you want to be in the ongoing management of your property.

Make it clear what they are allowed to do without referring back to you and when you do require them to contact you. This will avoid many of the misunderstandings that arise between property managers and landlords.

For example, if you signed an agreement for your property manager to spend up to \$200 on repairs without obtaining permission, don't expect them to phone you each time a tap washer needs replacing.

Listen to your property manager if they suggest you undertake non-urgent repairs or maintenance on your investment. This will keep your property in top condition and you will be less likely to lose your tenants.

As a property investor you have the choice of managing your investment properties yourself or delegating the day-to-day management to managing agents. Engaging a property manager is the preferred option for investors in today's more complex property market.

However, it is critical that you choose your property manager wisely as proactive property management can considerably increase the return from your investment property.