



# Selecting a property manager

## The nature of the relationship

Contracting someone to manage your residential property is like using an accountant or lawyer to manage your business affairs. Many landlords expect their property manager to receive rent on their behalf, find suitable tenants, handle maintenance, and deal with disputes and termination issues. In essence, the property manager becomes the landlord's agent, looking after their investment.

## Selecting a property manager

When selecting a property manager, consider asking the following questions:

- What are your qualifications?
- Are you a specialised property manager or a real estate agent who also does property management?
- How long have you been a property manager in the area?
- Do you personally invest in the area?
- How many staff do you have?
- Are you affiliated with any particular professional body with a code of ethics?
- What are the roles of your staff? Do you have staff specifically responsible for finding good tenants?
- What resources do you have for managing property over holiday periods?
- How many properties does your business manage, and what percentage is currently vacant?
- What is the average length of time it takes to fill a vacancy in the area?
- What computer system and software do you use?
- May I see an example of a monthly reporting package?
- Have you appeared in Tenancy Tribunal cases? If so, what happened?
- What kind of insurance coverage do you have? Is there any fidelity fund coverage?

Also consider:

- How close is the property manager's business to your property?
- How organised and tidy are their offices?
- Do they present themselves professionally?
- What does their website look like? Is the content consistent with what they say when you meet them?

## Contractual arrangements

Take time to carefully check and agree on the property manager's responsibilities. You need to agree on all terms and conditions and clarify any queries at the outset to avoid problems later. You should always record your understanding in writing.



When developing the property management agreement, consider the following:

- What fee structure will they charge? Does it fall within the average of 7.5 – 8.5 percent fee on rental received? What other costs does the manager expect you to pay in advance?
- How often will they report to you? What is included in the report? What is the format of reporting? Do they offer online services?
- How will the property be marketed to attract tenants? Who pays for marketing costs?
- What does their tenant selection process include?
- What facilities do they have for dealing with tenant issues, and any questions or emergencies outside office hours?
- Will they provide market rent information? Will they alert you to the need for a rent review as part of their monthly reporting services? Will they have sole discretion to impose a rent review or will they need your approval?
- How often will they inspect the property?
- What process do they follow when a rent payment is late?
- Which kinds of maintenance tasks are handled by the manager in-house? Which tasks require outside contractors? Can they show you a list of preferred or accredited service providers for maintenance work?
- What is their process for getting quotes for maintenance and repair work?
- How do they provide contractors access to the property during the tenancy?
- Upon termination of the tenancy, how do they manage bond refunds and property inspections?

## **Need more information?**

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