



ROBYN AND
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As rent collectors we occasionally find it helpful to revisit our methodology and payment policies to re-affirm their soundness. The following verbal exchange between EIS and a relatively new tenant clearly brings home this point.

EIS – SPECIALISTS IN PROPERTY MANAGEMENT

Tenant: I was told you guys were hard on rental payments!

Randall: No, we're not hard on rent. We expect to be paid on time, nothing more, nothing less. We've looked after your unit. Everything you've wanted that was reasonable, we've agreed to. Now we expect to be paid up to the due date.

Tenant: They told me not to go to EIS because you are really hard!

Randall: Well you knew this but you're here!

A little 'aggro' but EIS, with firmness, managed to get the tenant back on track – no harm done.



Rent arrears issue

In light of the tenant's comments, Randall asked his team to look at their policies to see how tough they really are.

With 94% of the rent now collected by direct debit, there is only 6% to be collected by other means (BPay) and this is where EIS needs to be on top of possible 'rental dishonours'. The follow-through must happen there and then.

At 7am each day when the rent is downloaded from the bank EIS knows instantly the people who do not have sufficient funds to pay their rent! The tenant is then contacted immediately by phone, by text message, and by email. So they get 'all guns blazing.'

Immediate action required to get results

The longer it's left to contact the rent-defaulting tenants, the greater the chance that they will begin to think EIS is not concerned and can therefore be pushed further down the 'debt chain' when it comes to paying bills.

If you don't ask – you don't get it

Randall says he doesn't want to be 'down the chain'; he wants to be at the head of the list!

Fortunately, people generally do pay up quite quickly. Fundamentally people all just want a roof over their heads and while we make a lot of noise we are nevertheless very polite! The number of times that we have to go to Court in any year is minimal. Last year there were only four occasions. With close to 800 tenants that is an extremely low percentage.

EIS benefits from a strong reputation

In the Magistrate's Court EIS has been told their submissions are very professional. Staff at the Court willingly accept EIS submissions saying they have no problems with them knowing they will be OK because they are always fully documented. EIS have also been advised that a number of other agents create problems for themselves by not having proper procedures in place.

"We may or may not get an earlier hearing but our professional approach is recognised by the Courts and never questioned. We have only ever been 'rolled' once by a Magistrate and while I didn't like it, I accepted the decision. So, because the Courts know that EIS fully document everything associated with the claim, 99% of the time it's a favourable outcome for EIS."

Some agents who are not confident enough employ solicitors to handle their legal arrangements for them, then levy their clients for the cost of legal representation. Randall believes that there is no need for the 'legal eagles' as he handles all legal requirements on behalf of EIS. "It's a civil matter and quite simple to follow all the procedures."

Rental market continues downward trend

Since our last newsletter the vacancy rate has increased again! In some cases EIS is looking at 4 to 6 weeks before some homes are leased. There are not as many people renting compared with

the same period last year. The present deterioration is quite significant – Randall hasn't seen such a rapid drop for more than a decade. "The cheaper type properties will always do reasonably well but some of the larger homes and units are being forced to reduce their rents. As an example, a recent property at \$410 per week had only been on the market for 3 to 4 days when the owner called to drop it back to \$390.

No relief in sight

In the shorter term Randall can't see much improvement. At the present time the days of big rent increases are over! "On the first of the month we conduct our rent and lease reviews. In the latest round EIS increased only two units in Battery Point, all the rest were at market rent.

There are a number of fully furnished properties vacant as well, which is a sure sign that the corporate types are not coming to the State.

Calls for help from non EIS clients

EIS are also getting requests for help from owners with properties at other agents. Randall's advice, "The help I have been giving is: 'reduce your rent' – not what they want to hear!

Checks on tenant applications

A recent application from three young women who claimed they were 'fruit pickers' raised a few eyebrows with EIS staff. They didn't look like typical fruit pickers but they wanted to lease a property in Liverpool Street in the City. Staff started doing a series of checks on the girls from Melbourne who were in their 20's. They gave a series of Melbourne numbers to call and EIS staff then rang around. However they came unstuck when they mentioned that they were working for a new fruit picking company but couldn't remember the name! After a few more calls it became quite evident that they were not what they claimed to be. This again proves that checks and references must be conducted thoroughly.

HIA benefits EIS brand

EIS is now advertising in the Housing Industry Association's fortnightly magazine. "Being a member of the HIA, has been extremely beneficial to EIS. We now have quite a few links to builders around the city. HIA representatives also contact us with valuable information and major tips on building houses and units."

EIS has also picked up a few properties from builders. "The HIA has a range of courses that they conduct together with constant updates on various products. Unless you're a member, you would have to spend a day out of the office at Mitre 10 or Bunnings to know what's new on the shelf. The Association also provides an excellent vehicle to get our brand out in the market place.

We're attempting to target our advertising more effectively, rather than placing huge ads in the newspaper and so far it's working extremely well."



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