

# Maintaining Management Fees

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When taking on new landlords it's important to maintain minimum standards in respect of management fees.

Most business owners will be aware that a well run, efficient property management department will often assist in the long-term success of a business by providing regular cash-flow.

However, the costs associated with running a business seem to be continually going up. Agencies are seeing increased pressure on wages, motor vehicle running cost, service delivery, reporting requirements, rent and insurance.

Yet, some owners feel the need to reduce fees!!

Reducing management fees can quickly erode the value of your rent roll. Low fees also have a tendency to attract the wrong landlord and in turn, the wrong tenant.

More importantly, low fees will seriously affect cash-flow and profit.

I recently had a client that would not charge letting fees. This had an impact on the eventual sale price as buyers were turned off by the loss of this vital income stream.

It is important to include letting fees, administration fees, re-letting fees, advertising and tribunal costs as this can have an enormous impact to your bottom line. It just may simply be a case of improving skills in knowing how to ask for this income that will make all the difference.

There are many ways to improve these skills through seminars, specialist trainers, on-line training covering this topic or simply just use Google.

Please feel free to contact me on (03) 9888 6488 / 0407 526 431 or email [gary@wollermann.com.au](mailto:gary@wollermann.com.au) anytime to discuss your rent roll.