

## Staff training and targeted advertising spend a key contributor to agency profitability, reveals survey

With property management contributing an average 56% of agency revenue, the importance of best practice in team development and training, and marketing spend across the best channels are key to ongoing business profitability, according to new survey data by national rental property website Rent.com.au.

Rent.com.au's latest survey data showed Australian property management heads, principals and business development managers were primarily concerned with four key risks to their agency's profitability: Staff turnover, staff training, rent roll growth and the cost and direction of their advertising and marketing spend.

Conversely, key contributors to profitability were marked as the number of secured new managements, ongoing property management fees and income picked up from the sales team.

More than half of respondents (55.2%) in Rent.com.au's February 'Best Practice and Finance' survey indicated their agency set an overall revenue target for the business, while 28.9% reported they had set individual targets for both the sales and management departments. Others indicated the number of managed properties determined their department's profitability.

Property management heads reported that staff training was primarily allocated between 0-10% annually (78.95%), while 15.79% reported 11-20% of their budget was pushed in that direction. The remaining 5.26% of survey respondents indicated training was prioritised with 21-30% of their agency's budget. Total staff turnover in the department was, on average, 5.2% according to the survey.

### A summary of the key results include:

- At present, respondents indicated they managed on average 101-200 properties (25.64%), followed by 17.95% for both 301-500 and 500+ ranges.
- 38.46% of property management heads indicated they would like to manage more than 500 properties, while 101-200 and 301-500 properties came in equal second on 17.95%.
- The key methods of securing new managements were: Referrals from owners (81.58%), referrals from tenants (41.11%), networking (47.37%) and referrals from the sales team (47.37%).
- Survey respondents indicated they spend the majority of their allocated budget on subscriptions to portals (70.27%)
- 41% of property management heads indicated they met with their department every day.
- 67.5% said they had a rent arrears percentage under 5%.

Rent.com.au CEO and Founder Mark Woschnak said it was positive to see a focus on opportunities for advancement in property management departments, together with training and a clear career path for staff: "Our results show that property management heads have prioritised growth and staff development by meeting on a regular basis with their teams. The majority (41.03%) indicated they would meet daily with their team, which suggests a strong commitment to immediate support and resolution for potential conflicts."

Rent.com.au's insights revealed rent arrears are well managed across a number of agencies, with the majority (67.5%) indicating their arrears were under 5%, closely followed by 24.3% with between 6-10%.

"Good property management resulting in repeat business and satisfied clients continues to be a key contributor to agency profitability," Woschnak said. "While the sales impact on a company's revenue is clear for the 74.58% of respondents who work in an agency that operates across sales and property management, our results indicate that strong communication, knowledge of properties and the local area, a set fee structure and benchmarks are key 'best practice' tools."

The results showed that marketing budget is annually directed to advertising options such as local subscriptions to portals, local sponsorships, Facebook and Google Adwords.

*The 'Best Practice and Finance' property management survey was conducted in February 2016 by Rent.com.au*

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## NOTES TO EDITOR

### About Rent.com.au

Australia's leading, dedicated rental property website and business, Rent.com.au, is focused on delivering a single marketplace for renters, property agents and non-agent landlords. The site is the only national property portal in Australia that focuses exclusively on the rental market and is now a top ten national property website.

Established in 2007 by property and media entrepreneur, Mark Woschnak, the company has identified the gap in the market place with relation to the provision of a site dedicated to rental property and the rental process. Since commencement, the company has experienced rapid growth in its profile and services for the number of renters in Australia (30% of the population).

The company's recent listing on the ASX in June 2015, has propelled the company into a dynamic phase of growth as it strengthens its leading position in the market as the 'Home for Renters in Australia'. As Australia's only dedicated online website for renters, Rent.com.au envisages a strong upward trend in the rental demographic in Australia.

### References to Rent.com.au

General Mentions - rent.com.au (or 'the company')

General Titles /Headings - Rent.com.au

The website - www.rent.com.au (or the site)

Financial /ASX reference - Rent.com.au Limited (ASX: **RNT**)