PRESENCE REAL ESTATE

FREE GUIDE

5 signs your property manager is **costing you money**

The warning signs that quietly affect your rent, vacancy, maintenance and overall investment performance, and what to do about each one.

INVESTMENT OWNERS · NEWCASTLE & THE HUNTER · 2026 EDITION

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WHAT'S INSIDE

Underperformance is rarely loud

Poor property management almost never announces itself. There is no single bad month. There is a rent that drifts below market, a vacancy nobody explains, a repair that takes three weeks, and a return that quietly settles below what the property is capable of.

START HERE

The fee is not the number that matters

Most owners assess their property manager on the management fee. It is the easiest number to compare, and the least important one.

Take a property renting at $650 a week. Annual gross rent is $33,800. A management fee that is one percentage point higher costs roughly $338 a year.

Now take the same property and add two extra weeks of vacancy between tenancies. That costs $1,300, close to four times the fee difference, and it happens in a fortnight rather than over a year.

Add a rent sitting $25 a week under market, and that is another $1,300 a year, every year, until someone corrects it.

> **THE POINT**
>
> Vacancy, rent positioning, maintenance decisions and tenant quality move far more money than the fee does. A cheaper manager who is slower to lease and slower to review rent is not cheaper. Judge management on the outcomes, not the invoice.

HOW TO USE THIS GUIDE

Each of the five signs is written so you can check it against your own property today, using information you either already have or can request from your agent in a single email. Page 9 turns all of it into a scored checklist.

If several signs apply, that does not automatically mean you should switch agents. It means the property is worth reviewing properly.

Figures used throughout this guide are illustrative examples chosen to show how the maths works. They are not estimates of your property's rent, vacancy or returns.

SIGN ONE

01

Your rent hasn't been reviewed against real evidence

Not reviewed in the sense of a passing comment. Reviewed in the sense of comparable leased properties, days on market, and a documented recommendation with a date attached.

Under-market rent is the most common and least visible drag on an investment property, because nothing goes wrong. The rent arrives. The tenant stays. The number just never moves with the market.

WHY TIMING MATTERS MORE THAN IT USED TO

Once in any 12 months. Since 31 October 2024 in NSW, rent cannot be increased within the first 12 months of an agreement, and cannot be increased more than once in any 12-month period. This applies to both fixed-term and periodic agreements.

Renewals are treated as the same agreement for this purpose where the landlord is unchanged, at least one tenant is the same, and the tenant hasn't moved out between agreements.

At least 60 days' written notice is required before an increase takes effect.

From 19 May 2025, ending a tenancy requires a valid, prescribed reason. 'No grounds' terminations are no longer available.

What good looks like

— You know the date your next review window opens, before it opens.

— You receive comparable leasing evidence, not an opinion.

— The recommendation weighs the increase against vacancy risk and the value of a good sitting tenant, and says so.

— A decision to hold the rent is a decision, made deliberately and recorded, not an oversight.

> ASK YOUR AGENT THIS
>
> "When was the rent last formally reviewed, what evidence was it based on, and when does the next review window open?" The speed and specificity of the answer tells you most of what you need to know.

SIGN TWO

02

You only hear from your agent when something goes wrong

Communication looks like a soft issue. It isn't. Almost every expensive problem in property management is a small problem that was communicated late.

A tenant flagging a leak that takes a fortnight to reach you. An arrears pattern you learn about in month three. A lease expiry you find out about with two weeks left to make a decision. In each case the cost is not the event, it is the lost time to respond to it.

The warning signs

- You cannot remember the last proactive update that wasn't an invoice or a problem.
- Routine inspection reports arrive late, arrive without photos, or don't arrive.
- You deal with a different person each time and have to re-explain the property's history.
- Calls and emails take more than one business day to be acknowledged.
- You learn about lease expiries, arrears or maintenance issues after the point where you could have influenced them.
- Nobody has ever told you how long the property took to lease, or how that compares to similar properties.

> **THE STANDARD TO HOLD THEM TO**
>
> You should be able to answer four questions at any moment: is the rent paid, when does the lease end, what is outstanding on maintenance, and how is the property tracking against the market. If getting those answers requires chasing, the reporting is not doing its job.

Presence offers a Communication Guarantee, backed in writing. Guarantee names are shown for reference only, and full conditions are provided in writing before you engage Presence.

SIGN THREE

03

Vacancy runs longer than it should, and nobody can say why

Vacancy is the most expensive number in property management, and the one owners are given the least information about.

On a property renting at $650 a week, four weeks vacant costs $2,600, which is close to 7.7 per cent of a full year's gross rent. No fee negotiation recovers that. No rent increase recovers it quickly either.

What a competent manager should be able to tell you

- How many days the property took to lease, and how that compares to similar properties in the same area.
- How many enquiries the listing generated, how many converted to inspections, and how many became applications.
- Where the drop-off happened. Weak enquiry is a price or presentation problem. Strong enquiry with no applications is usually a property or process problem.
- What was changed in response, and when.

> **THE PATTERN TO WATCH FOR**
>
> Vacancy blamed entirely on 'the market', with no enquiry data behind the claim. The market is real, and it does move. But it is also the easiest explanation to reach for when the listing was late, the photos were poor, the price was untested, or nobody followed up the enquiries.

WHERE VACANCY IS USUALLY LOST

Before the property is even empty. Lease expiries that aren't managed months ahead, no early conversation with the existing tenant, marketing that starts after the tenant vacates rather than before, and no ready pool of qualified applicants. A vacancy that starts late has already cost you.

SIGN FOUR

04

Maintenance is reactive, slow and unquoted

Maintenance is where a well-run property quietly protects its value, and where a poorly run one quietly loses it.

In NSW, landlords are required to provide and maintain rented premises in a reasonable state of repair, and the law sets out categories of urgent repairs that must be dealt with promptly. Smoke alarms carry their own ongoing obligations, including regular checking and maintenance. These are not optional, and they are your obligations as the owner, whoever manages the property.

The signs it isn't being run well

- Work is approved and completed without a written quote, or without your approval at all beyond the agreed threshold.
- The same issue recurs, because each time it was patched rather than diagnosed.
- Tradespeople are chosen for availability rather than suitability, and nobody checks the work afterwards.
- Inspection reports don't identify emerging issues, only completed damage.
- You have no record of what has been spent on the property, or on what.

> **THE COMPOUNDING COST**
>
> Deferred maintenance rarely stays the same size. Water gets into more than it started in, tenants stop reporting issues they expect to be ignored, and presentation slips far enough to affect what the property will lease for. By the time it becomes visible it is capital expenditure, not maintenance.

Where you improve or replace items, keep the records. New assets you install can affect your depreciation position, and your accountant and quantity surveyor will need the detail.

SIGN FIVE

05

Nobody has ever raised the property's upside with you

This is the sign owners notice last, because nothing is going wrong. Rent arrives, the property is tenanted, the reports are fine. It just never gets better.

Collecting rent and processing repairs is the baseline. It is not, on its own, management. The question a manager should be bringing to you at least once a year is simple: what would make this property perform better than it does now?

Conversations you should have had by now

- Whether a specific, costed improvement would lift the rent by more than it costs to fund.
- Whether the property has development potential, such as a secondary dwelling, duplex or subdivision pathway.
- Whether you hold a current depreciation schedule, and whether it has been updated since the last improvement.
- What the property would be worth today on comparable sales evidence, not just what it rents for.
- Whether the current structure and equity position support your next move.
- Whether short-stay accommodation is worth considering, and what would apply at your address.

> **THE TEST**
>
> Think back over the last two years. How many times has your agent brought you an idea rather than an invoice? If the answer is none, the property has been maintained rather than managed.

Short-stay accommodation in NSW is regulated through the Short-Term Rental Accommodation framework, which includes registration requirements and, in some areas, limits on non-hosted nights. Check what applies to your specific address before making any change.

Score your current management

Tick every statement that is true today. Nine or more, your property is being managed well. Six to eight, there are gaps worth raising. Five or fewer, the property is worth a proper review.

- [ ] **I know when my next rent review window opens.**
- [ ] **My last rent review came with comparable leasing evidence.**
- [ ] **I know how many days my property took to lease last time.**
  And how that compared to similar properties.
- [ ] **I receive routine inspection reports on time, with photos.**
- [ ] **I deal with a consistent point of contact who knows the property.**
- [ ] **Calls and emails are acknowledged within one business day.**
- [ ] **Maintenance over the agreed threshold is quoted before it is approved.**
- [ ] **I have a clear record of what has been spent on the property.**
- [ ] **I know my current lease expiry date without having to look it up.**
- [ ] **I hold a current depreciation schedule.**
- [ ] **Someone has discussed improvement or development potential with me in the last 12 months.**
- [ ] **I could state today what my property is worth, on evidence.**

> A FAIR CAVEAT
>
> A low score does not always mean the wrong agent. Sometimes it means the wrong instructions, or a conversation that never happened. Start by asking. The response you get is the real answer.

What switching actually involves

Switching managers is usually less complicated than owners expect, and it is a secondary consideration rather than the point. The point is whether the property is performing.

The mechanics

- It normally comes down to the notice period in your current management agreement, often around 30 to 60 days.
- Your incoming agent can coordinate the handover with your current agent, including the transfer of the tenancy file, bond details, keys and maintenance history.
- The tenancy itself continues. Your tenant's agreement is with you as the owner, not with the agency.
- If you are currently under an agreement, the first step is simply to read the notice clause and confirm the position.

QUESTIONS TO ASK ANY AGENT BEFORE YOU APPOINT THEM

What is your average days on market for this type of property, and how do you measure it? Who will manage this property day to day, and how many properties do they hold? What is your process for rent reviews and lease renewals, and when will I hear from you? What is the maintenance approval threshold, and what happens above it? What are the notice terms if I am not satisfied? And what will you bring me each year beyond a statement?

> WORTH KNOWING
>
> Presence does not require a fixed 12 or 24-month management term, although normal notice periods apply. If changing agents makes sense after a review, we explain the notice period, the handover process and what we can coordinate. If it doesn't make sense, we say so.

Notice periods, break provisions and handover requirements vary between agreements. Read your own agreement, and obtain legal advice if the position is unclear.

THE FULL REVIEW

The 9-Point Property Upside Audit

Nine areas where an investment property may be under-performing, and where the upside usually is. This is the framework behind the free Property Investment Upside Assessment.

1	Property value and comparable sales
2	Rent and leasing performance
3	Property management and tenant experience
4	Renovation and improvement opportunities
5	Short-stay or short-term rental opportunity
6	Depreciation opportunities
7	Equity uplift through improvements
8	Finance structure and potential equity release
9	Development potential, including secondary dwellings, duplexes or subdivision where relevant

ABOUT PRESENCE

Local evidence, not general theory

Presence is a Newcastle-based property group operating across Newcastle, Lake Macquarie, Maitland and the Hunter.

21+

years of local experience

5,000+

property transactions across Newcastle, Lake Macquarie and the Hunter

210,000+

properties in our research database across Greater Newcastle, including Newcastle, Lake Macquarie, Maitland and the Hunter

50,000+

property owners in our direct contact database, many with known intentions

4.5★

from 479 Google reviews

5.0★

from 514 realestate.com.au reviews

Presence is a member of the Real Estate Institute of New South Wales (REINSW). Review counts and ratings are as published at the time of writing and will change over time.

What managed owners get

— Performance Leasing and Superior Results Guarantee, our leasing and results commitment.

— Communication Guarantee, with standards you can hold us to, backed in writing.

— Regular Property Upside Assessments, so the property keeps being reviewed rather than just administered.

— Coordinated management handover from your current agent, with minimal disruption.

— Support finding and securing a suitable new tenant where required.

Guarantee names are shown for reference only. Full conditions are provided in writing before you engage Presence.

IN OUR CLIENTS' WORDS

'Very quick in finding a new tenant, we work extremely well together.'

Joanne van Camp, verified investor review

'Approachable, responsive, genuinely attentive.'

P.L.I. Wimalaratne, verified tenant review

YOUR NEXT STEP

If more than a few of these signs applied, the property is worth 30 minutes and a written report.

THE PROPERTY INVESTMENT UPSIDE ASSESSMENT

A free 30-minute property review covering rent, management, value, renovation, equity and finance, followed by a written Property Upside Report. No obligation to switch or engage Presence.

01 **9-Point Property Upside Audit**

The nine areas where your property may be under-performing.

02 **Written Property Upside Report**

A personalised summary of the opportunities identified and the next steps worth considering.

03 **Switch Support Review**

If changing agents makes sense, we explain the notice period and handover process.

04 **Finance and structure pathway**

Where useful, help preparing clearer questions for your finance, accounting or legal professionals.

No cost. No obligation. Written report included.

Book your assessment: presence.realestate/property-upside-assessment

Property management: +61 2 4926 0628 · **Repairs and maintenance:** +61 2 4926 0695

IMPORTANT INFORMATION

What this guide is, and what it isn't

GENERAL INFORMATION ONLY

This guide provides general information for owners of residential investment property in New South Wales. It does not take account of your objectives, financial situation or needs, and it is not financial, taxation, legal or investment advice. You should obtain advice from the appropriate qualified professionals before making any decision.

ILLUSTRATIVE FIGURES

The dollar figures used in this guide are illustrative examples selected to demonstrate how the arithmetic works. They are not estimates, projections or guarantees of rent, vacancy, costs or returns for any property.

TENANCY REFERENCES

Tenancy references are drawn from the Residential Tenancies Act 2010 (NSW) and associated regulations, including changes that commenced on 31 October 2024 and 19 May 2025. Exceptions apply to some agreements, including certain fixed-term agreements entered into before 13 December 2024. Refer to NSW Fair Trading or obtain legal advice for your circumstances.

SHORT-TERM RENTAL ACCOMMODATION

Short-stay accommodation in NSW is subject to the Short-Term Rental Accommodation framework, including registration requirements and, in some areas, limits on non-hosted nights. Requirements vary by location and by property. Confirm what applies to your address before making any change to how the property is let.

DEPRECIATION

Depreciation entitlements depend on the property, the date of acquisition, the ownership structure and your individual circumstances. Speak with a registered tax agent and a qualified quantity surveyor.

GUARANTEES, REVIEWS AND RESULTS

Guarantee names are shown for reference only. Full property management guarantee conditions are provided in writing before you engage Presence. Review counts and ratings are as published at the time of writing and change over time. No rent increase, finance approval, development approval, profit or investment outcome is guaranteed, and individual results vary.

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