



‘CAN I GET A SECOND QUOTE FOR THAT?’ Managing the critical shortage of trade suppliers

You would have heard about the current shortage of building contractors which is causing massive delays and price increases across the construction industry.

Queensland has been hit hard due to the widespread damage caused by the Feb 2022 floods, with many properties still waiting on roof and internal repairs to be completed.

Trade suppliers are reporting staff shortages, wage rises, and increased costs for materials and fuel. With demand for contractors at an all-time high, they can afford to be selective on the jobs they take, and their prices are increasing.

As a result, managing maintenance for our properties has become challenging and we are dealing with delays, no-shows, and cancellations on a daily basis.

Time is of the Essence!

As a property owner, you are required by law to ensure the property is fit to live in and inclusions are all in working order (Section 185 of the RTRA Act).

Of course, any safety issues must be dealt with immediately to protect you from litigation resulting from injury or death.

However, even if it's 'routine' maintenance, such as a broken appliance or other fixture, you are required to repair them in a reasonable amount of time. If there is even a slight delay, your tenants could be entitled to compensation from you until the problem is fixed - even if the delay is out of your control. The current trade shortage adds to the time pressure, so if a repair is not approved immediately, financial risk to you is increased.

Something's Gotta Give...

Understanding that property owners need to make their investments work for them financially, we work with our contractors to try to minimise repair costs where possible.

While providing free quotes was once expected on all jobs, this is becoming a thing of the past. Contractors simply do not have the time or staff available. Even desktop quotes take time and many small operators are working late into the night to get them done. Contractors are advising us that due to lack of staff and time, quote requests go to the bottom of the list as they prioritise work orders. Even if a contractor does agree to a free quote, you can be sure that they will build it into the cost of the job.

A Question of Trust

The benefits of having us as your managing agent is that we can leverage our size and reputation to attract good quality contractors who are careful to keep their prices reasonable.

We have a strict selection process for our contractors, including conducting an interview and reference checks, and confirming their qualifications and insurance. This is imperative for us to place them in a position of trust, which includes handing out keys to someone's home.

So it all comes down to trust. Of course, our contractors will try to quote on larger jobs. But for many jobs, waiting to obtain several quotes will cause delays and start costing you money even before the job begins.

As your agent, the best advice we can give you is to trust in the trades that have proven themselves to us and don't delay on approving maintenance.

LEASING REPORT

Conditions ease temporarily for tenants as rent prices come back slightly.

As many people are aware, for most of 2022 the market has remained tight with vacancy rates under 1%, causing dramatic rent increases of up to 25%.

Interestingly over the Christmas period we saw a slight ease in the market with an increase in supply. This has been caused in part by tenants needing to relocate for the new year, many breaking their leases and thereby freeing up properties for others to move.

This increase in supply caused a sudden pause on rent increases in December, and we found that properties priced even \$10 above market received close to zero enquiry for the first time in a year. Across our entire rental list, the number of people at inspections went down as did applications.

It appears that we finally reached a limit.

Agents and lessors who were not agile in their responses kept listing at ever increasing rents and we noticed many properties on the internet languishing vacant for weeks.

Now that the holiday season is over, we are seeing supply start to decrease again and expect rent prices to slowly rise again.

Our leasing teams are on the ground daily, speaking with tenants and informing themselves on what's happening in the market. They are the first ones to recognise even the slightest change, and we utilise this expertise to provide valuable feedback to our owner clients on price adjustments.

Yes, we want you to achieve the best possible rent price - but not at the expense of a long vacancy time or a limited choice of good quality tenants which can cost you dearly.

IMPORTANT DATES

FOR

FEBRUARY

DISBURSEMENTS

Wed 1st Feb
Wed 8th Feb
Wed 15th Feb
Wed 22nd Feb
Wed 1st March

STATEMENT

Wed 1st March



'What's the best way to contact my Property Manager?'

If you have tried calling our general number, chances are you may have been put on hold. This is due to the high volume of calls we receive from tenants looking for rental properties.

Email is always the best form of contact, but if you want to speak with your PM, please use the direct phone number that we gave you and leave a voicemail message if not answered. The message will be emailed to the PM who will be able to respond at the earliest opportunity.

If you do not know your PM's direct number or email address, please feel free to email admin@solutionsproperty.com.au to request it.