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Managing Agents' Failure To Act Promptly Results In Loss Of Property Sales

Leading property management company, Chainbow, has cautioned in the current difficult residential market it is critical managing agents respond to solicitors' request for building information to assist in the conveyancing process. Many managing agents are typically slow to respond to requests for building accounts but now failure to act promptly is more likely to result in a lost sale.

Managing agents play a vital role in supplying solicitors with the last three years worth of building income and expenditure records for due diligence checks which include building insurance costs, ongoing maintenance costs and service charges.

According to Savills research, property prices throughout 2008 have already fallen by 4.4 per cent between may 2007 and may 2008 and are expected to decline by eight per cent in total by the end of the calendar year. The decline in property values means sellers are struggling to secure a reasonable sale before prices fall further and a delay with the conveyancing process could mean a sales loss.

Chainbow founder and chairman Roger Southam explains: "If agents hold up the sales process for up to 12 weeks, and house prices are expected to fall by eight per cent this year, than the seller is potentially losing two per cent on the value of their property due to the conveyancing process stalling. On a home that's worth £350,000, that's potentially £7,000 lost."

Chainbow argue that the reason why many managing agents are slow to respond is because providing the data is not a revenue generating system. However, according to Roger property managers should be more customer-focused and rely on providing the information to ensure customers remain happy and refer the good service company for their new properties.

Roger continues: "It is imperative that managing agents respond promptly to assist in the sales process. On average, have been able to turn around these enquiries usually within a week. This is quite an achievement given that many of our peers, as we have heard, process

conveyancing information requests in eight to twelve weeks. It is not about generating money by providing the service, rather creating good customer will. In our experience, good service means happy customer which means better referrals and long-term clients.”

Chainbow also highlights that the delays caused by managing agents are motivating sellers to withdraw from the market and turn to the rental market to take advantage of rising yields. As a result, a decrease in the number of homes available for sale on the market is adding to a decrease in the number of buyers.

Roger continues to explain: “a decline in the buying and selling of homes is adding to rising rental costs and fall in the value of properties. This adds pressure to the current credit crisis. It is a situation similar to what we witnessed in the early 1990s. There needs to be activity in order to prevent a property crash and the way managing agents can help prevent this is by helping to speed up selling transactions to prevent sellers and buyer from getting cold feet.”

Chainbow was founded by Roger Southam in 1989 and specialises in residential property management on behalf of owners, freeholders and developers. Chainbow aims to provide real value for money for its customers as well as changing their perceptions of property management. Chainbow does this through the provision of a clear charter aimed at setting out its values and promises to leaseholders, as well as an annual customer satisfaction survey intended to benchmark progress and identify areas for improvement.

Chainbow currently manages over 40 sites with 3,800 leaseholders across Greater London and intends to become the provider of choice property management and consultancy services in London.

For further information on Chainbow contact Tel: 020 7928 9944, email: property@chainbow.com or visit www.chainbow.com