

## Leave something in it for the next fellow!

With all the news in the press at the moment about how a publicly listed Management Rights operator is being challenged for allegedly ripping unseemly amounts from the rental returns of investor owners, it is timely to consider our own businesses, and the moral and ethical standards by which we operate.

Back in the early 80's when I was just starting out on my real estate career, I was fortunate enough to be taken under the wing of a highly respected lawyer who had developed a second career as a property developer. Among the many things I learnt from this gentleman - and the one thing I never forgot - was this piece of advice, "If you want to be truly successful in the property business, you must always leave something in the deal for the next fellow!"

He wasn't talking about Management Rights at the time, of course. He was warning me against trying to extract every last drop of blood out of a property transaction even to the extent of "screwing" the other party!

Does this have any resonance in your Management rights business? I have spoken to Resident Managers who seem proud of how much they charge their owners for this, and how much they charge their owners for that, and how they put a markup on this, and how they put a markup on that, and so on and so on! When I listen to these stories, I cringe, because far from running what they think are successful businesses, these managers are setting themselves up for trouble!

Do these managers really think their owners are deaf, dumb & stupid? For heavens sake, owners know when they are being ripped off! They just don't say anything at the time!

But one day, the manager will want an

extension on his agreement, or want some favourable resolution to be passed at the AGM, or want a waiving of his potential 3/2/1 liability, and guess what --- the chickens will come home to roost, the votes will cascade the other way, and sweet vengeance will be wrought! I am not remotely religious, but the story about how you reap what you sow has too much proven truth, in practical terms, to remain a simple parable.

When I ran my own Management Rights complex I did many little things for my owners for **NOTHING**. I know this is a totally foreign concept to a few managers, but bear with me and try to get your head around it! When I did things for NOTHING, I always made sure the owner **KNEW** I had done it for nothing --- I am not such a big believer in "karma" that I expected some spiritual force to advise them of my generosity.

Those of you who have heard me speak at a seminar know how I always wrote a personal note (in blue ink) at the bottom of every monthly statement I ever sent out. This is where I mentioned the "freebie" I had delivered for the owner.

***As a consequence, in three and a half years at that complex, I never had an outside agent asked to do an appraisal on a unit in my rental pool, I never had a single owner vote against a proposal I submitted to an AGM, and now a year later those same owners phone me to buy more real estate in Queensland.***

Would that be the case if I had spent three and a half years gouging every last penny out of my owners?

Thankfully, the gougers in our industry are few and far between, but a little self-examination from time to time does us no harm.

### The RAAS Story "Update".

Three and a half years ago, when the amazingly successful **RAAS Group** of today was just a vague idea in Geoff Glanville's mind, how could anyone have known what an impact it would make, and what changes it would bring!

For me, personally, as someone who has been a professional participant in the South East Queensland property industry for nearly 30 years, and a Management Rights practitioner for about six or seven of those years, I can say that a painless process for allowing Resident Unit Managers to sell within their complex is the most dramatic change I have seen in the dynamics of our industry.

We don't want to blow our own trumpet, but there are now about 200 or so RUMs in Queensland who are members of the **RAAS family** and sell units in their complexes with the advice and guidance of Geoff, Mike & Rusty. **The number is growing weekly because nothing will stop a good idea whose time has come!**

In addition to **RAAS Real Estate's** investment sales, in 2005/06 **RAAS RIGHTS** settled well in excess of \$50 million worth of Management Rights businesses, and we haven't even warmed up yet!

If you would like to find out a bit more about RAAS and how it might benefit you, send an email to [mike@raas.com.au](mailto:mike@raas.com.au) or phone our Administrative Head Office on 07 3711 2722. There is absolutely no obligation.

***If you would like to comment on anything you have read in The RAAS Report please write to us at PO Box 1325 Sunnybank Hills Q 4109 or send an email to [mike@raas.com.au](mailto:mike@raas.com.au).***



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