

News releases - John Rau

Clock ticking on dodgy property managers

John Rau

November 11, 2016

The proposed introduction of a registration system for managers of residential property aims to weed out unprofessional or dodgy operators.

At present, commercial property managers must be registered as a land agent or sales representative under the *Land Agents Act* – but the requirement does not extend to the residential property sector.

The move responds to demand with the State's consumer watchdog, Consumer and Business Services, receiving about 180 calls a month from tenants, property managers and landlords relating to either inadequate service or alleged inappropriate or poor behaviour from a property manager.

Complaints have included:

- tenants reporting faults such as broken hot water systems but no repairs being done.
- property owners being billed for work that was never done.
- Theft or misappropriation of trust monies. Two examples include allegations of stolen and /or misapplied trust money of \$25,000 (a 2015 investigation) and over \$70,000 (a 2014 investigation). In both cases the alleged offenders were residential property managers and Consumer and Business Services could only pursue a prosecution case against their employer, not the individual.

Proposed changes will include the development of a Code of Conduct for the real estate industry.

It would only apply to people who are employed by a registered land agent, not those with a less formal arrangement such as managing a residential property for a relative.

The Government will consult the industry and the non-Government sector on the proposal before releasing a draft Bill and Code of Conduct for public comment in the first quarter of next year.

Background

Extending the regulatory system to residential property management – and the development of a Code of Conduct – will bring South Australia into line with other states and territories.

Representative groups for tenants, property owners and agents have indicated that they support the proposal and want to work with the Government to establish the scheme.

Quotes attributable to Consumer and Business Services Minister John Rau

Tenants should be able to rent and landlords rent out a property, secure in the knowledge that a qualified, professional property manager will act properly.

The proposed changes will offer better protection to both tenants and landlords. The Code of Conduct will ensure the industry is held to a clear, high standard.

We will work with industry on what training managers might require, how standards will be set and enforced and how the scheme should be implemented.