

# Women in management rights going solo



Lyn Pearsall, Management Rights Specialist, MR Sales

**Resident managers play a vital role in the successful growth of strata title communities, which are so much a part of our landscape and of modern Queensland cities and regions.**

It is a 24/7 business and it is a hard call, requiring many skills and many hours, traditionally handled by a 'husband and wife' team. However, in a lot of cases more recently, women are the entrepreneurs in this demanding and growing industry and some of them are doing it solo.

Multitasking is a given delegation: essential and procedural tasks and documentation is a must. Communication and building relationships with all stakeholders becomes the mantra.

We asked four managers, three newcomers and an experienced manager, to tell of their journey thus far into this exciting and rewarding, albeit demanding, business. Their stories tell of the positives and negatives they experienced in their foray into this industry; in the hope of encouraging other operators (whether female, going solo or otherwise) to take a step forwards. ■

## Kate and Kirsten, from Excelsior, talk financial growth...

**Kate recently sold a café she had owned and operated for seven years. Kirsten owned a bookkeeping and cloud app integration business, with staff in Brisbane and overseas. She still manages the business remotely. Kirsten grew up on the Sunshine Coast and, still having family here, was looking for a means to move back. Buying a business with a contemporaneously attached residence was the best of both worlds. They elaborate:**

It meant we could earn an income and build an asset at the same time, living in a location we love. One of our life goals was to live on, or in view of, the water so this was a big factor in buying the property that chose us. Waking up to the beautiful Mooloolah river when it's high tide and glassy just makes the whole thing worthwhile.

This being our first foray into resident management rights, we knew we had a lot to learn. We also knew we had bought a business with an extremely low multiplier and there was going to be work needed to revitalise it. When we finally settled, we realised quickly that we had been left a shell of a business. No systems, most of the equipment needed replacing immediately, a PC that had the reservation program installed but had never been set-up or used properly, and the rest stripped. The only documents we were left were the Form 20as most of which hadn't been updated in 10 years. I think every alarm went off in the first couple of weeks, so we quickly got to know the fire control panel and the intricate workings of the sump pumps and the medieval PABX system we had inherited. Not to mention the fact that within 10 days of settling, we found out that three units from our letting pool were already for sale (all went to owner occupiers) and within a month, a total of seven units were on the market and two others were supposedly out of the letting pool for owners' personal use. Buying



Kate Jones and Kirsten Blake

a business is rarely plain-sailing, and it's difficult when the handover is less than ideal, but it does force you to get in and get intimate with everything early!

We naturally assumed our roles. Kate, with a background in helpdesk support and dispute resolution, is excellent at working with owners and dealing with any issues that arise for guests. She is action oriented and will get in and have a go at fixing things as soon as they are reported. This helps our owners and lets our guests see that we are not just listening but taking action. She is visible to everyone on a daily basis and owners are very complimentary of the improvements she has made in many areas.

Kirsten, who is very operational and systems-oriented, naturally took on the administrative role and set about organising the office and operational systems. We inherited a paper-based booking system with the old A3 bookings book and a desktop reservation system that wasn't integrated with a channel manager. The first thing she did was to get rid of the old desktop PC and network our reservation system so we could both access the database from our own laptops.

Eventually, we will migrate to a fully online system but for now we have gained a huge amount of efficiency

and gotten rid of a lot of paper wastage.

Optimising our profile on the major OTAs was also a fundamental early task and creating a tariff matrix that was consistent and relevant to our location and the standard of our accommodation and service was a given.

One thing that frustrated us during the due diligence, was the lack of detail we were able to get from the financials provided. This was mainly due to the fact that the bookkeeping structure did not support any detailed management analysis. Simple things, like being able to easily look at the GP percent for guest services and tour bookings as distinct from say owner reimbursable expenditure.

Kirsten made sure that our chart of accounts and tracking system within our accounts gives us this kind of information at a glance and has automated the reports needed from the reservation system to enter this data easily. This is fundamental to running a good business. To know your bottom-line, your breakeven points, your cashflow and have the ability to drill down and easily investigate any discrepancies. It's important to have these figures in place from the start, so you can easily exit from the business at a time that is good for you and not pay

exorbitant fees to an accountant or business broker to get the information sale-ready. Also, with the systems Kirsten has available in her bookkeeping business, we have an app (iBookkeep) installed on both of our mobiles that allows us to send receipts and invoices to our accounting system for processing, so it is easy to keep track of expenses in a timely manner.

We knew instinctively that first appearances are everything, so we made sure all of our guests knew our names and knew we were available if anything was a concern. We make sure that if a guest reports something, it is fixed, replaced and communicated to owners straight away. We respond to all reviews with gratitude, so guests know we listen and take action.

We recognised that a lot of our rooms were tired and could use a facelift and a good clean.

We couldn't do a lot about that immediately, but over time we have managed to work with our owners and have had a great response from them when we presented them with deals for replacing mattresses, lounges and curtains as well as repainting. Sometimes it's the simple things that make a huge difference and we have had so many comments from guests recently, saying how comfy the new beds are that it's easy to justify this small expense.

It will always be a challenge but now that the heat is off, it is a worthwhile one. We have been embraced by the Mooloolaba managers, who have made it an easier task by making sure we do not feel like we are doing it alone.

When you don't know what you don't know, you are driving blind but having others to fall back on has really helped us get through the tough stuff. It feels great not to be a newbie anymore as there seems to have been a large number of complexes that have changed hands since we took

over in June. It is exciting to be able to pass on what we have learnt, as the information has been graciously passed to us. We will be continually learning and adapting and we are excited of what Mooloolaba and the Sunshine Coast has to offer as it develops and grows.

Our first six-month results speak for themselves. We have achieved a consistent 25+ percent increase in gross revenue from holiday bookings month-on-month since the first month. In December, we managed a 55 percent increase. This is a result of slight increase in bookings (12-42 percent) as well as a 17-33 percent increase in average \$/night.

We took over in June 2017

Our owners are happy and are working with us to improve their own investment. We have picked up three apartments that weren't previously in our rental pool and although we lost a number of properties in our first month due to sales that were out of our control, we have built a good rapport with all of those new owners and three have now made their units available to us during holiday and peak periods.

We also had a goal to provide 10/10 service to guests and, although we can't control everything, our guests have reviewed us very favourably and helped us to achieve this goal on both Booking.com and Expedia.

We have also been able to increase our followers on Facebook from less than 1000 to almost 1700 with really good engagement on our posts.

We are very happy with our decision to buy a holiday management business and feel like we are settling into a community and lifestyle we will enjoy for a long time.

Many thanks to our network of local managers, who keep us sane and provide great support. ■



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Takings							Last Year	
Unit	2012	2013	2014	2015	2016	2017	Diff	Diff %
Jul	\$25,796	\$21,899	\$19,698	\$19,539	\$27,536	\$34,334	\$6,798	25%
Aug	\$20,892	\$30,245	\$27,707	\$27,898	\$28,865	\$36,769	\$7,904	27%
Sep	\$23,676	\$27,360	\$26,511	\$33,849	\$33,397	\$40,297	\$6,900	21%
Oct	\$25,869	\$28,476	\$29,378	\$33,373	\$25,953	\$34,985	\$9,032	35%
Nov	\$22,501	\$25,648	\$20,028	\$18,474	\$23,504	\$31,395	\$7,891	34%
Dec	\$32,083	\$38,952	\$33,880	\$40,896	\$36,005	\$55,855	\$19,850	55%

Occupancy							Last Year	
Unit	2012	2013	2014	2015	2016	2017	Diff	Diff %
Jul	59.9	58.0	51.8	52.4	55.8	64.4	8.5	15%
Aug	46.7	68.9	63.4	61.4	57.1	62.2	5.2	9%
Sep	51.6	64.4	56.3	63.4	63.7	62.4	-1.3	-2%
Oct	56.2	62.9	59.2	56.1	58.6	65.4	6.8	12%
Nov	51.7	57.3	48.2	42.1	58.0	58.4	0.4	1%
Dec	51.5	60.2	58.8	59.5	50.8	61.8	11.0	22%

Bookings							Last Year	
Unit	2012	2013	2014	2015	2016	2017	Diff	Diff %
Jul	50	44	38	38	60	67	7	12%
Aug	57	69	55	55	63	86	23	37%
Sep	64	71	53	72	74	88	14	19%
Oct	65	64	73	85	68	82	14	21%
Nov	67	68	54	57	53	75	22	42%
Dec	64	62	66	70	55	66	11	20%

Average \$per Night							Last Year	
Unit	2012	2013	2014	2015	2016	2017	Diff	Diff %
Jul	\$82	\$72	\$72	\$71	\$94	\$101	\$8	8%
Aug	\$85	\$83	\$83	\$86	\$96	\$112	\$16	17%
Sep	\$90	\$83	\$92	\$105	\$103	\$134	\$32	31%
Oct	\$87	\$86	\$94	\$113	\$84	\$108	\$24	29%
Nov	\$85	\$88	\$81	\$86	\$79	\$105	\$26	33%
Dec	\$118	\$122	\$109	\$130	\$135	\$146	\$11	8%



## Louise Pase, from Marina Residences, talks encouragement and self-belief...

**Having been a part of the management rights industry for several years, both owning/managing and selling, I found there was a general understanding and presumption in the industry that a two-person team was required in order to be able to manage successfully.**

I must admit, I tended to believe it myself until a good friend of mine encouraged me to take a leap of faith (in myself and my capabilities) and purchase an off-the-plan residential apartment building consisting of 84 upmarket apartments, that was being developed in Royal Pines by the Sunland Group.

It was a little daunting, to say the least. When I moved into my apartment, which had bare concrete floors at the time (as construction wasn't quite complete) and 83 empty apartments surrounding me at night, I did wonder if that leap of faith was a little over my head.

From what was, at first, a daunting decision soon became an incredible experience as I was encouraged and supported by some amazing people. I can't deny that there were many long hours, learning curves and pressures to consider but through all that, I met many wonderful owners, tenants and various tradespeople.

Marina Residences is a beautiful waterfront building, consisting of two five-storey buildings, a large swimming pool, four lifts, manicured gardens, a huge secure underground basement for parking and a stunning black-and-white marble foyer.

More than 60 percent of the building was tenanted and the balance owner-occupiers. I managed on my own for almost three years when I decided to sell and purchase another off-the-plan residential complex consisting of 57 townhouses, a swimming pool and manicured gardens in Mudgeeraba.

The main reason I agreed to write this article was because I wanted to encourage other people to realise that just because they may be on their own, that is not a reason to limit what you can achieve. We are quite often more capable than what we believe, or give ourselves credit for; you just need to have a little faith in yourself and to surround yourself with people that will encourage and support you, both personally and professionally.

Management rights is truly a unique industry, full of opportunities and remarkable experiences that should not be shied away from, just because you are flying solo. ■



## Myra Grindrod, from Nova Elysee, talks expectation versus reality...

**For the majority of my life, I had been what is known as 'a professional', which is somewhat strange for a farm girl!**

Beginning my career in banking with the CBC Bank then National Australia Bank. During this time, I studied part-time through NSW University and Sydney TAFE to complete an accounting and economics degree, which proved helpful during my time as a banker. After leaving the bank, I assumed the role of accountant for a family automotive spares parts business until the business was bought out by a multinational company. Following on from the accountant position, I went back to the banking industry but was restless. I purchased a franchise, which I opened and run with the help of my husband for a couple of years and was then offered a state co-ordinators role with the franchise back in Sydney. This role was demanding, varied and very satisfying.

Again, the itchy feet lingered and this was when I joined the accommodation industry, more than 20 years ago.

During my time in this industry, I have purchased businesses that needed a lot of work, not only

to the business but also to the buildings.

However, once again it was head down and face that challenge to change the image of the buildings that were lacking both maintenance and presentation, to encourage guests to want to stay. The turnaround took about six months once the large amount of maintenance and presentation issues were tended too. With the older building, maintenance is ongoing but you need to have a schedule and maintain it.

At one period during 2006-2009, I operated two buildings; one in Newcastle, studio apartments and motel rooms, and the one in Mooloolaba.

During this period, I would travel between the two businesses every three weeks in an effort to ensure the growth and maintenance of the business was on track. Nothing like two businesses just under 1000km apart!

I was not content with just accommodation so, together with my husband, we purchased a block of commercial property that we also managed and maintained here on the Sunshine Coast.

“ You will garner more respect from the tradies if you work with them, not at them

**How did I choose the building I purchased?**

Having always lived on-site and feeling there was no time of your own, having to be continually dressed for work, etc., I actively looked for something I could manage and work from my family home, searching sales sites, when I was offered the Walter lezzi Group of properties by the lovely Lyn.

The buildings included the beautifully presented Nova Apartments, just two years old, Saffire Apartments just under two years old, and Elysee Apartments, which was basically off-the-plan. Later this year, Pinnacle Apartments at Picnic Point will also come into service as an off-the-plan building.

This scenario is proving to be a little challenging at present, with it being the peak holiday season and new building teething, but I am sure that in the next couple of weeks, I will have time to put my feet on the ground and totally review all the buildings' day-to-day procedures, allowing me to grow the business. All three buildings have a good mix of owner occupier, permanent lets and holiday let.

Like with all businesses, no matter the type of business, you will always have your own way to carry out the day-to-day management practices, and you will no doubt make some changes over time. The key to those changes is to work hand-in-hand with your onsite committee and your tradespeople and not think you know better than those you have preceded. No single person can carry out all the duties that are needed to efficiently run a building without help; to try and do so is at your own peril. Maintenance, schedule

and programs are essential and need to be adhered too; together with good, open communication with those helping you carry out the duties. It is all very well to do the written side, but it is something else to ensure you carry out that schedule!

While I am far from being a feminist, being a female in any industry does have its challenges. I have worked, for most of my working life, in roles that have been considered male in the past, and have had to work very hard in both career and business to gain the respect of my male counterparts, who to some degree take a bad rap. They too, are facing enormous changes in the workplace. When necessary, I am quite capable of checking the odd sink tap, cleaning it and replacing; however, I think these duties are best left to the professionals. Since taking over, right on Christmas, I have faced some challenges with brand-new buildings that always have niggling little faults. However, I have worked through those issues with owners while the tradies have been on their annual holidays. An example would be electric gates not wanting to open and shut as required, but you talk to the professionals, climb up a ladder and, do what you can to resolve the problem then and there, so you can take remedial action later. It is not too hard!

You will garner more respect from the tradies if you work with them, not at them.

In general, I never see an issue that does not have a solution, and it has been my thinking all my life... leading me to where I am today: happy and content, doing what I love! ■

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