



Q: Would you run appraisal of our PM for sale? And what is be the process?

A: Hi Frank, Happy to work with you in terms of getting your rent roll ready for sale. Process would start with an initial meeting and a review of the financial statements.

Q: Is there a formula for valuing maintenance addons to PM business. So a rough idea? 2.5 times profit on it also?

A: Hi Phil, I have been thinking about your question since the webinar. There is no set formula for valuing maintenance addons to PM business. I am assuming that this would be a separate income stream that would not usually be included in the multiple set for the managements and related income such as letting fees. Each PM business needs to be considered and valued in its own right. Happy to have a discussion with you to clarify further if this helps. My contact details are DDI 093768860 or mobile 0272828038. Email carolep@wt.co.nz

Q: How about property management company with license to sell, would this ad value too ?

A: Hi Frank, When looking to sell Sales business with property management business there is a lot to consider. For the Sales business to add value to the overall sale, you would need to consider, retention of sales people post sale, reputation, market share, internal structure to support sales teams, commission structure, leases and the area that they are relevant in. There are some sales companies that I can think of that are in areas that you would pay for and others that you would not. Hope that this helps.

Q: Raewyn: Is it possible to actually visit the properties as part of the due diligence to really see what you're getting in terms of quality.

A: Hi Raewyn, the Vendor may not approve of you formally looking through the properties, but I would recommend at lease driving past and getting a feel for the area and state of the property as part of the due diligence. Cant hurt to do this.

Q: Raewyn: Has it ever happened that a landlord walks away 3 months and 1 day later and you can't get your money out. In theory you could have a landlord who is friends with the vendor etc, how does that work.

A: Hi Raewyn, this is always a risk. This risk is larger if you have multiple tenancies with one landlord, who has a long standing relationship with vendor. This is the type of risk that you want to determine when doing your due diligence. If you have a vendor who is not retiring, then you should see if you can determine the reason for sale and what their plans for the future are.

Q: What % is acceptable to hold back

A: Hi Raewyn, there is no set amount to hold back. It is usually negotiated between Vendor and Purchaser. If you feel that there is considerable risk for the loss of managements, hold back more for longer. I have seen pay downs over periods of 3 month to 18 months.