MEET THE SOFTWARE DESIGNED TO PUT YOU OUT OF BUSINESS

Contributed By: Nick Buick on October 9, 2018

It's perfectly legal, cheap, and a highly effective means for real estate agents to grow their rent rolls. I'm talking about prospecting software, and over the last decade it's become common-place in property management. From RPData, Pricefinder, Winning Edge, and many more, these systems are becoming faster, smarter and more efficient all the time. Their purpose, more or less, is to put you out of business.

Here's what Winning Edge has to say on their website about their tool:

"With more than 12 years' experience providing owner information to the real estate industry and multiple databases across Victoria and Queensland. Ownership Data is proven to assist in the generation of listings, rent rolls and sales…How can I utilise it? Utilize our data lists to generate your own mail marketing addressed directly to property owners by name at their address, whether they are investors or owners… Ownership Data does contain an extensive repository of numbers for you to utilize in your prospecting, and all phone numbers go directly to the owner's residency addresses not to the tenants"

If reading that snippet from their website doesn't give you a cold shiver, I don't know what will. The clearly stated purpose of these tools is to effectively deliver automated mail merges, telephone call lists, and door-knock run sheets of investors within apartment buildings to outside agents. With these tools, letting agents can identify all the investor owners in your building, find out how much rent they are currently getting, how long it took them to get it, their home and postal addresses and their home telephone numbers. Outside agents can send your owners letters, call them up at home

and even turn up at their doorstep, armed with whatever sales material they've produced to convince the investor to transfer the management agreement away from you.

In the case of onsite managers, this is particularly dangerous as your letting pool is much smaller and consolidated within a single building. It only takes one letting agent to decide to go after your building, and with a simple prospecting database, they can absolutely devastate your letting pool and destroy your entire business, both its income, and its total sale value. I have seen this happen a few times over the years, and managers call me up absolutely beside themselves, when they realise all-too-late, that their letting pool has been decimated.

"How did this happen" they often ask me… and the answer is as brutal as it is simple: You allowed it to. You personally gift-wrapped your entire letting pool up, tied a ribbon around it, and handed it directly to your competitors! And you did it entirely by choice!

You see these prospecting databases have one single vulnerability that is easily closed off to ensure not a single one of your owner's private information EVER sees the light of day: The Unit Number!

Day in, day out, one of the most common support questions my managers ask me is "How do I put the unit number on my listings?" I always answer the same way: "You don't!!!!" There is no AUP requirement to supply a unit number with your listings. You can start your address with the street number, only, and this is perfectly acceptable, even with multiple apartments or townhouses at the same complex (only houses will be rejected for multiples at the same street number location). You cannot use a fake unit number (this is illegal, of course, even if it's your own) but you can certainly omit this minor detail without any problem. And it is a minor detail, I can safely say that no one in the history of onsite management has failed to source a tenant because the unit number wasn't shown. No one cares about the unit number… no one that is, except your competitors.

You see, the second you disclose the unit number, even for a fraction of a second, it is collected by these prospecting databases, and held in perpetuity. Once the unit number has been exposed to the outside world, it can be cross-matched by the prospecting tool with the title record they have on file, and from here the owner's info is located. This is then cross-matched to any advertising campaigns that have been run, allowing the prospecting tool to gather the rental income data and marketing information, even photos of the inside of the unit and how well you did in presenting it to market (so I hope you didn't use a smart phone for the photography!).

Not only do outside agents use this information to implode your letting business, the ATO, Local Councils and State Government, Energy Companies and telemarketers also all use this data to identify owners of rental properties. If your owner forgot to declare their rental listing to the tax man, or their council rates aren't set as investment property, they could get in strife, and if it was you who gave them away they won't be impressed.

So the best thing you can possibly do to protect your business, your rent roll, and your owner's privacy, is NEVER disclose unit numbers on listings, not even for a second.

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