The Lettings Playbook | Are You Adding Value for Your Landlords?

In our Lettings Playbook series, we explore some of the biggest topics facing agents today. Each issue tackles a different challenge, and with landlords reviewing costs more closely than ever, this issue explores a simple but important question:

Are You Competing On Price, Or Competing On Value?

Competition in the lettings sector is nothing new. Every agent knows there will always be another business willing to offer a lower fee, a discounted management package or a special offer designed to win instructions.

But perhaps the bigger challenge isn't the competitor down the road; It's whether agents are unintentionally training landlords to focus on price in the first place.

The question is: what are you teaching them?



Are You Training Your Landlords To Shop On Price?

The lettings industry has never been short of competition, with some willing to reduce fees to win new landlords.

But what if the problem is that many agents are unintentionally training landlords to focus on price in the first place? Every conversation, management review, landlord update and interaction can shape how landlords perceive your value.

Therefore, the question is simple. Are you helping landlords understand what they are paying for? Or are you simply reminding them what they are paying?

In a market where landlords are reviewing costs more closely than ever, the answer matters.

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CASE STUDY | THE FEE CHALLENGE

A landlord with four rental properties contacts their managing agent. They've received a proposal from another local agency offering a lower management fee.

The difference isn't huge, however, the landlord wants to know whether their existing agent can match the offer.

At first glance, this could have been a conversation about price. A landlord has received a cheaper quote and wants to know whether their existing agent can match it.

However, the more the landlord explores what each agent is actually offering, the more it becomes clear that this isn't simply a comparison of management fees; it's a comparison of value.

They compared:

- A range of management options designed around the landlord's needs - from tenant find only through to a fully managed service including comprehensive referencing, Rent & Legal Protection, AML checks and tenancy documentation.
- Quarterly portfolio reviews, helping landlords plan ahead, maximise returns and identify potential issues, for example replacement carpets or work that will be required.
- A range of products and services designed to protect both the landlord and tenant, including Professional Guarantor and Income Protection solutions.
- Access to trusted suppliers and partners, helping ensure work is completed professionally, compliantly and with a clear audit trail.



The landlord may have started the conversation by asking about fees.

However, by the end of the discussion, the focus had shifted to something far more important: the service they were actually receiving in return.



Don’t Make Price The Problem

Agents may assume that landlords leave because another business is cheaper. Sometimes that's true - but the price could be the symptom of a different problem.

If landlords don't clearly understand what they're paying for, then the management fee becomes the most visible part of the relationship; and once that happens, every comparison becomes a price comparison.

This is where agents can find themselves trapped. This is because the more invisible their expertise becomes, the easier it is for landlords to reduce the conversation to percentages and monthly costs – which is a dangerous place to be.

There will always be somebody willing to be cheaper, but the agents who build stronger businesses are rarely the cheapest.

If one of your landlords was asked why they pay your management fee, what would they say?

Would they talk about expertise, protection and support? Or would they simply describe a list of administrative tasks? The answer could tell you a lot about how your service is perceived.

The Hidden Cost Of Value

One of the biggest challenges facing agents today is that much of their most valuable work happens behind the scenes.

Landlords don't see the hours spent reviewing legislative changes; They don't see staff training, compliance reviews and process improvements.

They don't necessarily see tenancy audits, or the systems, procedures and checks that you have designed to protect them from costly mistakes.

This means that some of the most important work agents do is almost entirely invisible; and this is a problem, because invisible value is difficult to appreciate.

If landlords don't understand what’s happening behind the scenes, they can easily assume that managing a tenancy is simply a case of collecting rent and organising repairs.

And the more complex the regulatory landscape becomes, the more important it is that agents actively communicate the value they provide.

Are You Leading With Cost Or Leading With Value?



This is where ambitious agents have an opportunity to differentiate themselves. Every agency talks about service, experience and customer care. Most agencies will tell landlords they are professional, knowledgeable and committed to delivering a high standard of support.

However, the strongest agencies will understand that value is not created by making claims. Value is created by helping landlords understand why that professionalism matters and what impact it has on their investment properties.

Rather than focusing on features, they focus on outcomes. They talk about the problems they've prevented, the risks they've reduced and the issues they've helped landlords avoid. They demonstrate the value of strong tenant selection, robust compliance processes and expert guidance when legislation changes.

Importantly, they help landlords understand that professional management is about far more than collecting rent and coordinating maintenance. Peace of mind may be one of the most valuable services an agent can provide.

REMEMBER

The cheapest agent in town may win a fee comparison, but the most valuable agent wins trust.

CASE STUDY | THE LANDLORD WHO STAYED

A landlord with a growing portfolio carries out an annual review of all their property-related costs. Like many landlords, they receive approaches from competitors promising lower fees and better value.

On paper, one of the offers looks attractive. However, before making a decision, the landlord reflects on the previous twelve months.

Their existing agent had provided regular updates about the Renters' Rights Act, and were able to answer their questions about tenancy reform.

They had identified concerns during referencing that prevented a potentially problematic tenancy.
They'd helped resolve a dispute quickly and professionally and had arranged Rent & Legal Protection.

When the landlord compared the two options, they weren't comparing fees - they were comparing outcomes, and the landlord stayed - not because the current agent was the cheapest, but because they were the easiest to trust.

REASSURANCE BACKED BY SOLUTIONS

PRE-QUALIFICATION

Helping you spot the best applications at an early stage, allowing landlords to create a stronger shortlist of potential tenants.

ROBUST REFERENCING

Including open banking checks as standard, provide a more complete picture of affordability and past rental performance. Our referencing combines the best tech, data and experienced fraud detection methods to help identify potential concerns that may otherwise go unnoticed.

PROFESSIONAL GUARANTOR

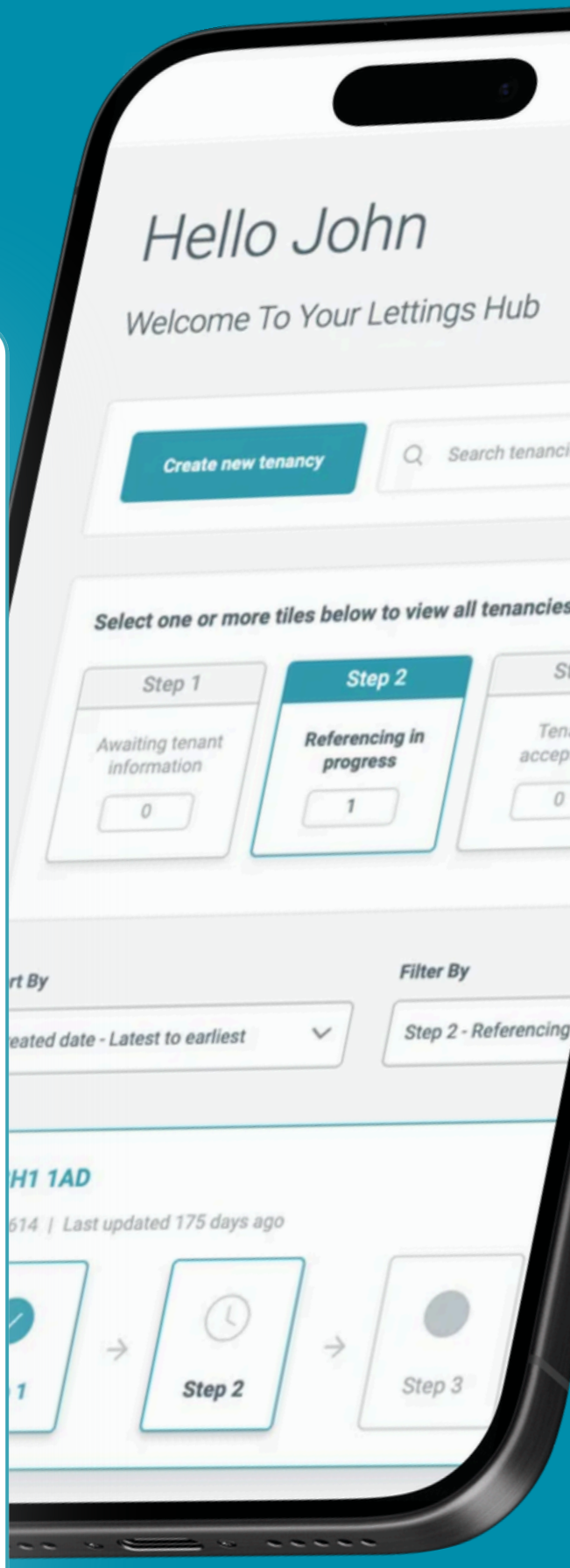
Give landlords greater security if the tenant doesn't have a UK-based guarantor and can't pay rent in advance.

DEPOSIT PROTECTION

Another important layer of reassurance, helping landlords feel confident that appropriate safeguards are in place throughout the tenancy.

RENT & LEGAL PROTECTION

With it being more important than ever, our Rent and Legal Protection has been updated to reflect today's landscape; providing increased protection and wider support.



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THE CHALLENGE - HOW ARE YOU DEMONSTRATING VALUE?

Landlords are under increasing pressure - costs are rising and the regulations have changed which means that expectations are evolving.



Ask yourself:

If a landlord reviewed your management agreement tomorrow, what would they say they are paying for?

If the answer is rent collection, inspections and maintenance coordination, you may have a problem. If the answer is expertise, guidance, protection, reassurance and peace of mind, you're building something much harder to replace.

Landlords will remain loyal when they believe they're getting value. The question is:

Are you demonstrating your value?

BOX FROM THE LETTINGS HUB

At The Lettings Hub, we're always here to support you through the ever-changing lettings landscape. With the Renters' Rights Act introducing new regulations, staying updated is crucial. That's why we offer a variety of resources to help you navigate these changes smoothly. From webinars and blogs to tailored guides, our platform is packed with expert insights. Be sure to follow us on LinkedIn and bookmark our Renters' Rights Hub for the latest updates, tips, and advice.

