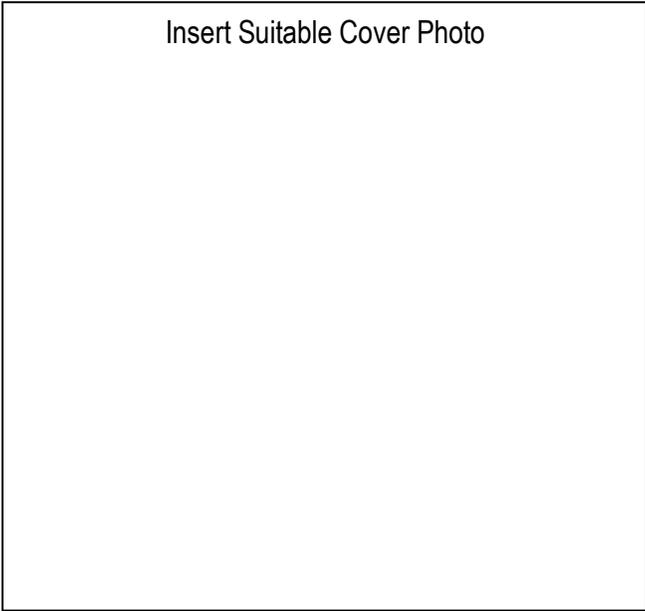


**Your Company Logo Here**

Company Name Here

# Property Owner's Handbook

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## **A Comprehensive Guide for Property Owners and Property Investors**

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# Exclusive Property Owner's Handbook

(Company Name/Logo)

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## Exclusive Property Owner's Handbook

### Introduction

We have constructed this comprehensive property owner's handbook as a service to our clients to familiarise you with our property management processes and procedures and tenancy management expectations.

We hope that you enjoy reading this handbook and ask that you become familiar with its contents. Should you have a query which you believe is not answered, please call us on **(number)** and we will be happy to assist you.

### Disclaimer

This handbook has been prepared by [insert name of real estate agent] as a guide for property owners and investors.

Our officers, employees, agents and associates believe that the information and material contained in this handbook is correct at the time of printing but do not guarantee or warrant the accuracy or currency of that information and material. To the maximum extent permitted by law, our officers, employees, agents and associates disclaim all responsibility for any loss or damage which any person may suffer from reliance on the information and material contained in this handbook or any opinion, conclusion or recommendation in the information and material whether the loss or damage is caused by any fault or negligence on the part of our officers, employees, agents and associates or otherwise.

The information relating to the law in this handbook is intended only as a summary and general overview on matters of interest. It is not intended to be comprehensive nor does it constitute legal advice. Whilst our officers, employees, agents and associates believe that such information is correct and current at the time of printing, we do not guarantee its accuracy or currency. Many factors unknown to us may affect the applicability of any statement or comment that we make to your particular circumstances and consequently you should seek appropriate legal advice from a qualified legal practitioner before acting or relying on any of the information contained in this handbook.

The information contained in the handbook is of a general nature and does not take into account your objectives, financial situation or needs. Before acting on any of the information you should consider its appropriateness, having regard to your own objectives, financial situation and needs.

# Section One

## Commonly Asked Questions

### Maximising Your Rent

#### How Do You Determine the Best Rent For My Property?

We always strive to get you the maximum rent possible; however we also must keep in mind setting the correct market rent to get your property rented as soon as possible. Both factors are important to present your property on the market successfully for rent.

To do this, we consider these factors:

- a) **Demand**- Is there a high or low demand for properties at present. This can be seasonal and affected by a number of factors.
- b) **What Is Available Now**- we look at properties currently available for rent in the newspaper and/or the internet, and consider their location and features for comparison to calculate a maximum rent for your property
- c) **What We Have Rented Right Now**- We compare your property with what we have currently rented, taking into account property location and features.

These factors allow us to give you enough information to set the right rent for your property.

#### What if I want a rent amount that is higher?

You may place your property on the market at the rental amount you wish. However keep in mind that it is the market demand that sets the rent, and if the market (prospective tenants looking for a rental property) deem the amount of rent too high, your property may stay vacant longer than necessary.

With this in mind, be aware your annual rental return will be **reduced by 2% for every week it is vacant!**

#### How is the rent reviewed during the time that you manage it?

When we need to secure you a new tenant, we will always review the rent against market conditions. This will also be done at lease renewal time, or at other times when required. We will always contact you for your permission before the rent is increased.

## **Getting the Best Tenant**

### **How Does Someone Apply For My Property?**

We always ask that the prospective tenant fill in an application form, signing giving permission for us to check the information provided. We will never discuss an applicant with you without this application form completed prior to contacting you.

### **What If An Applicant Contacts Me?**

If in the unlikely chance a prospective tenant contacts you to discuss their application, or in fact ask questions regarding their rejected application, we insist that you simply request that they contact us (your agent). If they persist we insist that you do not discuss anything further to avoid unnecessary problems and complications.

### **How Do You Check An Applicant?**

With the information provided we confirm their payment and tenancy history by calling their current and/or previous landlord/agent as well as confirming their employment, checking them against a National Tenancy Internet Database to see if they have been lodged as a bad tenant by a previous agent.

In some cases where an applicant may not have a tenancy history we try and confirm other information that may give us insight to show their ability to maintain a tenancy in your rental property, for example a stable employment history.

In some cases where this is not possible we may simply reject the application.

### **What reason do you have to give the applicant to reject their application?**

Legally we do not have to give a reason and by industry practice we never give a reason.

### **Who selects the applicant for my property?**

You do! We will simply give you the information we have collected and by using our experience give you a possible guide as to the tenancy outcome, but at the end of the day it is always your choice!

### **Do You Guarantee The Tenant?**

We can never guarantee any approved tenant for your property. We can only attempt to collect information on their past history and confirm their income arrangements. As their paying of rent and maintaining the property is purely voluntary we cannot guarantee any tenancy outcome. This is a landlord risk that comes with allowing someone else to rent your property!

## The Marketing of My Property

### What Do You Do To Advertise My Property?

Once we have a signed Management Agreement authorising us to act on your behalf, we list your property in the following forms of advertising:

1. **Newspaper-** Using the (Newspaper Name) we place the details of your property into our (Corporate Advert/Classifieds). This is charged to you, at the cost we are charged by that newspaper.
2. **Rental Listing Brochure-** Your property is added to our office listing brochure with a photo and details of your property. This is given to anyone that comes in looking for a rental property.
3. **Window Display-** a copy of our rental listing brochure is entered into our window display. This is popular for easy access after hours.
4. **Internet-** Your property along with photos is entered onto the following websites, maximising coverage to any prospective tenant using the Internet to locate a rental property.
  - a) [www.realestate.com.au](http://www.realestate.com.au)
  - b) (website of real estate network)
  - c) [www.domain.com.au](http://www.domain.com.au)
  - d) [www.homehound.com.au](http://www.homehound.com.au)

## Property Presentation

### How Should The Property Be Presented?

We ask that the property be presented in the best manner possible to attract the right tenant for your property. We don't want a bad first impression to detract the right tenant from renting your property. Please refer to our guide '**Getting the Property Ready for Your Tenant**' in **Section Three** with tips and a checklist on how to present your property for rent.

### How Clean Should The Property Be When A New Tenant Moves In?

The property should be presented 'reasonably clean' in accordance with legislative requirements. Please refer to our guide to '**Getting the Property Ready for Your Tenant**' in **Section Three** for recommended levels of cleanliness.

As a very general rule we ask the tenant to leave the property at the standard they found it.

In cases where the property is provided in an extreme level of cleanliness we ask the tenant to leave the property likewise. However in the case of a dispute legally we can only enforce that the tenant return the property in a 'reasonably clean' condition, this being their minimum legal obligation.

## **Pets at My Property (If Permitted)**

### **If I Allow Pets At My Property, What Expectations Will Be Given To The Tenant?**

We always sign a pet lease agreement with your tenant. This obligates them in 4 ways:

- a) No additional pet may occupy the property without prior permission.
- b) The pet may not come inside the property.
- c) The pet must be removed from the property if it becomes annoying or bothersome to neighbours (after reasonable warning has been given in writing).
- d) The tenant must be responsible for any damage caused by their pet, and remove any rubbish or faeces deposited by the pet.

We also record the details of the pet on the agreement, which is then signed by the tenant.

### **How Do I Ensure The Pet Will Not Come Inside The Property?**

We obligate the tenant to commit in writing that they will not bring the pet inside. However as we are unable to monitor the property all of the time, we cannot guarantee that the pet will not come inside the property.

We do look out for any warning signs whilst at the property conducting inspections. However, the only way to ensure that a pet will not come inside the property is to insist 'No Pets' right from the start of the tenancy.

## Receiving My Rent Monies

### When do I get paid my rent?

We will deposit all monies collected into your nominated bank account on the **(insert when it will be deposited)**

### How do you collect the rent?

We collect the rent by **(insert method of payment)**

### What happens if my tenant does not pay the rent?

Paying the rent is always a voluntary action on behalf of the tenant. We can never force a tenant to pay their rent. Even a tribunal can only 'order' a tenant to pay but can never physically *force* them to pay.

If a tenant does get behind in their rent payments, this is the process we follow.

**3 Days Behind-** (Action)

**5-7 Days Behind-** (Action)

**16 Days Behind-** Serve Termination Notice (This obligates the tenant to pay all monies owed within 8 days)

**Approx 4 weeks behind** (25-28 days) - Lodge Application with the Tribunal for an order of payment

**Approx 6 weeks behind** (40-47 days) - Tribunal Hearing- order given to pay or be evicted

**Approx 7-8 weeks behind-** Eviction may occur if payments are not made as per the tribunal order

As you can see, the full legal process can be very drawn out and lengthy.

Unfortunately the bond (4 to 6 weeks rent- depending on the weekly rent) will never cover the shortfall in rent.

Only if you have landlord insurance will there be a reasonable prospect of covering the rent payment shortfall, in the case of your tenant defaulting in their rent payments.

Without landlord insurance, the chance of recovering owed rent monies is minimal. If you have no protection for your rent payments, the problem is further compounded with the fact that the bond will probably be exhausted with owed rent. You will then most likely have cleaning up and re-letting costs, as well as outstanding monies like water owed by the tenant.

Therefore without landlord insurance, this process can be quite financially damaging.

## Section Two

# SA Tenancy Legislation- How It Affects You and Your Tenant



### How It Affects You and Your Tenant

For your information we have added some portions of the Residential Tenancies Act that we wish to inform you about. These are common areas that are commonly misunderstood, or are not aware of.

### Some Landlord Rights and Obligations

#### Discrimination Against Tenants With Children

**Sec 52.** (1) *A person must not refuse to grant a tenancy to another on the grounds that it is intended that a child should live on the premises.*

*Maximum penalty: \$1 000.*

(2) *A person must not-*

(a) *instruct a person not to grant; or*

(b) *state an intention (by advertisement or in any other way) not to grant,*

*a tenancy on the grounds that it is intended that a child should live on the premises.*

*(3) However, this section does not apply if the landlord, or an agent appointed by the landlord to manage the premises, resides in the premises to which the tenancy relates or in premises adjacent to those premises*

### **Tenant to pay only 2 weeks rent at the start of the tenancy**

**Sec 54.** *(1) A person must not require the payment of more than two weeks' rent under a residential tenancy agreement before the end of the first two weeks of the tenancy.*

### **Security at the Property**

**Sec 66.** *(1) It is a term of a residential tenancy agreement that-*

- (a) the landlord will take reasonable steps to provide and maintain the locks and other devices that are necessary to ensure the premises are reasonably secure; and*
- (b) neither the landlord nor the tenant will alter or remove a lock or security device or add a lock or security device without the consent of the other.*

### **Providing the Property Clean**

**Sec 67.** *It is a term of a residential tenancy agreement that the landlord will ensure that the premises, and ancillary property, are in a reasonable state of cleanliness when the tenant goes into occupation of the premises.*

### **Repairing The Property**

**Sec 68.** *(1) It is a term of a residential tenancy agreement that the landlord-*

- (a) will ensure that the premises, and ancillary property, are in a reasonable state of repair at the beginning of the tenancy and will keep them in a reasonable state of repair having regard to their age, character and prospective life;*

### **Allowance For Reasonable Wear and Tear**

**Sec 69** *(4) In deciding whether premises or other property is in reasonable condition, its condition when the tenant took possession of it, and the probable effect of reasonable wear and tear since that time, must be taken into account.*

## Section Three

### A Guide to Getting Your Property Ready for Tenancy



For your convenience we wish to provide you with a guide to getting your property ready for your new tenant. It covers common areas overlooked by owners when moving out.

We have also structured the guide into a convenient checklist format.

#### Some Things To Do

- Have your mail redirected.** Please ensure that all mail is re-directed to your new address.
- Utilities** - Electricity, Gas, Phone, etc. Please ensure all accounts are advised and cancelled accordingly. The only services to remain in your name (with your new postal address) is water and council rates.
- Appliance Manuals** - Please leave them on the kitchen counter.
- Keys** - Please ensure all locks have keys. Please supply 2 full sets of keys (one for our office, one for the tenant)

## Cleaning Guide Inside the Property

- Walls** - please clean off any dirty marks, removable scuff marks, finger or food marks etc.
- Ceilings** - Please remove any cobwebs
- Ceiling Mould** - please clean off (particularly in wet areas and sometimes in bedrooms).
- Light Fittings** – Clean off dust and remove any dead insects inside
- Ceiling Fans** – Wipe fan blades and tops of fittings to remove dust build up
- Skirtings** – Wipe down with a damp cloth
- Doorways, Doors** - Wipe off finger marks and any other removable marks
- Windows** – Clean inside and out - (please note - nearly all modern sliding aluminium windows can be lifted and pulled out for easy cleaning). Also sills and runners (wipe out dust build up and any dead insects. A vacuum cleaner and paint brush can really help here).
- Flyscreens** - brushed and dusted down. (Please be aware, most modern sliding aluminium windows allow for the flyscreens to be taken off from the inside only, once the sliding part of the window has been moved first. Attempting to take them off from the outside may result in damaging them).
- Screen Doors** - Front and Back including frames – wiped clean and screen wire brushed
- Stoves** – Clean stove top, control display, knobs, panels around knobs, any pull out or in-built drip trays, griller racks, trays and any inserts, oven racks, trays and oven bottom, walls and oven roof. A good oven cleaner will clean most ovens - **however it is of importance that you read carefully the instructions on the product**. Some cleaners can actually hinder oven surfaces (like stainless steel), and also some products have dangerous caustic fumes. Therefore use with extreme caution!
- Kitchen Rangehood** – Clean pull out filters and framework.
- Bathroom** - Clean sink, mirror, cabinet, vanity unit and drawers, shower recess, glass screen and screen doors, bath and wall tiles. Please ensure both the sink and the bath have a plug available.
- Toilet** - Clean cistern, seat, bowl inside and also outside around the base. Don't forget the skirting tiles around the toilet.
- Laundry** - Clean both the inside and outside of the trough, and underneath. Please ensure a plug is present.

## Section Four

### Our Written Service Standards and Guarantee



We commit to you in writing that we will perform the following duties when managing your property.

#### **Marketing Your Property For Lease**

- ✓ We will erect a 'For Lease' sign on your property within 2 working days of listing (if signs are permitted).
- ✓ We will place a listing for your property on all the real estate websites that we subscribe to and each listing will include at least 3 photographic images of the property.
- ✓ Your property will be accurately described and advertised in the newspapers (as mutually agreed between us).
- ✓ We will conduct an unlimited number of private viewings of your property and at least one 'Open for Inspection' each week until the property is leased (subject to access provided to us by any current occupant).
- ✓ All property viewings will be carried out by one of our representatives (we do not give out keys to prospective tenants).
- ✓ We will update you on the status of your available property at least twice each week and provide you with a weekly marketing report until such time as the property is leased.

## **Leasing Your Property**

- ✓ All information and references provided by tenancy applicants will be verified by us within 1 working day of receipt.
- ✓ All tenancy applicants will be screened on the national tenancy databases that we subscribe to.
- ✓ Unless you instruct otherwise, all potentially suitable tenancy applications will be referred to you for a decision.
- ✓ We will lease your property for the rental amount nominated in the Management Agency Agreement between us (or higher if the market justifies it) and the property will not be leased for a lower amount without your prior approval.
- ✓ Subject to the tenancy commencement date and the tenant's availability, we will prepare the tenancy documentation within 2 working days of tenancy approval.

## **Rent Collection**

- ✓ We have a zero tolerance rent arrears policy.
- ✓ We will follow up all rent payments in accordance with:
  - our fully documented arrears process, and
  - the requirements of the relevant legislation
- ✓ Should your tenant get to 16 days in arrears, we will contact you to seek your instructions regarding possible termination of the tenancy.
- ✓ Should termination of the tenancy be necessary, we will keep you informed throughout the legal process.
- ✓ You will be advised once the rent arrears have been paid by the tenant.

## **Rent Monies**

- ✓ All monies received by us will be banked into your nominated bank account, or posted by cheque to you within 2 working days of our Rent Statement close off date.
- ✓ We can provide you with 2 monthly rent payments (15<sup>th</sup> and 30<sup>th</sup>) if required.

## **Repairs and Maintenance**

- ✓ All non urgent repair requests from tenants will be attended to within 2 working days of receipt.
- ✓ We will not arrange any repairs to your property without your knowledge and approval (unless the repair is defined as "urgent" under the Residential Tenancies Act).
- ✓ We will attend to any "urgent" repair requests within 4 hours of receipt.
- ✓ All reasonable steps will be taken to obtain the best pricing for your repairs and maintenance.