



RESIDENTIAL & EXECUTIVE LEASING

LANDLORD HANDBOOK

INFORMATION

DETAILS: TM Residential & Executive Leasing

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THE AGENCY

TM Residential & Executive Leasing - The Difference

TM Residential and Executive Leasing combines experience with innovation and an unwavering enthusiasm and energy to provide a level of service which is unrivalled.

We offer the benefits and service which can only be afforded by a boutique agency coupled with thorough systems and processes typical of larger less personable agencies.

We offer a first class range of services to clients who prefer to deal with a specialist in the corporate and executive leasing markets. One of the advantages of a smaller specialised agency is the ability to provide better lines of communication and immediacy of service to our clients. This is what can be achieved when you are dealing directly with the owner of a business.

Our leasing team are specialists, educated in leasing trends and legislation and utilise diverse marketing techniques to successfully promote our properties. We expertly manage and oversee all aspects of your investment whilst focussing on a quick result, at the right price and more importantly to the right tenant.

While many agencies will trust your most valuable asset to junior staff, we value your relationship more and will ensure it is managed by only the best. We will continue to adapt and grow in an environment that is ever changing, and look forward to ensuring your property is managed to your expectation and satisfaction.

WHY CHOOSE US?

Our Key Points of Difference

- The owner of the business is always available to both landlords and tenants and is actively involved in the business and committed to working with you to achieve the ultimate outcome.
- Industry leading leasing ability with access to a large range of tenants through relocation agencies as well as directly with mining, financial and medical personnel moving to Perth.
- High-impact, innovative marketing to find you a quality tenant as quickly as possible.
- Insightful advice on improvements and alterations to help you maximise your rental return.
- We take great care in selecting the right tenant for your home – utilising a variety of databases to ensure checks and references are perfect.
- We communicate with you regularly and keep you informed along the way.
- We do what we say we do!



TM EXECUTIVE LEASING FEE SCHEDULE

Management Fee:**8.5% + GST (unfurnished)**

This covers rent collection, preparation of statements, payment of accounts, handling of tenant bond, arrangement of maintenance and contractor payment, invoicing and collection of outgoings and compliance with the Residential Tenancy Act 1987.

Leasing Fee:**2 weeks rent +GST**

Preparation and distribution of marketing material, signage and property profile. Showing property to prospective tenants, qualifying and screening prospective tenants. Preparation of tenancy agreement documentation and lodgement of bonds.

Property Condition Report:**\$150 - \$330 – RAW COST**

Prior to a tenant taking possession of your home a comprehensive report detailing all aspects of the property, both inside and out is carried out including supporting photographs for future reference.

Inspection Report:**\$80 – RAW COST**

Routine inspections are carried out after the first 6 weeks of a new tenancy and then every three months. A detailed report will be completed with supporting photographs and sent to you.

Final Bond Inspection:**\$195**

Once the tenant vacates we reinspect the property to ensure the condition is as per the initial report and arrange any cleaning, gardening and maintenance as required.

Inventory Report (if furnished)**\$165 + GST****Lease Renewal****1 week rent +GST****Court Preparation/Attendance****\$90 an hour to a max of \$360****Certificate of Title****at cost****Internet Marketing (feature property)****at cost****Signboard****at cost (approx. \$77.00)****Professional Photographs****at cost (approx. \$150)****End of Financial Year Summary****\$60.00 plus GST****Close of File****\$250.00 plus GST****Admin Fee****\$10.00 plus GST a month**

A FACT FOR LANDLORD

As of October 2009 The Building Amendment Regulations 2009 Part 10a Section 38 P (1 (a) & (b) &2) states that it is required by the Government of Western Australia that the owner of a dwelling is responsible to maintain and install the appropriate smoke alarms for their dwellings if the dwelling is available for rent.

Rules for Landlords to follow:

Landlords must ensure that their property is fitted with the required number of working smoke alarms complying with *The Building Amendment Regulations 2009*.

A landlord or agent must have the smoke alarm tested and cleaned prior to the start of a tenancy and when tenancy renewal is coming up. In addition, a landlord or agent must have the smoke alarms replaced in accordance with the manufacturer's instructions, each battery in the smoke alarm that is flat or that the landlord or agent is aware is almost flat.

The landlord or agent must also replace the smoke alarm before it reaches the end of its usual life. If the smoke alarm reaches the end of its service life, the landlord or agent must replace it immediately.

Your Responsibilities

Your property must comply with the legislation and The Building Amendment Regulations 2009 of Western Australia. This does not mean that you establish your property has a smoke alarm. You must ensure that the property has all the required number of smoke alarms, that the location of the smoke alarm is correct, and that all the smoke alarms are working and not past their expiry date.

Before the commencement of every new tenancy and/or tenancy renewal, you must ensure that the smoke alarms are inspected, tested, cleaned and battery changed (if necessary).

If you choose to use a property management group to manage your property then the obligation is also placed upon the managing agents under the common law to take reasonable care in relation to those persons to whom they owe a duty of care.

** It is prohibited by The Government of Western Australia to transfer responsibility to the tenant **

GETTING THE BEST TENANT

HOW DO WE 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 and checking them against a National Tenancy Internet Database (T.I.C.A) to see if they have been lodged as a bad Tenant by a previous agent within Australia and New Zealand.

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.

THE MARKETING OF MY PROPERTY

WHAT DO YOU DO TO ADVERTISE MY PROPERTY?

Once we have signed a Management Agreement with you authorising us to act on your behalf, we will organise for our photographer to attend and take professional photos of your property.

We will then list your property in the following forms of advertising:

- Internet: Your property with photos is entered onto the following websites, maximising coverage to any prospective Tenant using the Internet to locate a rental property.

www.tmresidential.com.au

www.realestate.com.au

www.reiwa.com.au

www.aussiehome.com.au

www.domain.com.au

www.rentfind.com.au

- 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.
- Relocation agents: we immediately email all of the relocation agents we deal with on a day to day basis and pass on all the details about your property. We also email all the relocation agents on a weekly basis to update them on new properties.
- Data Base: we will also email your property to all our prospective tenants that we have on our database. These people are emailed properties on a weekly basis.

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.

How clean should the property be when a new tenant moves in?

The property should be presented 'reasonably clean' in accordance with legislative requirements.

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 I allow pets at my property, what expectations will be given to the tenant?

We always sign pet conditions with your tenant on their tenancy agreement. This obligates them in the following ways:

- No additional pet may occupy the property without prior permission.
- The pet may not come inside the property.
- The pet must be removed from the property if it becomes annoying or bothersome to neighbours (after reasonable warning has been given in writing).
- The tenant must be responsible for any damage caused by their pet, and remove any rubbish or faeces deposited by the pet.
- A pet bond of \$260 will be collected in the event that a fumigation treatment is required at the conclusion of the tenancy.

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.

INSPECTING OF MY PROPERTY

Do you inspect the property at the beginning of a tenancy?

We conduct a comprehensive inspection of your property prior to a tenant moving in.

We inspect your property area by area (loungeroom, bedrooms, kitchen, front and rear yards, garage etc.) and then all items present in each area (walls, ceiling, light fittings, curtains, windows, stove etc.)

We record the condition and cleanliness item by item, and then a brief description and detail about the item. This would involve recording details of any marks, scratches and dents etc. clean or not clean, in working condition or not working. Tested or unable to test also brands and serial numbers of electrical items.

We also take photos outside, as well as inside the property (where required).

How often do you inspect the property during tenancy?

We inspect the property approximately every 3 months; however the first inspection occurs approximately after the first 6 weeks of tenancy start. This inspection is not detailed as the start of tenancy inspection. This inspection is more of a walk through, checking room by room the tenant is keeping the property damage-free and reasonably clean. We will also take photos of the inside and outside of the property, and any repairs or concerns observed provided we have the tenant permission.

We also note any repairs reported or observed by us and any repairs reported or observed by us and any other recommendations needed to assist you in keeping the property in the best condition possible.

We will email you a copy of the inspection, however if there are urgent items requiring attention, we will let you know as soon as possible.

What about when the tenant vacates the property?

When the tenant lets us know they will be vacating, we send them detailed information and a checklist on our expectations of how the property needs to be presented.

Once the tenant has fully vacated, we compare the property to the ingoing property condition report completed prior to the tenant moving into the property.

We carefully check through the report item-by-item, ensuring it has been left in the same condition as when they moved in, taking into account reasonable wear and tear for the period of time they have been in the property. This is a legislative requirement.

We ensure the property has been left reasonable clean.

We will also arrange to have special water metre reading performed at your property to ensure the tenant pay the water consumption up to the vacate date.



TAKING A BOND

How much bond to you take from the tenant?

In general, you cannot ask for more than the equivalent of four week's rent however the following exception applies:

- If the rent is more than \$1,200 per week then the bond is negotiable.

When do you pay back the bond monies?

We only refund the bond after the following has occurred?

1. The tenant has fully vacated the property and returned all keys.
2. The property has been inspected, and is satisfactory when compared with the ingoing property condition report.
3. All monies are paid. This could be any outstanding rent, water/invoices or anything owed by the tenant.
4. If the tenant is breaking their lease, any re-letting fees and advertising costs (part of full costs) have been paid.
5. If the tenant has a pet, can I ask for an extra bond (a pet bond)

The maximum allowed as a "pet bond" is \$260 – regardless of the number of pets – for fumigation of the property (if necessary) at the end of the tenancy.

A pet bond can be taken for any animal that may carry parasites (guide dogs exempted).

No animals may be kept on the premises **without the owner's permission.**

REPAIRING AND MAINTAINING MY PROPERTY

Who is responsible for repairing my property?

Under legislation it is the responsibility of the landlord to repair the property. This means it is at the landlord's expense.

Who is responsible for general wear and tear?

General wear and tear that occurs from tenants just living in a property is expected and legislation provides that it be allowed. A few extra marks and scuffs on the walls, some chips and scratches to doors and doorways will occur over time, along with the gradual wear of everything that is in the property.

The only time a tenant can be held responsible is if wear and tear is considered 'excessive' for the time frame that the tenant has been in possession. For example, a newly painted property will walls severely marked after 2 years resulting in the walls having to be painted again may not be allowed as 'reasonable' wear and tear. In a tribunal this type of situation, if proved, could result with the tenant paying for the painting to be done, minus any depreciation for the age of the paintwork at that point in time when it was repainted again.

What is the tenant is at fault?

If a tenant has caused damage to an item that is not the result of normal break down or wear and tear, this will be charged to the tenant.

Normally, a tradesperson would let us know that the repair was normal or was influenced or caused by the tenant.

What happens if a repair is required after hours, or on weekends?

Emergency items are generally those that could cause injury to the tenant or damage to the property, and may include:

- Water pipes have broken or burst
- Blocked or broken toilet (if a second toilet is not available)
- Serious roof leak or gas leak
- Dangerous electrical fault, dangerous power point, loose live wire etc.
- Flooding, rainwater inundation inside property, or serious flood damage
- Serious storm, fire or impact damage (i.e. impact by a motor vehicle)
- Failure or breakdown of the gas, electricity or water supply to the premises
- Failure or breakdown of an essential service or appliance on the premises for water or cooking
- Hot water service failure on a weekend, or long weekend (this would not be considered an afterhours emergency if this occurs on a week night)
- Fault or damage that makes premises unsafe or insurance
- Fault likely to injure a person, cause damage or extreme inconvenience

We advise all tenants at the commencement of their lease that if they proceed with a repair that is not classified as an emergency, that the owner is not obligated to pay these expenses.

After hours emergency procedure

Tenants are required to report to their property manager and leave a message with the property address, contact details and advise of the emergency. A list of emergency contractors is given to the tenant at the commencement of their lease.

Who is responsible for maintaining the lawns and gardens?

Unless otherwise agreed, the tenant is responsible to maintain the lawns and gardens to the standard they were given at the start of the tenancy.

Executive clients will insist that the owner maintains the garden and lawns and may be negotiated at the time of application. This ensures your gardens are up kept to a high level. This can also be negotiated in the amount of rent charged to include lawns and gardens monthly.

If the property is provided with watering systems these need to be working and kept maintained during the tenancy. With reticulation an owner is responsible for any underground piping, solenoids and the control box, tenants are responsible for sprinklers and keeping them clean and unblocked.

Who is responsible for maintaining the pool?

Unless otherwise agreed, you would maintain the monthly pool service and the tenant would pay for all chemicals and cleaning of the pool at the time of the service. This also ensure that the pool is being maintained and up kept to a suitable condition.

What about cleaning the roof gutters and pruning?

According to legislation it is the landlord's responsibility to ensure these are done. Of course, we can arrange gardeners and gutter cleaners on your behalf to do these for you.



NOTICE REQUIRED WHEN TENANT VACATES

How much notice must my tenant give when they want to vacate the property?

This depends on the type of lease they have signed. If they wish to vacate the property on a non-fixed term lease ("periodic lease"), they are required to give only 21 days' notice in writing.

If they are on "fixed term tenancy" they can vacate at the end of lease by providing 30 days' notice of their intention to vacate prior to the lease end date. Of course it is up to us to approach the tenant to seek their intention to either renew the lease or vacate the property usually about 2 months beforehand.

If they break lease, they may do so with little to no notice, however they are subject to paying rent until a new tenant is secured, or to the end of the lease (whichever occurs first). They must also contribute to the letting fee and advertising costs.

BREAKING OF A FIXED TERM LEASE

Who pays for the letting fee and advertising costs when a tenant breaks their fixed term lease early?

Unfortunately we have no control over the tenant breaking their lease early. People's circumstances change and sometimes they move out earlier than expected. In this case, we will need to charge letter fees and advertising again.

However, under legislation we are entitled to charge a tenant for part of the full amount of these costs to be reimbursed back to you, depending on how much of the lease remains when it is broken. We also must take into account the current lease or entire term of leases they may have already served at the property, when calculation monies for reimbursement.

BREACHES OF TENANCY

What happens if the tenant breaks one of more of the conditions of the tenancy?

Depending of what has occurred depends largely on what action is taken. If the breach is minor approaching the tenant verbally or in writing maybe appropriate. If it is something serious we will consult with you first to discuss what action to take.

Serious breaches of tenancy may involve using the property for illegal purposes or bringing in pets without prior permission etc.

We will let you know whether we should serve a termination notice on the tenant first or use more diplomatic means to rectify the breach.

LANDLORD INSURANCE

What do I need landlord insurance if I have an agent?

We cannot at any time guarantee your tenant's performance at your property? The risk belongs to the owner of the property, and therefore the owner should be insured for such a risk.

Why do I need landlord insurance if I have a good tenant?

We cannot at any time guarantee your tenant's performance at your property. The risk belongs to the owner of the property, and therefore the owner should be insured for such a risk.

Why do I need landlord insurance if I have a good tenant?

Even a good tenancy can turn bad. If the tenant's circumstances change sometimes the tenancy will become unstable. This can result in rent owing and the property not maintained.

It pays to be properly insured, even with a good tenant.

What does landlord insurance cover?

Landlord insurance will cover rent loss due to tenant default and malicious damage to the property caused by the tenant. It also covers you for legal costs and any liability.

It is important for you to know what your landlord insurance policy will and won't cover. Please consult with your landlord insurer so that you are fully aware of the extent of your cover and also any excesses that may be applicable in the event of a claim.

COSTS INCURRED AT MY RENTAL PROPERTY

Who pays for electricity and gas charges?

These are a tenant expense. Some strata properties may have gas and electric included in their strata levies.

Who pays for water charges?

Water consumption charges are agreed between the landlord and tenant.

In Western Australia, 100% of water consumption is usually paid by a tenant unless otherwise agreed. As the water accounts are issued in the owner's name, the owner will pay for the costs upfront and will then be reimbursed by their tenant, via the agent invoicing them.

Some landlords wish to charge the tenant all water costs. This is optional; however we do believe that an incentive should be given to the tenant to ensure the garden remains healthy.

What about council and sewerage rates?

All these costs must be paid by the landlord as specified by legislation.

SELLING OR MOVING BACK INTO MY PROPERTY

What happens to the tenancy if I wish to sell my property?

You may sell your property at any time. However any fixed term lease in place is guaranteed to your tenant. This means if a person buys your property and they wish to occupy it, they must wait until the tenancy is finished unless the tenant agrees otherwise.

What if I want to move in or someone from my family wants to move in?

Again any fixed term lease is guaranteed unless the tenant agrees to move out unless mutually agreed by both parties in writing or by an order from a court, the fixed term tenancy cannot usually be ended before the date stated in the Agreement.

As is the case with the property being sold, this usually involves an amount of compensation being paid to the tenant as agreed by both the landlord and tenant.

What if they are on a non-fixed term agreement?

You can end a periodic tenancy by giving the proper notice in writing for any of the reasons below:

No particular reason – you can (without giving them a reason), given written notice to the tenant ending the tenancy not sooner than 60 full days from the date you give them notice.

The property has been sold (contract signed) and the occupier requires vacant possession, given written notice to the tenant ending the tenancy not sooner than 30 full days.

A regulated Form 1C notice must be used when given 30 day or 60 day notice.

Can you sell my property on my behalf?

Of course! Selling your property is part of the service we provide. Either you can nominate someone within our sales department, or we can get someone from our sales department to call you.

It is always preferred that we sell your property. It is much easier to coordinate access with the tenant between the sales and rental departments if you are using the same agency for both services.

Your tenant will also be more comfortable to deal with a company they are already familiar with.

Just let us know if you want to sell, even if you are just thinking about it.



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