



absolute
REAL ESTATE
matching people to places

Property Management Brochure

Office Details

OFFICE HOURS: Mon—Fri 8.30am to 7.00pm
 Saturday 8.30am to 6.00pm
 Sunday 9.00am to 4.00pm

Situated at 446 Gympie Road, Strathpine

Postal Address PO Box 340, Strathpine 4500

Contact Details

Phone 3205 6633

Fax 3881 0002

Email sales@absoluterealestate.com.au

24 HOUR CONTACT FACILITIES/7 DAYS A WEEK

If needed the Property Manager is available on the after hours emergency line. This ensures the best steps are taken in cases of emergency.

Get To Know Your Agent

You have come to the most crucial step in owning an investment property...

Finding an agent!

Sure you can shop around for the lowest fee or the best located office but will you be getting the best possible service you deserve?

Whether you have a tenanted property or you are starting with a vacant property you do need to have a current market appraisal. During this appointment you will meet with our agent and you can discuss concerns and also get a feel for our services. After all property management survives on communication.

After this you will be supplied with a written property valuation outlining how we came to your rental figure and why we feel this is the best price to ask for in today's market.

So back to the original questions how do you find the best possible service?

Please turn the pages as we walk you through our office policies and procedures and we hope to answer this question.

WHY CHOOSE US?

We will strive to get it right the first time

We will have a positive and enthusiastic attitude about managing your property

We will care for your property as though it was our own

We will promptly return your telephone calls

We will provide hassle-free management

We will skilfully represent you

We will focus on maximising your return

We will strive to optimise capital growth

We will choose the right tenant

We will not hand out keys to prospective tenants

We will go to the tenant rather than wait for them to come to us when the property is vacant

We will pay you your money when you want it

We will carry out regular rental increases

We will keep in constant contact

We will keep you up to date on what is happening in the area

We will provide you with a complimentary annual appraisal on your property

We will go the extra mile to make you **happy**

Advertising

We find most prospective tenants either walk into our office enquiring about available rentals or on the internet. To date, we have not needed to advertise a property in the local paper. We do take the time to take prospective tenants names and phone numbers and call them when something becomes available. This helps to keep our management fee at a very reasonable 8.0% plus GST.

However should the need arise where your property has been available for a few weeks, we would advertise in the local newspaper either 'Pine Rivers Press' 'Northern Times', whichever appropriate, at no cost to you.

As soon as we know of your property becoming available, we list it on the Rental sheet with an availability date. If still occupied, we try to arrange inspections that suit both yourselves and the tenants prior to the property becoming vacant, to ensure continuity of rent.

Securing a Suitable Tenant

The first step we take is showing our prospective tenants through the property ourselves, allowing us to get to know the tenant on a more personal level.

Applications

The second step is to have the prospective tenant fill out a comprehensive application form. We obtain such details as:

Identification

Current drivers licence or passport. We then check the tenant on our Australia and New Zealand wide database- **TICA. (Tenants Information Centre of Australia)**. This is the most widely used database in Australia, registering tenants with a bad rental history. We guarantee that if we find applicants appearing on TICA, we will not place them in any of our rental properties.

Previous rental history

This could be either rental receipts if they have rented previously, or if they owned a home, a copy of their rates notice and Contract of Sale.

Employment Details

They are to supply the office with 2 current pay slips and/or bank statements highlighting income. We also contact the employer to confirm details. If they are on Centrelink benefits they are to supply a current statement. We also accept savings account details. If Students we obtain Course details and income details eg. If being supported by parents / guardians, and we obtain this in writing.

Processing the Application

Can the tenants afford the property?

Now we have checked that all we have been given is true and they appear to be suitable in every way, we need to distinguish if the tenants can afford to pay rent while still being able to live comfortably.

We do so by using a simple formula. This creates a percentage to inform us as to how much of the tenants income will be spent on the rent, thus leaving them with enough for other expenses.

We look for trouble early

With plenty of reference checking and screening through TICA we find the best possible tenant for your property. As landlords ourselves, we understand the problems that may occur if thorough checking.

And if there is something extra you wish for us to add for your individual needs please let us know.

Landlord Insurances

The Landlords Preferred Policy is financial protection against tenants who leave you with:

- Unpaid rent
- An un-tenantable property
- Property that is maliciously damaged.
- Property contents that are damaged or stolen, such as carpets/stove
- Legal liability.

The cost through Terri Scheer Insurance is \$255 per year including GST, which is fully tax deductible.

So help us to help you.

You can contact Terri Scheer Insurance today on 3216 9555

Maintaining the Property

Entry Condition Report

Before the tenants moves into the property we must first note the condition to ensure it is returned with only general wear and tear.

We do so by completing this report which clearly outlines the condition of each room in detail and we then take photos of any damages. This then remains on the file. The tenants sign one copy that remains on the file and are given the options of returning their copy with any changes within 3 days.

Maintenance

Most owners cringe at the word but maintenance is part and parcel with rental properties. To ensure your property is well maintained and attracts the right tenant we must present the property as its best.

Of course, this is always within reason. We do not expect a refurbishment every 2 years but small items during a tenancy when noticed early can cost less in the long run.

When maintenance arises we ask all tenants to fill out a detailed maintenance form so we have a record of the problem on file and also an explanation so as to understand what the problem is.

In most cases we will not proceed with works unless we have your permission but there are rare occasions when urgent maintenance is needed and we have to act first and contact you later.

When or if this is to occur we will contact you as soon as possible and we will not allocate for any works to be charged over 2 weeks worth (as per your management agreement).

We have a number of very reputable trades people who we use on a regular basis or if you have a preferred person in mind we will add them to your agreement.

Maintaining the Property Continued

Routine Inspections

These inspections are conducted 3 monthly by an experienced representative. They can at this stage note any damages, maintenance and if relevant tenant behaviour.

A copy of this report is sent to owners and if maintenance is required a detailed letter will be attached with the option return slip to have any items attended to saving you time.

Exit Condition Report

This is conducted by the tenant upon vacating the property and handed into the office with the property keys.

It is then our responsibility to take the tenants exit report and the Entry Condition Report from the beginning of the tenancy and thoroughly inspect for any differences.

We do have to consider fair wear and tear this also depends on the length of tenancy. But rest assured if our inspections officer is not pleased with the cleanliness and condition they will have the tenants re-clean/fix damages or arrangements will be made by our office to have tradespeople complete at the tenants expense.

Please note owners are more than welcome to accompany our office to any Routine Inspections or Exit Condition Inspections. All we ask is that you contact the office within 9 days of the time of inspection.

Maintaining the Tenancy

Lease Agreements

There are two types of lease agreements outlined below is the reasoning behind both.

Fixed Term

This agreement allows the tenants to occupy the property from a start to an end date. We have a set end date which also gives owners an option of renewing prior to this date approaching or giving 2 months notice to have the tenants vacate.

But this a legally binding document and the tenant (unless tenants have Breached the agreement) are entitled to remain in the property until the end date. This also works in the owners favour as they have guaranteed rent for this time period and they are also able to know when the property will be available for vacancy if they so wish.

Periodic Term

This agreement has a start date but no end date. It is a signed agreement that allows the tenant to leave at any time giving 14 days notice and vacate with no additional rent charges owed. The owners on the other hand have to give the tenants 2 months notice if they wish for the tenants to vacate or 1 month if the property is sold. This agreement is not recommended for owners who wish to re-rent properties once the lease expires. But is best in a situation where an owner has the property listed for sale.

Of course the choice is yours, and we will always do our very best to ensure the lease agreement chosen is suitable to your needs.

Requirement of Owners

Below is a list of items the office requires once the agreement has been signed and before we begin marketing:

1. Management agreement signed by all parties ensuring bank details filled in
2. **3 Full Sets of Keys.** We then supply the tenants with two full sets and the office files one set for our use.
3. A certificate or statement that states adequate public liability, building and contents insurance for the term of the agreement. It is always best to check with your insurer to confirm that you hold the same cover now as when the property is tenanted.
4. Supply and maintain locks so that the tenant may obtain **relevant insurance** cover against breaking and entering.
5. Have the property treated to **control pests** annually at your expense.
6. Supply the office with a copy of carpet cleaning receipts if handing over to tenant from owner and also have the property cleaned to the standard in which you would like it maintained.

If you require help in obtaining or conducting any of the above please feel free to contact the office as we have all the information and contacts you need.

Accounting to Owners

You have the choice as to whether or not you would like to receive your rent once or twice a month! We disburse funds *Mid-Month* and also at the *End of the Month*.

All you have to do is let us know and your funds can either be deposited directly into your bank account with your statement following in the mail (end of month only), or else we can post you a cheque along with your statement.

There is no extra charge from us for the Mid-Month Disbursement.

Below is an example statement.

Deanes Real Estate		Deanes Real Estate A.C.N. 078 216 636 446 Gympie Road STRATHPINE Q 4500		
		Tel (07) 3205-6633 Fax (07) 3881-0002		
For	Mr & Mrs A Smith 10 Long Street STRATHPINE Q 4500	Month of	June Page 1	
		Issued	30/6/2000	
Property Management Statement				
2004	<u>Details</u>	<u>Debit</u>	<u>Credit</u>	<u>Balance</u>
	Balance brought forward			\$0.00
	<u>6 John Street STRATHPINE Rent \$160.00 per week</u>			
	Mr Bickel; Paid to: 6 Jan 2005			
	Rent 3 Dec to 6 Jan 2005		\$975.00	\$975.00
30 Dec	169 *Management Fee(6 John Street, STRATHPINE)	\$80.44		\$894.56
	170 Payment to Owner (Mr & Mrs A Smith)	\$894.56		\$0.00
	(Mr & Mrs A Smith, ANZ, 121-654			
	Total at end of period	\$975.00	\$975.00	\$0.00
	Total expenses on this tax invoice includes GST of \$7.31			
* Indicates taxable supply				

GST Information

We have included below a cut out from the Courier Mail, written by Noel Whittaker, regarding how the GST is going to affect the rental market. We found it quite interesting reading and thought that you might too!

A taxing time for landlords

By NOEL WHITTAKER

Residential landlords face a challenging time when tax system changes take effect July 1.

First will be the reduction in their rental income. This will happen because rents paid by the tenants living in residential property will be GST free, but their landlords will have to pay tax on many of their outgoings.

The technical term is 'input taxed' as tax is paid on the inputs with no relief.

Take a typical example of a fully owned residential property that is leased out (see box).

It may turn out worse than this example, as it is still not clear if garbage collection and some other local authority imposts will be subject to GST.

Sure, the landlord might try to raise the rents to compensate for the increased costs, but rents tend to be a by-product of market forces and raising them may encourage a good tenant to seek alternative accommodation.

Next is the loss that will be suffered by middle income earners who are negative gearing.

GST COMPARISONS

Rental Income		\$9500 pa
Rates	\$1500	
Maintenance	\$1000	
Agent Fees	\$ 800	
Insurance	\$ 500	\$3800 .

NET RETURN	<u>\$5700</u>	
<i>After 30 June it will become</i>		
Rental Income	\$9500 pa	
Rates	\$1500	
Maintenance	\$1100	
Agent Fees	\$ 880	
Insurance	\$ 550	\$4030 .
NET RETURN	<u>\$5470</u>	

CASE STUDY: Jack earns \$50,000 a year from his job but incurs a taxable loss of \$10,000 a year on his rental properties due to his high borrowings.

Negative gearing allows him to save \$4300 a year in tax now, but when his marginal rate drops to 30% after June 30, his tax savings will drop to \$3000.

He will be able to take some immediate comfort in the tax deductions created relief is temporary as any tax saved will be clawed back when he sells.

Will the extra costs and lower tax savings be made by higher values? That is the wild card in the pack.

People who sign a contract after June 30 to buy their first home (new or established) will receive a non means tested grant of \$7000, and this will almost certainly cause a slump in the first homebuyer market

until June as buyers wait for the date to change.

There will be no GST on established homes, so the big questions are how much will new homes raise because of GST and will this flow through to established homes?

First there is no certainty that new homes will rise by anything like 10%, because builders may cut their margins to make sales. Also, a rise in new homes would not necessarily cause an increase in established homes, which are a separate market.

In the end it will get back to supply and demand.

Fees and Charges

MANAGEMENT FEE

8.0% + GST

This is calculated as 8.0% of any rent collected on your behalf. This fee applies to the Actual management of your property. Including Rent Collection, Inspections and Reports, Handling and arranging maintenance issues and quotes, maintaining arrears control and issuing required notices etc.

LET FEE

First Weeks Rent + GST

This is charged each time a new tenant is found. This includes tenant screening through TICA, drawing up the lease agreement, completing the condition report and lodging rental bond forms.

STATEMENT FEE

NIL

All the above fees are itemised on our statements. (As shown on Page 10)

GST will be charged in accordance with the A.T.O.

Vacating Checklist

Below is a copy of the document given to tenants once they wish to vacate, this outlines the items they are required to address before handing their keys back

All rubbish to be removed from inside unit or house.

- ◇ Clean skirting boards, windows, walls & doors—particularly around door handles and light switches.
- ◇ Kitchen cupboards clean inside and out.
- ◇ Oven and elements free from grease and food particles thus cleaned to its original state.
- ◇ Rangehood grill to be cleaned and surrounding areas.
- ◇ Kitchen sink to be clean.
- ◇ Marks to be removed from walls. Where agent approved picture hooks have been placed, do not remove them.
- ◇ Carpets to be professionally shampooed—Receipt to be shown—we recommend CAN DO Carpets and Pest Control 3285 4175
- ◇ Curtains to be washed or dry cleaned according to fabric and returned to their original places.
- ◇ All floors, skirting boards and ALL windows, tracks and sills to be cleaned thoroughly.
- ◇ Bathrooms spotless—paying particular attention to mildew, and shower screens and tracks and toilet (also behind toilet usually dusty pipes etc,)
- ◇ Clean on top of all light shades and ceiling fans.
- ◇ Check ceilings and corner of walls for cobwebs and remove (both inside and out).
- ◇ Garage cleaned including rubbish and oil from garage and driveway.
- ◇ Gardens neat and tidy (includes weed removal) - this also applies to town-house courtyards.
- ◇ Lawns mowed, edges cut—lawn clippings removed.
- ◇ No boxes to be left on the property.
- ◇ Pest control to be completed if required as per tenancy agreement—If there was a pet on the premises.
- ◇ **All Breakages and Damages Repaired**