



**P**ROACTIVE **P**ROPERTY **M**ANAGEMENT

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Thank you for contacting New Stage Property regarding the management of your investment property. We look forward to being able to assist you with your property needs.

When renting out your property there are a number of factors to consider. Some of these considerations are legislative requirements that you must adhere to while others are reasonable requirements of a landlord.

This booklet will help to set out our expectations before, during and after a tenancy and give you some tips on ensuring you secure and maintain a great tenant and tenancy.

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## BEFORE RENTING THE PROPERTY

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### PROPERTY CONDITION

The property should be clean, tidy and well presented. This will assist you achieve the maximum rental. Having the property professionally cleaned and the gardens professionally tidied up can set a base line for the future maintenance of the property and gardens.

In accordance with the Residential Tenancies and Rooming Accommodation Act 2008, at the start of the tenancy, the lessor must ensure the premises is clean, fit for the tenant to live in, in a good state of repair etc.

### GARDEN

If you have a large garden or plants/hedges that require specialist attention, we recommend you consider using a gardening company to reduce the burden on the tenants and limit the risk of damage through a lack of acceptable upkeep. The cost of these services can be incorporated into the rent.

### POOL

There is a legislative requirement in Queensland that requires you to have a pool compliance and safety check completed prior to and between tenancy agreements.

You are also required to register the pool on the national Pool Safety register.

A compliance check must be carried out by licensed pool safety inspector only.

More information on this can be found at:

<http://www.qbcc.qld.gov.au/home-building-owners/pool-safety/overview>.

We recommend that a 'pool handover' is also completed by a pool specialist to the tenants. This is a checklist that is completed with the tenant to ensure they have a proper understanding of what is required to maintain a pool on a regular basis and that they understand how to use pool equipment.



## **CARPET CLEANING & PEST CONTROL**

If there are carpets in the property we advise having them professionally cleaned immediately prior to the tenancy commencing. We ask for a copy of the receipt to add to our file. This ensure that at the end of the tenancy agreement, we can ask the tenants to have them professionally cleaned also.

If there have been pets on the property, we ask that a professional end of lease pest spray take place. This is to ensure there is no recourse from the tenants on you if any nasties were to take up residence in your property.

## **ENTRY CONDITION REPORT**

The Entry Condition Report is a detailed list of everything that is inside and outside the property and the condition that it is in at the commencement of the tenancy.

A good quality entry condition report is imperative to the success of the tenancy and will set the tone for the entire tenancy. As such we need a minimum of 4 days (from the day the property is empty and clean) for this report to be completed correctly.

The property must be empty of all possessions and thoroughly cleaned. This will ensure that the property is maintained & returned to us in good clean condition.

## **BODY CORPORATE BY LAWS**

Body corporate by-laws (also known as house rules or strata rules) are specific to unit title arrangements and must be provided to the tenants with the tenancy agreement. It is a breach of the tenancy agreement if they are not provided. As such, we ask that you contact your body corporate manager and ask them to email a set of current house rules to New Stage Property.

## **SMOKE ALARMS**

As per your legislative requirements, smoke alarm installation and maintenance will be conducted annually.

This will be conducted by a qualified smoke alarm compliance and testing company. A fee for annual compliance will apply and any new smoke alarms and correct installation will be billed back to you.

The tenant will be held responsible for any cost associated with hindering, tampering or removing the battery that results in contravention of your legislative requirements.

## KEYS



It is a legislative requirement that a full set of keys to all external locks is provided to each tenant at the commencement of the tenancy.

You are also required to provide a key for each internal lock also (such as letterbox, windows etc.). This means if there are two tenants, we need two sets of keys for external locks and one set of keys to internal locks.

In addition to the tenant's keys, New Stage Property also require one set of keys for the front door/s so we can access the property for routine inspections, maintenance and in an emergency situation.

## INSURANCE

All properties under management by New Stage Property are required to have Landlords Insurance in place. This is a New Stage Property policy. Evidence of this insurance by way of a Certificate of Currency must be provided to New Stage Property prior to the property being taken under management.

There are a large number of insurers that now provide Landlords Insurance and it is relatively inexpensive. New Stage Property is not able to recommend any particular insurers as we are not qualified or authorised to do so.

## IDENTIFICATION

Upon signing the appointment agreement with New Stage Property, we will also ask you for a copy of the Driver's License for each owner and for a copy of the Rates Notice for our file.

If the property is owned by a company or a trust, we will ask you for a copy of the company certificate which details who the Directors of the Company are and who is authorised to act on behalf of those directors. This document is also known as 'Articles of Association'.

If the property is new or only recently purchased, a Rates Notice may not be readily available to you. As such, a copy of the signed Contract for Sale will suffice.

## TAXATION AND DEPRECIATION

New Stage Property can arrange for Rates, Water and Sewerage, Strata Levies and Owners Trade invoices to be redirected to our office and paid through your rental account before the final funds are disbursed to you on the last working day of each month.

The invoice for maintenance organised by New Stage Property and compliance with the smoke alarm legislation will be paid through your account unless we are otherwise instructed to do so.

New Stage Property can arrange a tax depreciation schedule for you and for an end of financial year statement to be issued to you.

## ADVERTISING AND OPEN HOMES

The first step in the advertising process is to arrange for photographs to be taken of your property. If the property presents well or is vacant, we are happy to arrange professional photography. However, if the property is not ready for photographing, we can use photographs that you have or we can take our own until such time as the property is ready for professional photography.

The next step is to list your property on a number of websites including our own and several others. We like to commence marketing a minimum of 22 to 28 days out from the day you would like a tenant to move in.

This gives our team plenty of time to conduct numerous open homes, process applications thoroughly, to complete the entry condition report and conduct any subsequent maintenance that should come from completing the report.

## TENANT SELECTION

Tenant selection is the most critical part of the leasing process. We conduct a 3-stage application process:

**Stage 1** - Once an application is received, we conduct preliminary checks to ensure they meet the minimum requirements of a New Stage Property tenant. This is to ensure they have a demonstrable ability to pay the rent and they can care for the property.

If the tenant meets our requirements, we will notify you (via email) that we have a suitable application we are processing.

**Stage 2** - We then seek a verbal reference from the applicant's employment and past/current rental references. The answers to our extensive questions are noted down and analysed against other applicants.

**Stage 3** - The third step in this process is to bring the applications to you for approval. We will send you a copy of the application in a 'private' format. This means you will be able to review the application but will not be able to see their phone numbers etc.

Ultimately the decision is yours however we will make a recommendation based on what we think is the best outcome for you. If the application is not suitable, it is better to wait than make a rushed decision that we will regret later.

When selecting tenants, New Stage Property are bound by the Anti-Discrimination Act and the Privacy Act and takes our compliance with these very seriously. As such we are not able to accept instructions from owners that breach these legislative requirements.

## LEASE AND ADDITIONAL CLAUSES

Tenancy legislation provides a standard list of tenancy terms that must be attached to every Tenancy Agreement. These tenancy terms form a part of the lease that all parties to the lease must adhere to.

In addition to these terms, additional clauses can be included. These can include carpet cleaning, no smoking, pets or no pets, break lease fee, pool clauses, posting clauses, solar panels and much more.

Once a tenancy agreement is signed by the tenants and New Stage Property (as your authorised representative), we will upload a completed copy to your online portal.



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## DURING THE TENANCY

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### MAINTENANCE

Owners are responsible for ensuring their properties are well maintained. Any outstanding repairs or maintenance should be completed before the property is leased however during the tenancy some maintenance or repairs may be required. We strongly recommend that our owners conduct routine maintenance and repairs in a timely manner to ensure the tenants are able to continue to enjoy the use of the property throughout the tenancy.

New Stage Property will pay invoices through your rental income up to the equivalent of 4 weeks rent. Any invoices equal to more than this amount will be forwarded directly to you for payment as we generally do not hold more than 4 weeks rent.

### RENT

Rent is paid directly to New Stage Property and held in Trust on behalf of an owner. New Stage Property may only pay for costs incurred from any rent received on behalf of an owner that are nominated in the Managing Agent Agreement.

Rent (less any approved deductions) will be paid by New Stage Property to your nominated account on a monthly basis on the last working day of each month. A statement will be issued to you at the same time.

## ARREARS MANAGEMENT

New Stage Property has a strict no arrears policy that we apply to every property we manage. No arrears tolerance means that rent must be paid on time and in advance. To achieve this, we have implemented a proactive 3 step arrears management system:

**Step 1** - The first step is that we make the rental payment frequency the same as the frequency the tenants get paid. We don't dictate to the tenant how they pay, provided they pay on time and in advance. Usually the payment frequency is fortnightly.

**Step 2** - The second step is that we tell the tenants at the lease sign that we have no tolerance for arrears and that we will issue Notices to Remedy and vacate notices if they fall in to arrears. Tenants clearly understand our expectations and also the consequences if our expectations are not met.

**Step 3** - The third step is that we remind them that rent is due 4 days before the rental payment date. This means that they receive an email from us every fortnight (or month) making it clear that this is something that we monitor and we will know instantly if it is not paid.

Should a tenant fall in to arrears, we will follow our legislative requirements and issue Notices to Remedy and Notices to Vacate. It is rare to have to attend the Tribunal for an eviction of a tenant however if this is required we will follow this through to fruition for you also.

## ACCESS TO THE PROPERTY AND INSPECTIONS

When the property is tenanted you must not attend at the property unless requested to do so, or unless you request that the agent schedule a suitable time with the tenants. There are strict rules governing when and how often a property can be inspected and under what circumstances. As a general rule, New Stage Property suggest you do not access the property without a team member present.



New Stage Property will conduct routine inspections on a 6 monthly basis and you will be invited to every inspection. If you are unable to attend, we are not able to allow a representative to attend on your behalf due to privacy reasons.

At the routine inspection, we are inspecting how the tenants are caring for the property in comparison with the ingoing Entry Condition Report and looking for any maintenance, safety issues or long-term improvements you could make. Photographs of the property and any maintenance issues also form a part of the routine inspection report.

Once a routine inspection has been conducted, a copy of the report and the photographs will be available for you to download within 3 business days of the inspection being conducted. The report is uploaded to your online portal and emailed to the tenants so both parties will have access to the report.

## REASONABLE ADDITIONS MADE BY THE TENANT

A number of items have become reasonable expectations for a tenant in recent years. These expectations are what we call reasonable additions that they can make however they must be rectified prior to the end of the tenancy agreement. These can include hanging pictures, using blue tac, picture hooks or 3M sticky hooks, adding a Foxtel dish, mounting a flat screen TV to the wall etc.

We ask that tenants seek instructions from the lessor before making any additions however some tenants do not realise this is necessary. Regardless of whether they seek instructions or not, we require tenants to return the property to the condition of the inventory when they move out.

Understanding that a tenant who wants to make the property their home will help to prolong a good tenancy, we encourage our tenants and owners to be aware and respectful of one another which can also mean understanding that while it is the owner's property, it is the tenant's home.

## ACCESS TO ONLINE SYSTEM

As a New Stage Property Owner, you will have access to your own Owner's Portal that is specific to your property.

Your Owner's Portal provides you with an overview of everything that has been done on your property.

You can:

- Access your statements online
- View inspection reports
- See contact information for your property manager
- See the rental payment status
- View financial transactions
- Correspondence between your property manager and the tenants



and more...

We are constantly evolving our systems to better suit our client's needs and your tenants will also have access to a Tenant Portal\*. They will be able to access similar information and documentation to you (not statements etc.) which helps to maintain solid relationships with tenants and to prolong the tenancy.

From a tenant's perspective, the portal is a game changer as one of the biggest issues tenants face is a lack of communication with their Property Manager. Generally, all they are after is a copy of their ledger or the Tenancy Agreement and they wait hours or even days to hear back from their Property Manager. The online tenant portal has fixed this for them as they can access their portal 24/7 also.

\*Please note – The tenant's portal will be up and running from July 2018.

## **RENT INCREASE & LEASE RENEWALS**

Increasing the rent and renewing the lease on your property is as easy as 1, 2 3:

1. Approximately 3 months out from the end of a lease agreement, we will conduct a market analysis of the property to establish if a rent increase is justifiable in the rental market
2. We will seek instructions from you on the amount we will increase the rent by and if you would like to offer the tenants a new fixed term tenancy agreement
3. We will notify the tenants of your intention to increase the rent, negotiate with them on the increase amount (if necessary) and sign a new Tenancy Agreement with them.

Renewing the lease will offer your tenants security and give you peace of mind that your property will be tenanted for another fixed term period.

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## **ENDING THE TENANCY**

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### **NOTICE TO VACATE**

There are complex legislative rules regarding how a tenancy can end. Often owners are surprised at how difficult it is to end a Tenancy even if a fixed term tenancy agreement is in place.

We suggest that you consider this before leasing your property and discuss with us your ongoing requirements and the possibility of you potentially needing to end the tenancy (e.g. transfer home by employer) so we can ensure the most appropriate tenancy agreements are in place and that the correct notice periods are applied.

As the owner, you do not have automatic rights to end a tenancy and must adhere to the notice periods prescribed by the Tenancy Agreement.

Should the tenant breach the Tenancy Agreement, we can issue a Notice to Remedy and subsequent Notice to Vacate. What constitutes a breach is specified by the legislation and the tenancy terms attached to the lease agreement.

The tenants must also provide a period of notice to terminate a Tenancy Agreement. We will seek instructions from you immediately should you tenant wish to vacate the property.

### **BETWEEN TENANCIES**

The period between a tenant moving out and a new tenant moving in is a good time to conduct any outstanding maintenance and for us to update the inventory and condition report. For this reason, we will leave a minimum of 4 business days between the tenancies.

## **PROPERTY VACANCY**

We strive to achieve the lowest vacancy rate we can for each of our properties as we understand that a few weeks with no rental income can be hard to recover from.

To achieve low vacancy, we take into account a number of factors that we advise our owners to be realistic about.

1. Rental price – Being realistic with your asking rental price sets the tone for the quality and number of the tenants who will attend open homes and apply for the property. Being realistic does not mean that you should under-price your property. To avoid under-pricing or overpricing your property, we will provide you with a comparative market analysis which will outline how much we expect to achieve for your property and why. We will identify properties in the area that are currently for rent or that have rented recently that we believe are comparative with your property and we will provide you with our knowledge and expertise on the market conditions.
2. Marketing – Further to the above information regarding advertising and open homes, it is important to be realistic about the inclusions in the property. Tenants look at numerous properties (sometimes 30+ in a single weekend) and advertising text that is not relevant to tenants or not detailed enough will see them forget about the property quickly. To hold a tenant's attention, we write a story in our ad text, not just a few dot points. We go in to great detail about where the local schools are, where the shopping centre is etc. and explain the flow of the property. For example, at the front of the property are two queen sized bedrooms, both with built in robes and ceiling fan. At the heart of the home is the open plan kitchen and living room etc.
3. Pets or no pets – If the property is a family home, we advise owners to be open to the idea of allowing pets. The reason for this is that a large portion of families have some type of pet and not allowing pets will illuminate them from your market. This will mean you will have a smaller pool of tenants to choose from. It has been our experience that tenants without pets also tend to move more frequently (every 12 months). Tenants with pets can stay for 3 + years sometimes.

**Thank you for taking the time to read this booklet.**

**If we have not answered any questions that you may have, please feel free to contact us.**

# **PROACTIVE PROPERTY MANAGEMENT**

