



Information for **iRental** owners



Owners Handbook

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OFFICE HOURS

Monday to Friday
9:00 am to 5:00 pm

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Welcome to iRental Property Management

We are a proactive business that will manage your property offering a premium service. We are proactive from the first day, Coaching and Training all clients involved, in the correct way to show respect and their responsibility to the property and to each other. Property management to us is about managing and maintaining our clients property as if it were our own offering a high level of service to protect your biggest investment.

OUR PHILOSOPHY:

- Keep property owners informed of all activity with their property.
- Obtain the best possible return on your property
- Lease your property to the most suitable tenant
- Treat others as we would like to be treated our self
- Coach tenants to report all maintenance to keep your property in good health for years to come .

iRental Property Management... “ i “ for integrity



Choosing a suitable tenant

At iRental Property Management one of the most important key aspects in the initial leasing of a rental property is to match the right applicant to the right property. We will not compromise our reputation of providing our clients with the most suitable applicant. This is why we offer a comprehensive tenant selection.

WE DO NOT SIMPLY SELECT THE FIRST TENANT WHO COMES ALONG

Prospective tenants are always interviewed and each person over the age of 18 who will be residing in the property must complete a comprehensive application form as well as provide 100 points of identification.

Thorough screening of the potential tenant/s is an important process that we undertake very seriously. We therefore, contact previous Landlords/Agents to make sure that prospective tenants have a history of maintaining your property to a high standard and, in addition, tenants are checked against the Tenancy Database T.I.C.A. and other government agencies if necessary. Business referees, current and previous employers are spoken to in order to determine that there is a history of stable employment as well as a reliable income source. Personal referees are also questioned. This will establish the applicants character and their reliability.

If a applicant has previously owned their own home, we will speak to their selling agent as well as check the website so that we can view the property (this affects mainly tenants transferring from interstate). This information will then be provided to you, the landlord, to assist you in making the all important decision of which potential tenant to choose.



Signing up your tenant

Once we have your approval on the tenant selection, we will then notify your tenant to pay the bond and first two weeks rent and arrange a time to come into our office to sign the tenancy agreement. This process is done as quickly as possible to lock the tenant into your investment property. This gives piece of mind to both you and the tenant.

At this appointment we get to meet all parties who will be residing in the property. We explain to them their obligations and responsibilities under the Tenancy Agreement and what our expectations are as an agent during the tenancy. All tenants are given our Tenant Guide which clearly outlines all of our expectations on how to maintain the property. This guide is also written in the Tenancy Agreement which all parties sign .

Other relevant documents are also signed by all parties together with the Tenancy Agreement, including bond forms, smoking policy, pets lease, ingoing report, and pool agreements if applicable. Rent and bond key register, monies are all receipted in advance prior to the tenancy start date.

Tenants are also made aware that they are responsible for paying the water usage charge and/ or all water supply throughout the tenancy. This is stipulated by the SA Water Account. Once the SA water account is presented to our office the water usage and supply charge is then pro rata calculated from the start of the tenancy to the next billing cycle until the completion of the rented period.

The maximum security bond that may be required is four (4) weeks rent. However, if the rent exceeds \$250.00 per week, the maximum amount of bond that may be required is six (6) weeks rent. Our office requires the tenant to supply two weeks rent in advance prior to signing of the tenancy agreement.

Tenancies Branch of the Office of Consumer Services legally requires an agent to forward all monies held for bond and will be held in trust until the completion of tenancy. No bond monies will be released unless you and the Property Manager are happy with the way the property is handed back and all monies for rent/water is paid and up to date.



Rent payment control

Our RP office property management system allows us to do the appropriate checks to see if any of the tenants are behind in rent. This is done daily and by doing this we keep control of what is happening so things don't get out of control. A couple of days late is NOT an option at iRental Property Management.

Contact is made by way of SMS and also a phone call. If no response is received to either we then post out a letter advising them of their outstanding account. If there is still no response then we visit the premises. By following the above procedures we eliminate tribunal attendances and possible evictions or abandonments occurring on the property, and, more importantly that the rent is being paid on time. This is the best outcome as eviction means starting the process of looking for a new tenant all over again.

At iRental Property Management 'zero rent arrears' is made very clear to the tenants before they sign the Tenancy Lease Agreement.

All of the above procedures are followed carefully which means we very rarely attend the tribunal for rent arrears.

Information for landlords

It is the responsibility of the owner to provide written instruction of correct use for all domestic facilities/ appliances requiring instruction i.e. dishwasher, air conditioners, heaters, ovens just to cover a few.

Owners please note, if instructions are not provided by the owner to the tenant and the tenant happens to break the item due to wrong instruction the tenant cannot be held liable for the cost of the damage.

Every property investor's worst nightmare is a tenant who defaults (doesn't pay rent and disappears). With the advancements of technology at the forefront and future financial prospects needing to be protected more and more, people are taking the route of Real Estate Investment as a means to provide a comfortable lifestyle in their retirement. Many people will need to be in debt for a certain time, most probably years, which means they will need to rely on the rental income to make those important mortgage repayments. As with any investments, fear and risk factors are a person's greatest concern.

The greatest risk factor is fear, and the biggest fear in Real Estate Property Investment is that of a tenant not paying rent or subsequent damage to the property. As a result the past tenants were able to flee from the property while still owing the owner substantial amounts of money.



A Tenancy Default Control system was introduced to allow property managers throughout Australia and New Zealand to access its database and enquire if a tenancy application has had any defaults registered against them.

Members of T.I.C.A. are obliged to register any defaults or breaches of a tenancy agreement on the database from the time of arrears. T.I.C.A. fully complies with the guidelines set down by the Privacy Commission of Australia and New Zealand. Once a tenant is listed on file they will remain there until such time as the outstanding debt has been finalised or the time specified for listing a default by T.I.C.A. has been completed.

It is now legislation that property owners must provide adequate instructions or instruction manuals for all inspections - for example, heaters, ovens dishwashers etc. If a tenant does not have any instructions or manuals provided and they damage the item trying to use it, they cannot be held liable for the cost of the repair.

Once again iRental Property Management is ahead of the game ...



Inspecting your investment property

PRIOR TO THE TENANT MOVING IN

INGOING INSPECTION

A thorough ingoing inspection is conducted on your property before the tenant moves in. This involves a fully detailed report showing condition of fixtures and fittings and any defects to the home inside and outside. Approximately 250 - 600 photos are taken of the property inside and outside and kept on file. The report is given to tenants when they collect the keys and they then have 14 days to send the report back to sign off. This procedure is followed every time a new tenant moves into your property which protects the landlord, agent and also the tenant. If a tribunal attendance is ever required all the relevant documentation will be available.

REGULAR PROPERTY CONDITION REPORTS

Routine Inspections are carried out every three months. A report of the inspection is sent to you. Tenants are made aware of anything that isn't up to standard and asked to make it right. Tenants are given between 7 - 14 days notice in writing of when the routine inspection will take place together with a maintenance form to fill out if any is needed. Any maintenance that is urgent is reported to you immediately after the inspection to enable any necessary action.

FINAL INSPECTIONS AT END OF TENANCY



Before the vacating date tenants are sent a vacate pack which will outline everything that is required to be done prior to the final inspection. This final inspection will be cross examined with the photos taken on the initial inspection.

Maintenance

To attract the best possible tenant and achieve the maximum return from your investment the property must be well presented and maintained.

iRental Property Management use quality trade contractors at reasonable prices that have the required licences and insurances.

In case of an emergency that is reported which needs attention outside of business hours, we will always try and contact you. However, if we are unable, it will be at the property managers discretion (up to \$400.00).

At the beginning of every tenancy our standards and expectations are highlighted and a procedure for maintenance is given to your tenant as stated on the Tenancy Agreement and Tenant Guide.

Our routine inspections will also show any maintenance that has been brought to our attention, as well as things that we can foresee in the future to keep your property in the market value.

iRental Property Management also assists in connecting tenants power, telephone and insurance if needed. We offer a full service.



Owner statement and end of month payments

An income and expenditure statement will be forwarded to you on a monthly basis by email.

These statements include all transactions for the month together with any accounts paid on your behalf. Copies are always kept on file in the office.

All funds are electronically banked into a nominated account and are available for immediate use.

An end of financial year statement is made available which collates the year's transactions and will assist your accountant in determining tax deductions and the return on your investment.

Payments are made on the 14th and the 28th day of each month. If these payments fall on a weekend or public holiday, the payment will be made on the business day after the weekend.



IF YOU DEPEND ON THE RENT PAYMENT TO PAY THE MORTGAGE, PLEASE ENSURE THAT YOU ALLOW FOR THE LETTING FEES AND ADVERTISING COSTS, WHICH WILL COME OUT OF THE FIRST MONTHS RENT. IT COULD BE TWO MONTHS BEFORE YOU GET THE FULL RENT PAYMENT INTO YOUR BANK ACCOUNT.

Preparing your property for renting

PLEASE REFER TO THIS GUIDE WHEN PREPARING YOUR PROPERTY FOR RENTING

- **Provide 2 full sets of keys (including all window keys) and remote controls for roller doors for the property (one for the tenant and one for the agent).**
- Please Note: If a tenant loses keys it is at their own cost to replace. If the property needs to be re keyed at the end of the tenancy it is at the Land Lords cost
- All marks should be removed from walls, doors and door frames - relatively mark free walls are expected prior to occupation. Any holes in walls to be fixed.
- Carpets to be vacuumed and professionally cleaned.
- All skirting boards, window sills, venetians and blinds are to be dusted and cleaned as well as light fittings, light switches and ceiling fans.
- All windows and screens are to be cleaned inside and out - including tracks.
- All kitchen cupboards, built in robes and linen press to be dusted and cleaned.
- All areas of stove/grill/cook top and range hood must be cleaned thoroughly.
- Kitchen sink, bench tops and floor must be cleaned and dry.
- All exhaust fan covers should be removed, cleaned and refitted. Replace burnt out light bulbs.
- Tiles and grouting in kitchen, bathroom and laundry are to be cleaned.
- Shower alcove tiles, grout and screens must be clean and free of mould and soap scum. All mould and mildew spots are to be removed from wet area walls and ceilings and, where applicable, taps.
- The bath, soap holders and hand basin are to be clean and free of soap residue. Toilets are to be cleaned and disinfected.
- All lawns are to be cut and edged. Garden beds are to be free of weeds and fallen leaves. Clippings and rubbish to be removed. The bin is to be totally empty.
- Carports, garages, driveways and paths are to be free of oil, clean and swept.
- Ensure all appliances are in working order.
- Ensure all locking mechanisms are in working order and key/s supplied.
- Gutters and down pipes are to be free of debris.
- Level off uneven pavers or anything that could be a potential tripping hazard.
- Please supply all copies of instruction booklets in relation to appliances and watering systems.

PLEASE MAKE SURE ALL SMOKE DETECTORS ARE COMPLIANT WITH SOUTH AUSTRALIAN LEGISLATION AND IN WORKING ORDER. REPLACE BATTERIES AS REQUIRED WITH DAYLIGHT SAVING.

PLEASE ADVISE THE RELEVANT AUTHORITIES e.g. AGL, ORIGIN ETC TO DO FINAL READINGS FOR ELECTRICITY, GAS, PHONE AND FOXTEL. REDIRECT ALL MAIL TO YOUR NEW ADDRESS.

Please note that this is a guide only and not meant to offend...

Claiming for costs from a broken lease

Under a fixed term agreement the term of the agreement is binding. The tenant cannot terminate the agreement before the end of the fixed term without being held responsible for costs related to the landlord/agent reletting the property, unless the landlord/agent agrees to the early termination of the lease and waives liability.

Where the agreement is for a fixed term and the tenant leaves before the expiry date, the landlord may claim for loss of rent until the premises are relet, pro-rata advertising costs and other compensation which may arise under the agreement, such as a proportion of re letting fees charged to the landlord by an agent. If the tenant vacates a rental property as a result of a breach notice (Form 2) being served for rent arrears, the landlord may also claim compensation for any loss caused by the early termination of the lease. Under these circumstances, the landlord has an obligation to relet the premises as soon as possible.

This is covered by section 94(3), (4), & (5) of the Residential Tenancies Act 1995, which covers 'abandoned premises'. When a tenant breaks the lease they are considered to have abandoned the premises.

"94 (3) If a tenant has abandoned premises, the landlord is entitled to compensation for any loss (including loss of rent) caused by the abandonment.

4) However, the landlord must take reasonable steps to mitigate any loss and is not entitled to compensation for loss that could have been avoided by those steps.

(5) The Tribunal may, on application by the landlord, order the tenant to pay to the landlord compensation to which the landlord is entitled under this section."

When claiming costs associated with a tenant breaking the lease there are a number of factors that need to be considered.

The lease is not actually broken until the tenant has given back vacant possession of the premises so the landlord is not obligated to advertise prior to the tenant vacating. Obviously, to do so would be in the best interests of both parties so most will do this, however, if there is any doubt about what date the tenant will give up vacant possession then advertising should not be commenced as there is still a binding agreement in place.

Advertising

Although the landlord is not obligated to commence advertising before the tenant vacates, if the landlord chooses to do this then the formula used by the South Australian Civil and Administrative Tenancies Tribunal (SACAT) must be applied to all advertising costs.

All advertising that is done should be claimed in accordance with this formula. As a guide, twice a week in the Advertiser may be considered a reasonable effort in advertising. Tenants cannot however be expected to pay for corporate headers etc and claims should be made using standard charges. Not all landlords or agents utilise the Advertiser (particularly in rural areas) so other forms of advertising e.g. advertising on the internet, may be considered reasonable and will need to be substantiated on a case-by-case basis.

Formula for advertising fee

$$\frac{\text{Total advertising costs x weeks remaining from abandonment to the end of the agreed term}}{\frac{3}{4} \text{ of weeks of total agreed term(s)}}$$

example: based on total advertising costs of \$87, property abandoned 12 weeks before the end of a 2 year tenancy (two 12 month terms).

$$\frac{\$87 \times 12 \text{ (weeks from abandonment to the end of the term)}}{78 \text{ (3/4 of 104 week tenancy)}} = \frac{87 \times 12}{78} = \$13.38$$

Letting fee (agents only)

The letting fee charged by an agent can also be claimed in accordance with the formula applied by SACAT. When calculating the letting fee claim, the total term of the tenancy should be used. GST charged by the agent can also be claimed from the tenant in accordance with the formula.

Formula for reletting fee

$$\frac{\text{Reletting fee (maximum of 2 weeks rent + GST) x weeks remaining from letting to end of agreed term}}{\% \text{ of weeks of total agreed term(s)}}$$

example: based on rent of \$100 per week (+ GST), relet 12 weeks prior to the end of a 52 week term:

$$\frac{\$200 (2 \times \$100) + \text{GST} \times 12 \text{ (weeks from relet to end of term)}}{39 (3/4 \text{ of } 52 \text{ week tenancy)}} \quad \frac{200 + \text{GST} \times 12}{39} = \$67.69$$

- The advertising and reletting fee formulas are not to be applied if the tenant has been in the tenancy for less than a quarter of the total lease term, in this case the whole cost is applicable.
- The advertising and reletting fee formulas are not to be applied if the tenant pays rent to the end of the fixed term tenancy as their lease obligations have been met.

Loss of rent

After vacating, the tenant is still liable for rent - (this is called 'compensation for loss of rent'), until the premises are relet, or until the end of the fixed term, whichever is the earlier, unless the landlord consents to the tenant vacating and waives liability. If the tenant does not continue paying 'compensation for loss of rent', once the premises have been relet, the landlord may make a claim against the bond, or directly against the tenant.

All break lease claims apply only if the landlord mitigates. This means that the landlord/agent must make reasonable effort to relet the property as soon as possible. Several things need to be considered when assessing mitigation:

- If the property has been advertised unsuccessfully for several weeks, has demand in this area dropped and should the rent have been reduced? Is the property being advertised appropriately?
- Is the landlord/agent actively showing the property to prospective tenants?
- If the property has been advertised at a higher rent, has this delayed the time taken to rent the property?

The landlord is entitled to claim any loss arising from the abandonment of the property so if the rent needs to be reduced in order to relet the property quickly then the landlord can claim the difference from the tenant to the end of the tenancy. Conversely, if the property is relet at a higher rate, then the landlord is profiting from the lease break and the tenant can expect this profit to be offset against the landlord's losses, i.e. loss of rent (from date tenant vacates), advertising fee and reletting fee.

Pet agreement

This agreement is attached to and made a part of the Rental Agreement dated _____ between Management and _____ Tenant(s).

Tenants desire to keep the following pet(s) _____ in the dwelling they occupy under the Rental Agreement referred to above. Because this agreement specifically prohibits keeping pets without the owner's permission, tenants agree to the following terms and conditions in exchange for their permission:

1. Tenants agree to keep their pet under control at all times.
2. Tenant agree to keep their pet restrained, but not tethered, when it is outside their dwelling.
3. Tenant agree to adhere to local ordinances, including leash and licencing requirements.
4. Tenants agree to not leave their pet unattended for unreasonable periods of time.
5. Tenants agree to clean up after their pet and dispose of their pet's waste properly and quickly.
6. Tenant agree not to leave food or water for their pet or any other animal outside their dwelling where it may attract other animals.
7. Tenants agree to keep their pet from being unnecessarily noisy or aggressive and causing any annoyance or discomfort to others and will remedy immediately any complaints made through the management or authorities.
8. Tenants agree to provide their pet with an identification tag.
9. Tenants agree to place their pets offspring within eight weeks of birth.
10. Tenant shall be liable for any damage or injury whatsoever cause by the pet(s) and shall may the landlord or landlord's agents or employees immediately, upon demand, for any and all costs incurred by landlord as a result of damage or injury caused by the pet(s). Tenants agree that the security deposit called for under this agreement may or may not cover these damages, and that Tenants shall be responsible for any and all damages in excess of this security deposit.
11. Tenants shall be liable for any damage done by pets to floors and surfaces, timber flooring, screen doors, window screens, glass doors and windows. The damage will need to be repaired to a tradesman like manor immediately. (If glass panels are scratched the glass with need to be replaced at the tenant cost).
12. The tenants agree that the Agreement applies only to the specific pet described above and that no other pat may be substituted. Tenants agree to furnish the owners with a picture of their pet.
13. Tenants agree that the Management reserved the right to revoke permission to keep the pet should the tenants break this agreement.
14. Tenants agree to indemnify, hold harmless, and defend landlord and all of landlords agents and employees against all liability, judgements, expense (including attorney's fees), or claims by third parties for any injury to any person or damage to property of any kind whatsoever caused by tenants pet(s).
15. Tenants agree to keep all pet odours undetectable within and around the property. Tenants will be held accountable for any pet odours left when vacating and held responsible for removing the smells. During inspections if cat or dog smells are detected by management within any room of the property, the property manager will reinspect in 4 weeks' time, if the problem is not remedied the pet will need to be removed from the property.

iRental Company policy Bonds:- We only release a bond once we have been through the property with the owner or the owner has given us approval to release the bond.

Management _____ Date _____

Tenant(s) _____ Date _____





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