

Frequently Asked Questions

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How do I get the best rent for my property?

Setting your rental price is one of the most critical decisions you will make as the owner of an investment property. Your property manager is the best person to assist you with setting the best rental price for your property. There are a few factors that must be considered when setting your rental price.

You must consider the condition of the property- Is it in a good state of repair with paintwork, carpets, and its general overall appeal?

What features does it have that make it appealing and attractive?

A quality tenant wants good features and if they see what they're after, they'll be happy to pay a better rent. Speak with your property manager about extra features your property could have that would assist with achieving a better rent.

As the saying goes, 'location, location, location!' - If the property is close to sought after places like schools, colleges, hospitals, and shopping centres then this will likely assist with a better rent as tenants want to be closer to what they need to access on a regular basis. If it means less travel time and less travel expenses, then this will create a stronger demand and in turn a better rent. Speak with us today before you consider your next purchase so we can tell you what locations have a strong demand in our marketplace.

Security of lease - Quality tenants will be after security of lease. Offering a 12-month lease works best. However, if a property is on the market for rent with no secure lease period offered, then this can detract from getting a quality tenant (unless a short-term lease suits their purposes).

What is the application process?

Once your property is advertised, we will either hold open homes or book private inspections to show people through your property. After viewing they can apply to rent the property. Once we have finished processing the application, we will put it forward to you for final decision. **We will NEVER decide, without your permission first, on who will be able to rent your property.**

How do I know I am getting a good tenant?

Ultimately the decision is up to you. We will present the completed applications and provide you with our professional opinion, but you will choose who resides in your property as a tenant.

We can never guarantee any tenant as we are unable to control their actions. We can only serve notice of a breach for it. That's why we always ask that you have quality landlord's insurance cover, for unexpected situations like the tenant losing their job and being unable to pay rent or deliberate, malicious damage.

Just like building insurance covers you for unexpected events like storm damage, fire, a burst pipe, etc., you also need to have quality landlord insurance cover to protect you against loss incurred by non-payment of rent or malicious damage which is not covered by your building insurance policy.

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How do you advertise my property?

We will advertise your property for rent using the following property marketing portals:

- www.realestate.com.au
- www.domain.com.au
- www.rentfind.com.au
- www.iproperty.com.au
- www.rent.com.au

Your property will be marketed on the internet using the following important features:

- **Property photos** - We will load a selection of quality photos that will allow any tenant to quickly qualify themselves as to its suitability. We do recommend arranging for professional photos for your apartment at an additional cost. We can assist with this.
- **Detailed description** - We provide an extensive description of the property features to ensure the tenant is well informed.
- **Floor plan** - We will load a floor plan (if made available) so tenants can further qualify themselves as to their suitability.
- **Walk-through video (Additional Cost)** - We recommend also adding a walk-through video allowing the tenant an intimate look at the property, highlighting details for a better viewing experience. In most cases this is the 'clincher' that allows a tenant to decide (or not) if your property will suit their needs. Walk-through videos often mean we rent property much faster than if we used photos only.
- **360-degree camera technology (Additional Cost)** - This is the ultimate property inspection experience for any tenant. It's like being onsite, but instead tenants can do a detailed tour of your property 24/7 at their convenience. It's nearly as good as being there in person at the property!

How long will take to find a tenant?

There is no set time frame for finding a tenant. However, the sooner we advertise the sooner we can find a tenant. Your property must be advertised correctly, at the correct market value and be a well maintained home to secure good tenants in the fastest possible time.

What is the bond for? And how much do you take?

Before the tenant starts their lease, they must pay a bond which equals **4 weeks rent**. This will be paid to Rental Bond Board and will be held there until the tenant vacates the property.

The bond is held as security for your property. If required, it is to cover the cost of bringing your property back to its original ingoing condition (less fair wear and tear) after the tenant vacates, plus any outstanding costs like rent.

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What will be covered at the new tenant induction? (sign-up process)

When the tenant signs their lease and collects their keys, we will go through the following with them:

	Review of the terms of the lease between you and your tenant		The tenant's responsibility to maintain the property
	Notifying us of any repairs required		Our strict rental arrears policy
	Our special conditions which outline looking after the property		

How often will I receive the rent funds and when will I receive my statement?

You will receive your rent payments 2 times per month as part of our **Mid Month (15th) and End of Month (30th/31st)** payments.

We will provide you with an owner payment schedule so you can see when to expect your owner payments each month.

You will receive your statements to your email every time you receive any payment or you can access them via your owner portal.

What expenses can you manage on my behalf?

We can manage any and all of your expenses, we will pay these from the rent funds that we collect on your behalf. We can pay your landlord insurance, council rates, water rates, maintenance invoices and any other invoices related to your property. Just let us know!







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Skye by Crown Group, North Sydney

What extra outgoing expenses should I expect?

As a landlord there are a few outgoing expenses you should be prepared for and always ensure you have spare funds to cover the following:

 <p>Maintenance/repairs to maintain the property standard</p>	 <p>Cleaning between tenants if the property sits vacant for a while, or if a 'top-up' clean is required beyond 'reasonable'</p>
 <p>Property compliance such as smoke alarm checks or water efficiency certificates</p>	 <p>Council rates</p>
 <p>Water rates</p>	 <p>Insurances</p>

Does my tenant pay for water usage?

If your property has a water meter then yes, your tenant is responsible for water usage charges as long as your property is water efficient and separately metered. The tenant will have **21 days** to pay the water invoice to reimburse you for the usage charges.

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What insurance will I need?

If your property is part of a strata scheme then building insurance is generally covered under your strata levy contributions. The other important insurance landlords should consider is landlord protection insurance. This will cover you for rent default, malicious damage to the property, tenants abandoning the property, the property being used for drug production, etc.

We recommend that you use a quality landlord insurance cover, as a policy accessed through a financial institution or even a supermarket can mean a lesser quality cover than what is available through your property management agency. Speak with us about how to get this type of quality cover.

Do I need a tax depreciation schedule?

Property depreciation is a legal tax deduction related to the 'wear and tear' of an investment property over time. A tax depreciation schedule outlines the deductions you may be entitled to claim each year of ownership on the Building Allowance (the structure itself including bricks, concrete, etc.) and, if eligible, internal items like ovens, carpets, blinds, etc.

As with any tax deduction, claiming property depreciation reduces your taxable income. A depreciation schedule is a fully comprehensive, ATO-compliant report that helps you pay less in tax. The amount the depreciation schedule says you can claim effectively reduces your taxable income because it's considering how much it costs you to own and maintain the property.

While you may be familiar with claiming on items such as council rates or property management fees where you have paid money towards an item or service, depreciation is a non-cash deduction. This is because it's the ONLY deduction that you don't have to pay for on an ongoing basis and it's already built into the purchase price of the property. We have a great working relationship with BMT Tax Depreciation Quantity Surveyors and can arrange a quote for you.

Do I have to allow pets at my property?

The choice is entirely up to you unless your property is in a strata/ body corporation complex and there is a pet clause in your by-laws. Keep in mind however more and more quality tenants these days are looking for a 'pet-friendly' rental property.

Whose responsibility is it to maintain the smoke alarms?

Smoke alarms must be installed in accordance with our state legislation and regulations. Landlords need to ensure that smoke alarms installed in the rented property are in working order. A penalty will apply for landlords who fail to comply enforced by NSW Fair Trading. To ensure smoke alarms installed in the rented property are in working order, a landlord must:

- **Carry out annual checks** to ensure all smoke alarms installed at the property are in working order.
- **Replace a removable battery in all smoke alarms in the period** specified by the smoke alarm manufacturer (for a removable lithium battery), or otherwise annually or between leases.
- **Repair or replace a smoke alarm that is not working** within two days of becoming aware that it is not working.
- **Replace a smoke alarm with a new smoke alarm within 10 years** from the manufactured date, or earlier if specified by the smoke alarm manufacturer.

To assist with this, we suggest you use Detector Inspector to check the alarms to ensure they comply with current legislation, and change back-up batteries if required. We can arrange this on your behalf.

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Who is responsible for pest control at the property?

Responsibility for removing or exterminating pests or vermin during a tenancy depends on whether:

- Pests or vermin were already a problem when the tenant moved in
- A problem with the property has allowed the pests to enter or an infestation to develop
- The tenant contributed to the problem
- Other factors that could determine who is responsible include the history of the property, what is recorded in the condition report, and if there were factors beyond the tenant's control

What inspections are carried out during the tenancy?



‘We conduct the first routine inspection within the first 3 months of the tenancy and then every 6 months after’

Routine inspections

These inspections are carried out to ensure the property is well cared for (in accordance with the tenancy agreement) and to check if there are any maintenance, health and safety or compliance issues. At these inspections we check for the following items:

- The property is kept reasonably clean and tidy by the tenant
- There is no visible damage to the property or maintenance required

Once we have inspected the property, we will email you a copy of the routine report notifying you of any discrepancies we have noticed.

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Vacate inspections

This is the last inspection carried out as soon as possible after the end of a tenancy once the tenants have returned their keys. The ingoing condition report is used at this inspection and each item is checked off to make certain that the property is in the same condition as when the tenant took possession (less fair wear and tear). It is at this inspection that any items needing to be rectified by the tenant are identified.

When can I go to the property?

Your tenant has the right to reasonable peace, comfort and 'quiet enjoyment' when renting your property. For this reason, the tenancy laws restrict when and how often you, your agent or any other authorised representative of the landlord can enter the property.

You, your agent or authorised person can only enter the rented property without the tenant's consent in certain circumstances, and if proper notice (if applicable) has been given. For example:

- In an emergency
- If the tribunal/ court orders that access is allowed
- To carry out, or assess the need for, necessary repairs or maintenance of the property
- To carry out urgent repairs
- To carry out repairs or replacement of a smoke alarm
- To inspect or assess the need for repair or replacement of a smoke alarm
- To carry out a general inspection of the property

Limits also apply on entry without consent. You, your agent or authorised person can only access the property after proper notice has been given between 10am and 4pm on any day except Sundays or public holidays. In this case you, your agent or authorized person must:

- If practical, notify the tenant of the approximate day and time when entry will be required.
- Not stay on the property longer than is necessary.

What is the process of lease renewals and rent reviews?

We always like to suggest that keeping your tenant on a fixed term agreement is the best policy for both you and the tenant as it provides both of you with security. **3 months before your tenant's lease is due to expire**, we will conduct a rent review on your property to see if we can increase the rent to keep it in line with current market conditions. Once we have determined if we can increase your property's rent, we will then contact you to seek approval for the rent increase and if we can offer the tenants a new lease.

What is the repair process?

Once the tenant notifies us in writing or at a routine inspection of any repairs required, we will contact you to seek approval for the repairs unless it is an urgent repair. In this case, if we cannot get in contact with you immediately, we will arrange the repair. We ask that you do not complete your own repairs, for legal, license and insurance reasons. Our property managers will be communicating with owners on the following days to provide updates on the tenancy status for arrears.

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From time to time, at routine inspections we may note some proactive maintenance that may need to be completed. This could include repairing door handles, towel rails or even painting after a tenant has vacated. If the repair needed is damage caused by the tenant and if it is a safety issue, we will have the repair completed and can then pass on the cost to the tenant for reimbursement to you.

If there is an urgent repair outside of business hours the tenants are instructed to try to contact us first. If they are unable to get in contact with us the tenants have been provided with an approved list of trades to contact outside of business hours only if it is an urgent repair.

What happens if my tenant stops paying rent?

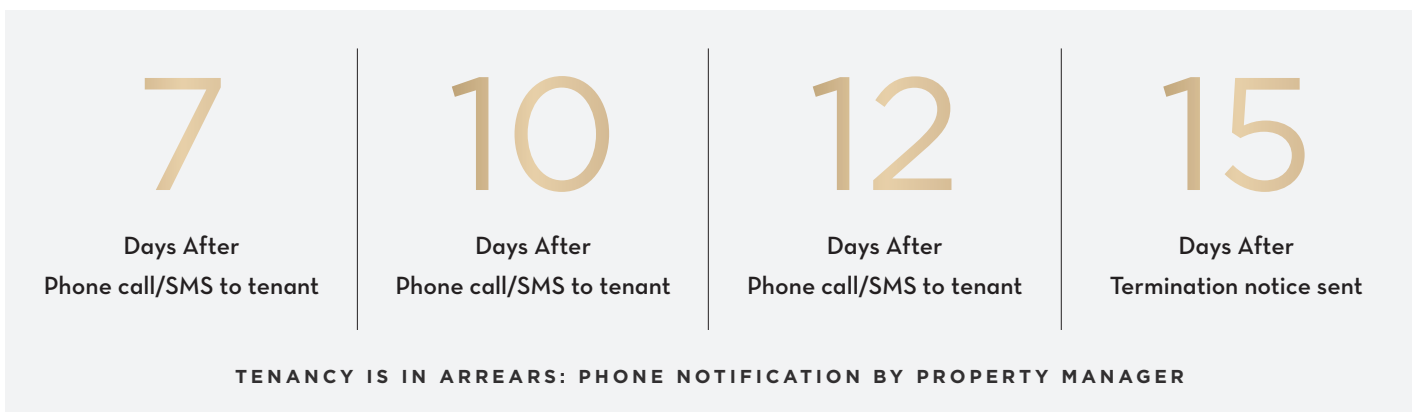
We maintain a zero tolerance for late rent. However, should the tenant fall behind we will continuously contact them to ensure they will be making payment. We will also keep you updated throughout the process. If the tenant falls behind, we will discuss with them ways to catch-up the missed rent. They can make a one-off catch-up payment or go onto a payment plan (if deemed necessary).

We have implemented the following procedure to handle late rent in our office:



Arrears communication process email notification to tenants

In addition to email notifications tenant will receive a phone call followed with SMS notification by their property manager.



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Our property managers will be communicating with owners on the following days to provide updates on the tenancy status for arrears.

- **11 Days After:** Tenancy is in Arrears: Phone call from property manager to owner advising of the update
- **14 Days After:** Tenancy is in Arrears: Phone call from property manager to owner advising of the update

What happens if my tenant breaches their lease?

If your tenant breaches their lease, we will issue them with a notice to remedy the breach. This means we identify to the tenants how they have breached their lease, how they are to rectify the breach and when they are to have it done by. We will then confirm with the tenants in writing or via inspection that the rectifications have been completed.

What happens if my tenant breaks their lease?

If your tenant breaks their lease and vacates the property before finishing their lease term, they will have to pay a break lease fee based stage of the agreement under the current NSW Legislation. The set fee payable is:



For example:

- If 7 months of a 12-month tenancy agreement (or 58%) has expired, a tenant would need to pay a fee **equal to 2 weeks' rent** to the landlord to end the agreement early
- If 2 months of a 6-month tenancy agreement (or 33%) has expired, the tenant would need to pay a fee **equal to 3 weeks' rent** to the landlord to end their agreement early.

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What is the tribunal/court process?

There are several reasons why you may need to take your tenant to tribunal/ court. However, the most common reasons are for rent arrears or to get the tenant to vacate the property. We can help during this process and attend the tribunal/court on your behalf.

Rent arrears - Once the tenant falls 15 days in arrears, we issue the tenants a breach notice which will give them **14 days** to remedy payment or vacate the property. If they do not vacate the property, we then make an application to the tribunal/ court and attend the first hearing. At this point one of two things will happen:

1. The tribunal/court will put the tenant on a payment plan to catch up the arrears with an option to attend tribunal/court again if they do not stick to the payment plan or fall behind again.
2. The tenants will be given a date to vacate the property.

Vacating - If a termination notice has been issued to the tenants and they do not vacate by the specified date we will apply to the tribunal/ court. If the tribunal/ court believes you have a valid reason for terminating the tenancy the tenants will be given a specific date to vacate the property. If they do not vacate by this date the next step will be to get a sheriff involved.

How much notice does my tenant need to give if they are vacating?

There are a few different scenarios when a tenant is vacating a property. The notice period depends on how and when they are vacating.

14

Days Notice

Vacate at the end of their lease

21

Days Notice

Vacate at the end of their lease

What is the process when my tenant vacates?

Once your tenant has given notice to vacate, we start advertising the property immediately to secure new tenants. We then book in the vacate inspection to occur as soon as possible after the tenant returns their keys.

Once we have conducted the final inspection, we give the tenant a chance to rectify any issues, If necessary, we organise the relevant trades to work on restoring the property to ingoing inspection condition (less fair wear and tear).

If the tenant has returned the property in satisfactory condition and paid the all accounts paid then we will authorise the release of the bond. If the tenant returned the property with unpaid outstanding items, we would claim the amount needed from the bond.

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What is legal wear and tear?

Fair wear and tear describes the normal deterioration of a property from ordinary, everyday use. It's impossible to live in a property without causing some form of minor damage and scuff marks on the walls, worn carpet in high-traffic areas, and so on.

What happens if I want to move back into my property?

If you would like to move back into your property, we will need to give: If the tenant is locked into a fixed term agreement, then the lease is guaranteed to them and you cannot move back in unless they agree otherwise. Usually compensation is required and negotiated between you and the tenant should this occur.

30

Days Notice

Vacate the property at the end of their lease

90

Days Notice

Vacate the property if within a non-fixed term lease

What happens if I want to sell my property?

If you would like to sell your property, we will need to give the tenants 14 days' notice before it goes on the market. If your tenant is still in the lease they will only have to give 14 days' notice to vacate unless they were told about the sale prior to signing their lease.



Arc by Crown Group, Sydney CBD