

Rental Information

Neighbours and Tree Roots

Water restrictions and drought have changed the way we live from day-to-day. For some rental properties, this is causing a new challenge.

Like humans, trees are searching for alternate sources of water, which can unfortunately create costly outcomes. Depending on the aggressiveness of the root system and tree type, damage to fences, pipes, and foundations can be dramatic.

Neighbours will certainly be upset if concrete starts moving, or a sewerage pipe is damaged. But what if the neighbour's tree roots are damaging YOUR investment?

A lot of the time it's impossible to know, which tree is causing the problem, and invariably these disputes can end up in a who pay's for what.

Prevention though, as always, can be the cure. Here are some hints to help avoid this problem happening to your property:

1. Obtain a full report from at least two qualified plumbers.
2. Remove suspect trees and roots.
3. Have your plumber install root barriers; keeping in mind these may not stop certain types of species.
4. If a dispute arises ask the plumber to dig, exposing the roots, enabling you to track back to the source. Make sure you take photos.

Rental Market Update - June 2009

Have you been thinking about an investment property and want to know what's happening in the rental market? Currently rentals are in strong demand with properties that provide long term security (Longer leases) and pet friendly homes being the ones that are first off the rental list. Prices of rents are slightly increasing especially properties that allow pets as tenants are prepared to pay that bit more to obtain a property where they can house there loved one. This is a good point to remember when purchasing.

Affordability seems to be on the minds of tenants at the moment as well. Properties close to the CBD where they can walk to town or a short distance are always strongly sought after due to the fact the extra costs associated in properties further out all add up at the end of the day. Things like fuel, taxi fares etc.

The development at the Waterfront has attracted a large amount of contractors signing up long leases at excellent prices. Once again being close to the site means properties near the CBD are sought after from these particular clients. Knowing that this project will take time to finish gives confidence that long leases can be signed.

Overall heading into winter the rental market is looking promising and with interest rates at record lows, rental income increasing now is the time to consider an investment property. For expert property management advice please contact me or visit www.merrifield.com.au

Final Inspections - Fair Wear and Tear

When carrying out final inspections with a tenant to determine the final condition of the property, we must compare the condition of the property at the commencement of the tenancy to the end of the tenancy and allow for "fair wear and tear". The definition of "fair wear and tear" is something that occurs through normal use or is the normal changes that take place with the aging of the property.

This statement is obviously open to interpretation and can often be seen as a grey area within property management, particularly when carrying out final inspections.

So where do we draw the line? What is a tenant responsible for and what is a lessor responsible for?

We are starting to discover that our expectations and standards are sometimes considered above the industry standard of what the legal system (tribunal system) considers acceptable, allowing for "fair wear and tear".

When a tribunal considers the issue of "fair wear and tear" (cleaning & damage/repairs at the end of the tenancy) they will take into consideration some of the following issues:

- How long have the tenants resided in the property?
- Age of the property, fixtures & fittings (i.e. age of the carpets or last date the property was painted etc)
- Current depreciation status of the items in dispute

Merrifield's also ensure that we accurately and thoroughly document the condition of the property at the commencement of the tenancy on the entry condition report, to minimise disputes at the end of the tenancy.

Rental Shortage - Properties Needed

We have quite a few prospective tenants looking for rental properties but not enough houses to put them in. People are coming from the Eastern States, from Perth, moving for the lifestyle change. Albany is getting bigger, plenty of work is available and Albany is a beautiful place to live.

So why is there a shortage of rental properties? Well I think we can all answer that question.

Living costs - food, petrol are increasing, rent prices going up, and of course bank and mortgage fee increases - owners are trying to sell their properties or move into them. These are some of the reasons, just to name a few why there is a rental shortage around. And now there is the stock market crash, well there should be some interesting times ahead.

Owners who have been trying to sell, why not rent your property for a year until the market picks up? We have tenants looking for three and four bedrooms, properties close to schools, we have many people looking for properties that will allow their faithful companion.

So, to all owners - are you looking for a great tenant and fantastic property manager like us to manage your investment property? Call Merrifield Real Estate for a free appraisal today.

Attracting and choosing good Tenants

If you want to attract tenants who will care for your property as much as you do, it is important to present it at its best. The Residential Tenancies Act says you must make sure your property is clean, and is fit and habitable condition at the beginning of the tenancy.

If a prospective tenant is interested, ask them to complete a pre-tenancy application form to find out:

-
Their name and contact details

-
Where they are living now and their rental history

-
ID details

-
References so you can find out more about them.
Before you decide to rent them the property, contact all the references they've provided and do a credit check. Also be careful in any discussions leading up to an agreement. If you tell the tenant they can have the property, or a tenant says they will take it, or money is paid, this may be binding, even if an agreement is not signed.

Q. Are Landlords/Property Managers allowed to pull prospective tenants credit report?

A. yes you are allowed to obtain a report, this information will provide you whether or not the tenant is reliable to pay rent.

Q. Are Landlords/Property Managers required use written applications

A. Asking a prospective tenant to fill out a written application can protect you from law suits filed by irate applicants that you rejected as tenants. Having good written documentation supporting why you chose a prospective tenant (applicant A), having good credit history and job stability where far better than applicant B recently declared bankrupt and poor references from previous landlords.

Even if a tenant has a "Blemish" on their record or a negative experience with a previous landlord or credit holder – does

not necessarily make them a bad tenant, sometimes there are reasons – But you may still want to be aware, Also a “Perfect “ tenant record does not make them perfect tenants.

Application Tips for Tenants

Don't use friends/ relatives as references.

Call and ask the Property Manager if she/he has received your application and if there is anything else they would like you to provide.

Attach payslips or proof of income and reference letters from employers, business associates, previous or current Landlord/Property Manager

If possible try and meet with the Landlord/Property Manager in person.

11 REASONS WHY YOU SHOULD CHOOSE MERRIFIELD REAL ESTATE TO MANAGE YOUR PROPERTY

1. Our property management team is skilled, dynamic and enthusiastic, dedicated to ensure your investment property makes you money! All property managers are trained to know your rights and obligations as well as the tenants rights and obligations. The property management staff are fully endorsed members of REIWA.
2. Our Property Managements can give you an assessment of the correct rent. Many private landlords overestimate the rental amount charged resulting in a loss of rental income through a high vacancy rate.
3. Merrifield Real Estate receive most of their prospective tenants through our advertising/marketing procedures. We have three rental availability web sites which are always updated and our weekly newspaper advertising.
4. We have proven working procedures and systems to deal with the renting of your home successfully. We use all the current and correct documentation to avoid any disputes that could leave you liable. Legal contracts stating the tenants responsibilities is important as it protects the investor.
5. Our reputation is that we maintain a high level of cleanliness and maintenance in all our rental properties.
6. Merrifield Real Estate do not give out vacant property keys to prospective tenants to view your property. We make viewing times suitable to all parties. Private landlords can be more restricted with their time therefore may not be able to find the best tenant for the property in the fastest time.
7. We conduct thorough background tenant security and verification checks before the application is approved to ensure that you get the right tenant, we use such checks as the National Tenancy Database, TICA and previous rental history references.
8. We do full property inspections prior to tenants moving in and when vacating. Routine inspections are carried out every 3 months to maintain your property in a high standard, and keep tenants “on their toes” which helps them take good care of your asset. We carry out bond inspections and inventory updates at the commencement and termination of your tenants tenancy.
9. Our very competent and widely used real estate program “GeeDee” correctly deals with your day to day procedures, generation of monthly statements, Cheques/Direct Deposit payments and history statements for accounting and taxation purposes.
10. We attend to maintenance issues promptly and only use proven maintenance persons with all insurance and registration checks. All rent collections and maintenance accounts are then paid for on the landlord's behalf.

11. Having your rental property managed professionally is a great tax benefit being as all management fees are tax deductible. If you plan to buy several investment properties, managing them yourself can be time consuming and involve personal time for which you will receive no payment for. Also why waste Valuable time searching for all those records at tax time on what maintenance was carried out.

Home Improvements

Does your investment property need attention? When was the last time you upgraded your property?

Improvements and renovations to a rental property are important to protect short-term return (rental income) and capital growth of the investment. A poorly presented property will only attract a similar style of tenant resulting in further deterioration of the property.

It is a fact that rental properties are exposed to tenant "wear and tear" therefore will require work from time to time. You should budget to upgrade the property on average every five years.

Following is a list where improvements are often required:

- Kitchens an old kitchen can be renovated by replacing cupboard doors and bench tops. It is often not necessary to replace the entire kitchen.
- Bathrooms sometimes just re-grouting tiles and giving the walls a fresh splash of paint can do wonders.
- Exhaust fans ensure that there are working exhaust fans in the kitchen, bathroom, toilet areas to avoid a build up of moisture mould and heat stains.
- Landscaping/Exterior Painting. The kerbside presentation or initial impressions is important to the property appeal. Ensure that trees large shrubs are pruned, clear gutters wash eaves and wash external walls. If necessary you should paint the exterior of the property.
- Interior Painting. Paint the wall throughout in neutral colours and use washable paint.
- Replacing floor coverings. Choose a carpet that is long- wearing and durable. Avoid light tones that can easily stain. If replacing the floor coverings in the kitchen area, do not lay soft vinyl. Moving a fridge can easily cause cuts and tears. Use heavy grade linoleum or tiles.

By Attending to your home improvements on a regular basis you will preserve your investment.

Rental References

References are and essentially part of residential rental applications.

Property Managers have the knowledge and ability of sourcing and selecting the best tenants for your property. We use a thorough screening process to select the most suitable tenants and seek tenants who will pay their rent on time and take care of your property. Our selection process is an integral part of our management and reference and thoroughly checked. We have access to Defaulting Tenant Data Base such as TICA and NTD. The internet is an excellent source of information by providing accurate details on potential tenants.

With the right selection would –be problems and stress commonly associated with Property Management are reduced. Gone are the days when Property Management was simply about collecting rent.

As a prospective tenant who wishes to rent your reference will assist in demonstrating your ability to meet the rental payments and also maintaining the property to a high standard. Provide any relevant evidence of your income and employment. This may include:

- Current pay slips
- A letter from your employer
- Your bank statement
- A letter from your current Managing agent or land lord
- A copy of your Centrelink proof of income etc

Reference about your good character can help but it is advised that relatives and close friends are not included as your reference as they may prove to be biased. It is a good idea to provide two or more references from people who have a good reputation. This means they do not have a criminal record or bad reputation. It is also good to provide details on how long this person has known you.

Changes in legislation and the levels of service required by tenants and landlords have made Property Management a specialised division of real estate.