

PROPERTY MANAGEMENT FOCUS.

Bringing you the latest news from the world of Australian property management.

THE SIX DOS AND DON'TS OF APPLYING FOR A RENTAL PROPERTY

Are you looking to apply for a rental property, but aren't sure how to put your best foot forward? Here we've canvassed some of the top tips when it comes to applying for a rental property from some of our property management specialists.

Do – Have all your information clearly printed on the application with all supporting documents attached. This just makes the process that much easier and quicker for everyone.

Don't – Leave blanks on applications. This will only slow down the agency processing the application and means you could potentially lose the property to another fully completed application.

Do – Make sure all referees are aware that you are applying for a property and ensure they're happy and available to answer any questions. Sometimes these calls can come as a surprise to referees who are then less willing to give out a reference over the phone. Again, this further slows down your application and may mean you'll potentially miss out on the property.

Don't – Dress poorly when going to a rental inspection. Treat the meeting as you would a job interview and make sure you leave a positive first impression. Dressing neatly gives the impression that you will be a neat and tidy tenant.

Do – Make sure your payroll/HR department are also aware that you are applying for a rental property and give them permission to verify your salary information over the phone to the property manager. This information is important for a property manager to confirm as it will help to determine your capacity to meet regular rental payments. Note that this information is kept strictly confidential.



Don't – Be dishonest in your rental application. If you would like the landlord or property manager to consider allowing you to have a pet, be upfront about this expectation, be honest about your job status and salary and if you're planning to live with a roommate. It's always better to have these conversations before signing any paperwork to ensure neither you nor your property manager are put in an uncomfortable position after you've begun your tenancy.

If you are a first time renter, you may be concerned about proving your rental history.

Don't worry, the main things your landlord and property manager will be looking for are your ability to meet regular rental payments, to take care of the property and meet the terms and conditions of the rental agreement.

If you do miss out on a rental property, don't be disheartened! Speak with the property manager managing the property about other potential properties on the market, or to keep you informed of similar properties as they become available.

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Harcourts

ACCIDENTAL DAMAGE VERSUS WEAR AND TEAR – UNDERSTANDING THE DIFFERENCE



A common frustration for many landlords is accidental damage which can occur at their investment properties. Whilst accidental damage is something your property manager will deal with swiftly on your behalf, normal wear and tear is a bit different. Here, we explain the ins and outs of both.

THE REALITY IS THAT WEAR AND TEAR ON A RENTAL PROPERTY WILL OCCUR OVER TIME

The first thing to be aware of as a landlord is that normal or a reasonable amount of wear and tear is acceptable at a rental property, so it's important to have realistic expectations. Rental properties won't remain in exactly the same condition at the end of a lease as when the tenants first moved in.

While tailored landlord insurance may cover claims for accidental damage, wear and tear is generally excluded and cannot be claimed.

SO, WHAT IS CONSIDERED ACCIDENTAL DAMAGE?

Accidental damage is defined as being caused by a sudden and unexpected event. This might include spilling red wine on the carpet or a window breaking. If you have landlord's insurance, this is the kind of damage that a claim can usually be made against, alternatively, it may be the tenant's responsibility to fix.

WHAT IS CONSIDERED NORMAL WEAR AND TEAR?

In contrast, wear and tear accumulates over time. Using the carpet example, depending on the product's quality, its life span could be five to seven years. This means if a tenant has been in the property for a number of years, you can expect there to be signs of foot traffic and flattened or bare patches.

In insurance terms the carpet has not been damaged accidentally or maliciously, but may be in a reasonable condition given the tenant's time in the property. This wear and tear cannot be claimed on insurance and should be expected as part of owning an investment property.

One of the main reasons landlords confuse wear and tear for accidental damage is

because after leasing their property they often don't see it again until the end of the rental agreement.

This is why it is important for property managers to carry out regular inspections and advise landlords on the property's upkeep. If you are not currently receiving regular updates on the upkeep of your investment property, you should bring this up with your property manager.

Regular inspection reports form part of good property management, and a good inspection report to a landlord will include some photos so that there is a visible image of the property during the time of tenancy, including images of any damage observed at the property.

If you would like more information on protecting your property from accidental damage, visit the Harcourts Complete website (<http://harcourtscomplete.com.au/>) and click on 'Residential Landlord Insurance' to see how Rental Protect Plus can assist you with protecting your investment.

HANDY GUIDE: ACCIDENTAL DAMAGE VERSUS WEAR AND TEAR

Examples of accidental damage:

- Any permanent staining of carpet
- Hole in the wall caused by tenant
- Cracked floor tiles caused by tenant
- Shattered windows or built-in mirrors

Examples of wear and tear:

- Foot traffic marks on carpets
- Scuff marks on floor coverings
- Dirty hand marks on curtains/blinds
- Grease accumulated in the stove range hood filter

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