



30 Top Tips for Landlords

The secrets only
property managers know

30 quick tips that will help you
manage your rental property journey



The tips all landlords
need to know.



In this guide you will get 30 top tips only property managers know. These are the tips and tricks property managers have learnt from managing hundreds of properties over many years.

These tips will help you throughout your time as a landlord and will help you set your investment property up for success.

“Learn from the mistakes of others, you can never live long enough to make them all yourself” Groucho Marx



General Maintenance Tips



1. Preparing your home for tenants

It is a good idea to check all the items in your property that are going to be used day to day and make sure they are in good working order. These items will be used every day such as tapware, exhaust fans and sliding doors these items need to be in good working order.

2. Tapware and washers

Taps and washer repairs are the most common items that get reported for repair. When replacing washers and taps go for the more heavy-duty ones so they can cope with wear and tear. You will hear us say it over and over 'the poor man pays twice'.

3. Hot water systems

Changing of seasons and change of daily use can cause additional stress on an already aging system. Check the age of your hot water system. It may be fine and working but a change in day-to-day use can cause old hot water systems to bust and require replacement early on into a new tenancy. The average cost of a hot water system replacement varies but could cost anywhere from \$800 to over \$2,000.

4. Light globes

Make sure these are easy to replace and a tenant can easily access the fittings. Make sure all light globes are in working order. A tenant must maintain the globes throughout their tenancy but only if they were in working order upon signing the lease. LED lights may be trendy, but tenants will not be able to replace these when they stop working.



General Maintenance Tips continued.

5. Contractors

Using a contractor to complete a repair is a Tax Deduction. Repairs will be required at your property from time to time and when these occur it is a good idea to have them completed by a professional contractor.

The contractor will handle the access arrangements with the tenant and all legal liability issues around working onsite. Some people like to attempt to do repairs themselves to save a dollar. In our experience this is never the case and usually costs double in the long run. Some contractors will provide a quote free of charge, but some will also charge a call out fee.

6. Obtain quotes

The cost to obtain three quotes can sometimes be as much as the repair itself. Give your contractor an expenditure limit on the repair item.

7. Upgrading items in your property

Large upgrades allow you to claim depreciation on your tax return. Everyday items will wear and tear throughout the tenancy of your property, sometimes it can be more cost effective to upgrade an area such as a kitchen or bathroom rather than continually spend money on small fixes.



General Tenancy Tips

8. Selecting the right property manager

You will not know you have an average property manager until it is too late. Choose a property manager that you feel comfortable with and can communicate with. Most people think all property managers are the same, the difference between an average property manager and a great property manager can be thousands of dollars.

9. The three P's Price, Presentation, Promotion

These are the three keys to getting your property leased. If the property is priced right, presents well and is promoted correctly, you will find a great tenant for your investment property. If one of these three elements is off, it can affect the whole leasing process.

Top Tip: Check www.realestate.com.au for similar properties to ensure you are priced within the market.

General Tenancy Tips *continued.*

10. Homes lease faster than units

Homes attract a better rental return due to lower vacancies and less holding cost. Freestanding residential homes lease faster than strata units. There is a larger demand in the marketplace for homes. While units still have their place, they are more desired by single people or couples that commute for work.

11. Tenant selection is key to success

The right tenant will make your investment journey seamless. Selecting the right tenant can be a hard process but it is an essential part of the investment process. You need to secure tenants that are easy to deal with, have a consistent track record and genuinely want to live in your property and make it their home. If your property is overpriced when searching for tenants, you will not secure the best applications in the market leaving you with limited choices for your property.

12. The best tenants do not pay market rent

A week's free rent at Christmas time is a great way to show your appreciation. The best tenants do not pay market rent, the best tenants are like gold. Landlords love them and do not want to lose them, so they keep the rent at an affordable level, offer long term leases and often upgrade the property for the tenant's convenience.

When looking for tenants, keep your property priced at a competitive level and you will have your pick of the best tenants. Once you have secured the tenants and established a good relationship, offer them long term security to ensure they stay in the property for extended periods.



General Tenancy Tips continued.

13. Tenants with pets

Having a tenant with a pet can mean less vacancies for your investment property.

14. Rentals that allow pets can be hard to find

Giving a tenant approval for a pet usually results in the tenants staying for a longer period giving you less vacancy time for your property.

15. Landlord pet damage insurance

Pet damage insurance will cover the incidentals. Make sure your landlord insurance policy covers pet damage and accidental pet damage. Most policies have some coverage, but this can be limited and difficult to claim. Make sure your insurer has a clause in their policy that allows for pet damage claims.

16. Pet approval conditions

If you are allowing a tenant to have a pet, ensure the property manager has a set of conditions that can be added to the lease agreement. These conditions can include carpet cleaning and professional flea treatments upon exiting the property and rectification of any damage that occurs from the pet. These conditions are added to the lease agreement and signed off on by the tenants.



17. Twelve month lease terms

Tenants like to know they have security. Most agents will offer a 6 month lease at the start of a tenancy. If you are happy with the application, offer the tenants a 12 month lease. It will give them security and give you less vacancy time.

18. Professional photos

A good professional photographer can present your home in its best light. Professional photos can be a great thing for your property, but also a curse. Tenants like to see a property for what it is, not a highly edited version. Make sure when getting professional photos done, they highlight the true features of your home rather than adding features that do not exist.

19. Realestate.com.au

This is the main portal for property searches. Most tenants will search realestate.com.au for rental listings and you need to advertise on this portal if you want your property leased fast. Other sites cater for more specific tenants like affordable housing but for general tenancies, realestate.com.au is the main search engine. Enhanced ads on this site sit at the top of the page and get your property leased faster.

20. The poor man pays twice

Saving money now usually cost you more in the long run. Cutting corners on repairs and maintenance, or choosing a managing agent based on fee alone usually results in larger cost down the track. Spending a little bit more money on an item or a repair can save you thousands of dollars in the long run and prolong the life of the item. When choosing an agent make sure you take into consideration the whole service the agent offers rather than just the management fee percentage.

Property Manager Secrets



21. Communication is key to success

Emails are the best way to keep a paper trail. Keep all communication with your tenant through the property manager. Do not form a relationship with the tenant and keep your property manager out of the loop. If you give a tenant permission to do something at the property or keep a pet, the property manager needs to know.

22. Smoke alarm annual maintenance

Let someone else carry the burden. As a landlord you are obligated to have your smoke alarms checked on an annual basis and ensure they are in working order. If you complete these checks yourself, you are legally responsible for the smoke alarms and their maintenance throughout the tenancy of your property. For \$75 per year, you can outsource this responsibility to a professional company that will check the alarms, replace any faulty alarms, provide unlimited tenancy call outs and free checks in between tenancies.

23. The Tenancy Act

The Tenancy Act is the rules and regulations around tenancy agreements and tenant/ landlord obligations. This Act is controlled by state government and is also the framework in which property managers operate under. The Tenancy Act is used when attending the tenancy tribunal for tenant disputes. This Act can be confusing. As a landlord ensure you speak to your property manager if you have any questions about your obligations or legal requirements.

24. Landlord insurance

It covers the incidentals. Landlord's insurance is a must when you have an investment property. Even the best tenants can go bad or have accidents at your property. This type of insurance is separate to building and contents insurance and is a tax deduction for landlords. Ensure you have an appropriate level of protect for your property and make sure you can easily claim on this if the time comes. A Landlord Insurance Specialist usually provides a higher level of protection with their policies.



Property Manager Secrets continued.

25. Tax time

It can be a daunting task but with the help of a financial year statement, lodging your tax return for your investment property will be made easy. Contact your property manager in the new financial year and they will provide you with a copy of your landlord financial year statement. This statement will include a breakdown of your property income and expenses making life easy for your account. Some real estate agencies will include a copy of this statement in your landlord portal.

27. Your property manager

We can help you grow your portfolio. Your property manager is an integral part of your property investment journey. Not only does a property manager look after your property but they can also help you grow your portfolio and secure great investment properties as they hit the market. A good property manager can also assist you with development ideas and provide advice on the area and local real estate market. Talk to your property manager to see how they can help add to your portfolio.



26. Rainy day kitty

People often talk about having a kitty for a “rainy day”. As a landlord you must always have a kitty put aside to help you with things that might pop up. 1-3 months’ rent in a separate bank account to your mortgage payments is a great way to set this up. Having this kitty in place will help you cover the cost of larger repairs that require immediate attention or an accident at your property. Even the best tenants have accidents and require maintenance when leasing a property.

28. Tribunal hearings and disputes

The tribunal is not about what is fair, it is about who will suffer the greater loss. If you have a dispute with a tenant, it is always a great idea to try and mediate an outcome without having to go to the tenancy tribunal. If you are in the position where you must attend the tribunal for an outcome, your property manager can do this on your behalf under their managing agency agreement.

You will be asked by the tribunal to try and mediate with your tenant prior to entering a formal hearing. Again, if this does not work, your case will be put forward to a tribunal member for an outcome. This is where the Tenancy Act comes into play and the member will use his best judgement on the case. The tribunal is where orders are given for termination of leases and sheriff eviction warrants.

The tribunal is also where disputes and compensation hearings take place. The cost to apply for the tribunal varies depending on the property ownership and rises every year under CPI.

Property Manager Secrets continued.

29. Recovering your losses

If you are successful in the tribunal and seek possession of your property there can sometimes be costs outstanding, above and beyond the rental bond amount held. Having good landlord's insurance will help you offset this debt as you can claim the losses on your policy.

You can seek a garnishee order against the tenant and pursue this through the local court but in our experience, this is costly and requires you to have the tenant's exact details and forwarding details to lodge a claim. Landlord's insurance is your best protection against outstanding tenant debts e.g. rent arrears, repairs from tenant damage and rubbish removal.

30. Outgoing issues

Once a tenant vacates your property, your property manager will complete an outgoing inspection. If there are issues at the inspection, your property manager will discuss these with the tenant and try to have them addressed.

If the tenant is not happy with the outcome and the property manager is unable to negotiate a fair outcome, you will have to attend the tenancy tribunal. Small outgoing issues such as scuff marks on walls, small scratches on floors are considered fair wear and tear.

General use of an everyday item is also considered fair wear and tear. The tribunal will always factor in fair wear and tear and depreciation of an item when making a ruling.



The top tip every landlord must take
away from this guide is:

**“There is nothing fair
about fair wear and tear”**



Interpreting what is fair can be very subjective and often based on the person's perspective rather than the overall situation. In matters relating to tenancy disputes, NCAT often make rulings that seem unfair and sided towards tenants.

As a landlord you need to be aware that outcomes are based on the tenancy act and historical precedents from the tribunal not what you or the tenant consider what is fair or not so fair.



Talk to us for more top tips

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