



PERTH APARTMENT MANAGEMENT





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PROPOSAL

Management Fee

The management fee charged is a percentage of the gross rent collected. It covers the cost of managing your property each month, including but not limited to:

- » Rental collection and follow up of arrears
- » Rental reviews
- » Lease renewal negotiations
- » Arrangement of maintenance and repairs
- » Paying of rates and invoices on your behalf
- » Regular communication with tenants and landlord

Letting Fee

A letting fee is charged to the owner once the property has been let. The charge covers the following:

Viewings and home opens of the property for prospective tenants:

- » Screening prospective tenants
- » Processing applications
- » Preparation of lease documentation
- » Processing of initial bond monies
- » Establishing tenancy records

Property Condition Report

A property condition report (PCR) is a report compiled at the commencement of taking on a new property. Including digital photos which describes in detail the condition of the property at the commencement of lease. It is an important part of the tenancy as it protects both the owners property, and the tenant's bond monies.

It will act as proof should any dispute arise over payment of the bond monies to the tenant at the end of the tenancy.

The tenant is issued a copy of the report on the day they sign their lease agreement.

Inventory Report

Similar to the Property Condition Report, this report is used only for furnished or partly furnished properties. It is compiled at the commencement of taking on a new property, and details the condition of all furniture and accessories prior to the tenant moving in. Again, it will act as proof should any dispute arise over the payment of bond monies at the end of the tenancy.

Routine Inspections

Routine inspections are a 'follow on' from the initial property condition report, and describes how the tenant is maintaining your property, and any maintenance that may be required. These are conducted regularly to ensure your property is not being neglected or damaged.

Final Bond Inspection

This inspection takes place once a tenant vacates a property. The Property Condition Report is used to compare the condition of the property at the commencement of the lease to the condition the tenant has left the property in.

Should there be any discrepancies in the condition, the tenant will be asked to repair them, otherwise a contractor will be employed at the cost of the tenant.

Please bear in mind however that general wear and tear is to be expected and cannot be claimed from the tenant, in accordance with legislative requirements.

PREPARATION/Court Attendance

Should any disputes arise throughout the tenancy which cannot be resolved, the dispute can sometimes be referred onto the courts. PAM will appear on your behalf with our keen understanding of the legal requirements.

Tenant Enquiry

PAM thoroughly check the applicants for your property.

We have access to the NTD and TICA which allows us to check both national and international rental history of a tenant, something which can only be completed by members of the Real Estate Institute.

We are charged a fee for the use of this database, and this fee covers the cost of each applicant check.



Annual Summary Statements

At the end of the financial year you will be issued an Annual Summary Statement for the previous twelve months.

This report will often be requested by your Taxation Accountant and details your income and expenditure.

Advertising

In most instances, we prefer to use internet advertising for all investment properties. We find this method to be most effective, and also the most cost effective. Occasionally the placement of advertisements in the local newspapers may be necessary to secure the interest of a suitable tenant.

PAM has extensive contacts with relocation companies and corporate clients which allows higher exposure.

Management AUTHORITIES

The Management Authority Agreement must be completed and signed before we can proceed with managing your property. This agreement indicates what we can and cannot do on your behalf and gives us permission to charge for services that have been agreed upon by all parties.

The Management Authority renewals will be conducted by the Property Manager at the expiry of the current authority.

LANDLORDS PROTECTION INSURANCE

Whilst not compulsory, we strongly recommend our owners take out Landlords Protection Insurance. This type of insurance covers some particular risks associated with renting out a property which may not be covered by a typical home and contents or strata title policy.

Standard home insurance policies don't cover for intentional or malicious damage by a tenant, or failure to pay rent.

Landlords Protection Insurance is designed specifically for Investment properties and covers for things such as; theft by the tenant, loss of rent if the tenant defaults on payment, liability for any claims made against you by the tenant, legal expenses incurred in taking action against a tenant, and malicious damage by a tenant.

Some policies allow you to take out cover for the contents of properties, which is especially important for furnished properties. This type of Insurance cover is highly recommended by our company as a safe guard for you.

MONTHLY STATEMENTS

At the end of every month we will make a payment into your nominated account by electronic funds transfer.

Your statement will show all of the financial activity that has occurred within that month and will be forwarded to you.

PREPARING YOUR PROPERTY FOR TENANCY

When renting your property for the first time it is especially important to ensure that it is cleaned to a high standard.

This ensures that you can expect it to be cleaned by the tenant when they vacate to the same high standard.

It is a reality that people have different standards of living. As agents, to avoid discrimination, we must tolerate different standards of living during a tenancy to a degree, however, the tenant must return the property to you in the same condition less wear and tear.

All appliances must be in good working order including the oven, stove, air-conditioning, exhaust fans, light switches, garage doors, toilets, HWS, gutters, reticulation, TV aerial etc.

If any of these items are reported to be malfunctioning they must be attended to immediately.

If you have furnished your property and have supplied additional appliances such as toasters, washing machine and fridge etc, these must be in good working order.

If any of these items malfunction they must be repaired or replaced as soon as practicable unless otherwise formally agreed upon in writing by the tenant and the owner.

All manuals where possible must be supplied and warranty cards must be completed and sent to the suppliers/manufacturers.

Lawns and garden beds must be well presented and maintained for the tenant to continue to maintain to the same standard.

It is always our recommendation that a regular gardening service should be factored into the rent to ensure this standard is maintained. (If required)

If you have purchased a brand new property that is not yet completed you may like to carefully consider the type of flooring to main living areas in particular. Many owners have chosen light creamy coloured carpets that may need to be replaced after several years due to the difficulty in keeping clean, especially if there have been several tenancies.



Please ensure the property has adequate window coverings. If you have chosen vertical blinds you may wish to choose the blinds without chains, as these usually break and when tangled, cause the blinds to twist making them difficult to open and close.

Make sure that you carry out a thorough handover inspection.

Often with new properties there are teething problems that we will not know about until a tenant moves in.

This can cause grief and inconvenience to all and is best to be avoided if possible.

It usually takes twelve months for these teething problems to settle and we do explain to tenants that there may be some inconveniences.

TENANT SELECTION PROCESS

In the wrong hands, your asset can rapidly become a liability.

That is why the Property Management Team believe that the selection of prospective tenants is paramount.

Our aim is to get the best possible tenant for your property by following these general guidelines:

- » Tenant must provide good rental or sales history to support their application
- » Tenant must have stable employment, which will be confirmed
- » Tenant must provide evidence to show they are financially capable of paying the required amount of rent via bank statement or pay slip
- » Tenant must provide references to verify that they will maintain your property to the highest of standards
- » A detailed screening process is applied to all prospective tenants, and each of their references are meticulously checked
- » All tenants are met by the Property Manager Team at the property whilst viewing and personally screened prior to proceeding with their application
- » We carry out checks on the NTD and TICA to confirm that the tenant has not defaulted in the past
- » Once the selection process has been completed, each application will be presented to you by the Property Management Team for you to make your final decision, unless otherwise agreed

RENTAL ARREARS

We encourage our tenants wherever possible to set in place a periodic electronic funds transfer to automate the payment of their rental commitment. This practice minimises unnecessary delays as rents are credited directly into our trust account.

Our zero tolerance policy on rental arrears means that provided no reasonable explanation is given prior to the rental monies being in arrears, further action will immediately be taken.

CONTACTING YOUR PROPERTY MANAGER

It is company policy to return all calls within a 24 hour time frame where possible, unless in the unfortunate event of an emergency. We encourage you to contact your Property

Manager on the office number during business hours or via email.

KEYS AND LOCKS

As the owner, you are required to provide your Property Manager with three sets of keys and remotes. One set will stay in the office at all times, and be used for inspections, and the other two sets are issued to the tenant.

Should a tenant accidentally lock themselves out of their property, they are advised that they can either come into our office during business hours to borrow the spare set of keys, or they will need to employ the services of a locksmith at their own cost.

LEASE RENEWAL PROCEDURES

Your Property Manager will contact the tenant prior to the lease expiry date asking them of their intentions as to whether they wish to renew their lease agreement or vacate the property. If the tenant has not responded to our letter we will contact them by phone.

Once we have had a response from the tenant we will advise you of their intentions.

If the tenant wishes to stay, and you have approved this, we will proceed to draw up a lease renewal agreement.

If your tenant wishes to vacate we will commence advertising your property.

In some cases, the tenant may wish to reside at the property on a periodic or monthly basis. This comes into effect at the immediate expiry of the lease agreement and means the tenant is not fixed in to a lease agreement.



Under this agreement - the tenant is still required to give us the required written notice if they wish to vacate, and the owner has the option to give the tenant required notice to terminate the lease.

MAINTENANCE

At some point in time throughout the tenancy period, your property will require some form of maintenance.

If your property is brand new you will need to expect some teething problems during the first twelve months that will most likely be covered under the builders' warranty. The most common maintenance issues for a new property are plumbing, electrical, loose fittings such as door handles etc, settlement cracks, and final clean. When a tenant moves in to a new property they are aware that they may be inconvenienced as a result of these teething problems.

Your tenant will have a maintenance request sheet that they are to complete and return to us so we can forward to the builder if any problems arise.

If your property is not new, tenants are still required to complete the maintenance request form for any items that require maintenance. We will then contact you to let you know what items require maintenance and follow through as per your instructions.

We have preferred maintenance contractors who we regularly use as we are confident they will provide good business, however if you have a preference of contractor, please advise your Property Manager.





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