



Managing Your Property

Here's the full
guide to managing
your property...



No strings.

While we'd love to be there helping you every step of the way, this checklist is yours to guide you on your investment journey – regardless of who you choose to work with.

With you at every step

The Full Checklist

- Before renting out your property** Page 7

When looking for a rent out an investment property, the major consideration to take into account are the current state of the rental market and your own personal situation.
- Maximise your return** Page 8

Whether your property is tenanted or vacant, you want to be sure that your asset will provide you with maximum value.
- Select the right real estate agency to represent you** Page 11

A property manager has one key responsibility when representing you - managing your asset effectively for a maximum return.
- Set a rental price** Page 12

An accuratr sppraisal of your property will include research using real estate databases (such as RP Data), comparative data (from recent rentals in your area) and the unique attributes of your property.
- Check your financial house is in order** Page 14

When you own an Investment property, no matter what part of the rental cycle you are currently on, a review of your overall finances and investment portfolio ensures you're on track with achieving your lifestyle goals.
- Put your rental on the market** Page 15

Marketing your property to attract your ideal tenant comes down to identifying what makes that property a great place to live, and effectively communicating that message across a variety of marketing channels.
- Managing your property effectively** Page 16

Getting the right tenant moved in is just the first stesp - the lion's share of a property manager's role comes down to the ongoing management of your investment.
- The complete rental property journey** Page 18

From getting an accurate appraisal through to ongoing management, this is the complete cycle of an investment properly.

Before renting out your property

The two main factors to consider - the market and you

1. Current market conditions

Questions to ask your agent, the expert on property.

- What is the current state of the real estate market locally and for your particular area?
- How is the local economy currently performing, and is there an upcoming change predicted?
- What trends should you be aware of in the property and financial markets that may affect your rental property?

2. Your personal situation

Questions to ask yourself, the expert on you.

- Does the property need to be rented immediately to cover mortgage repayments?
- Are there any repairs or improvements required prior to the property being put on the market?
- If your rental was previously owner occupied - have you found your new home and when is your move in date?
- Are there any particular financial concerns, and do you need to rent it by a particular time?

Maximise your return

Get the most value from your investment property

With an experienced property manager on your side, doing this is easier than you think - to gain maximum value from your investment.



Presentation skills

Look at your property through the eyes of a tenant. When people are scouting out a new home - small details like a dripping tap, a broken gate lock, scuffed doors etc can make a negative first impression. Presenting your property in it's best light increases your chances of securing your ideal tenant.

Stay neutral

If there are bigger presentation problems, like stained carpets that need replacing, keep to neutral colours - so that people can adapt the property to their own tastes. Bright red shag carpeting might be a great idea to some, but a turn off to others.

Renovate for return

If you've been considering doing renovations and upgrades, check in with your property manager first. Depending on the current marketplace or tenant expectations, sometimes expensive improvements can yield little to no return - make sure any money spent is an investment not an expense.

Annual check-in

Reviewing your finances annually should include a check-in on your investments, such as property. This helps you to understand your current financial position and determine whether your property portfolio is still serving you. A qualified Financial PLanner will be a big help here in providing analysis and advice, so you can make an informed decision.

Price check

Staying realistic about what's achievable for your rental return will result in a better investment experience.

Tax schedule

Setting up a tax depreciation schedule for your investment property is essential for making use of any tax deductions available to you. A certified practicing accountant can assist in putting together a complete schedule, and with overall tax management.

Select the right real estate agency to represent you

What to consider when selecting an agency

Choosing an agency to get the best tenant for your property is like partnering with someone - you want to both benefit from a long and rewarding relationship.

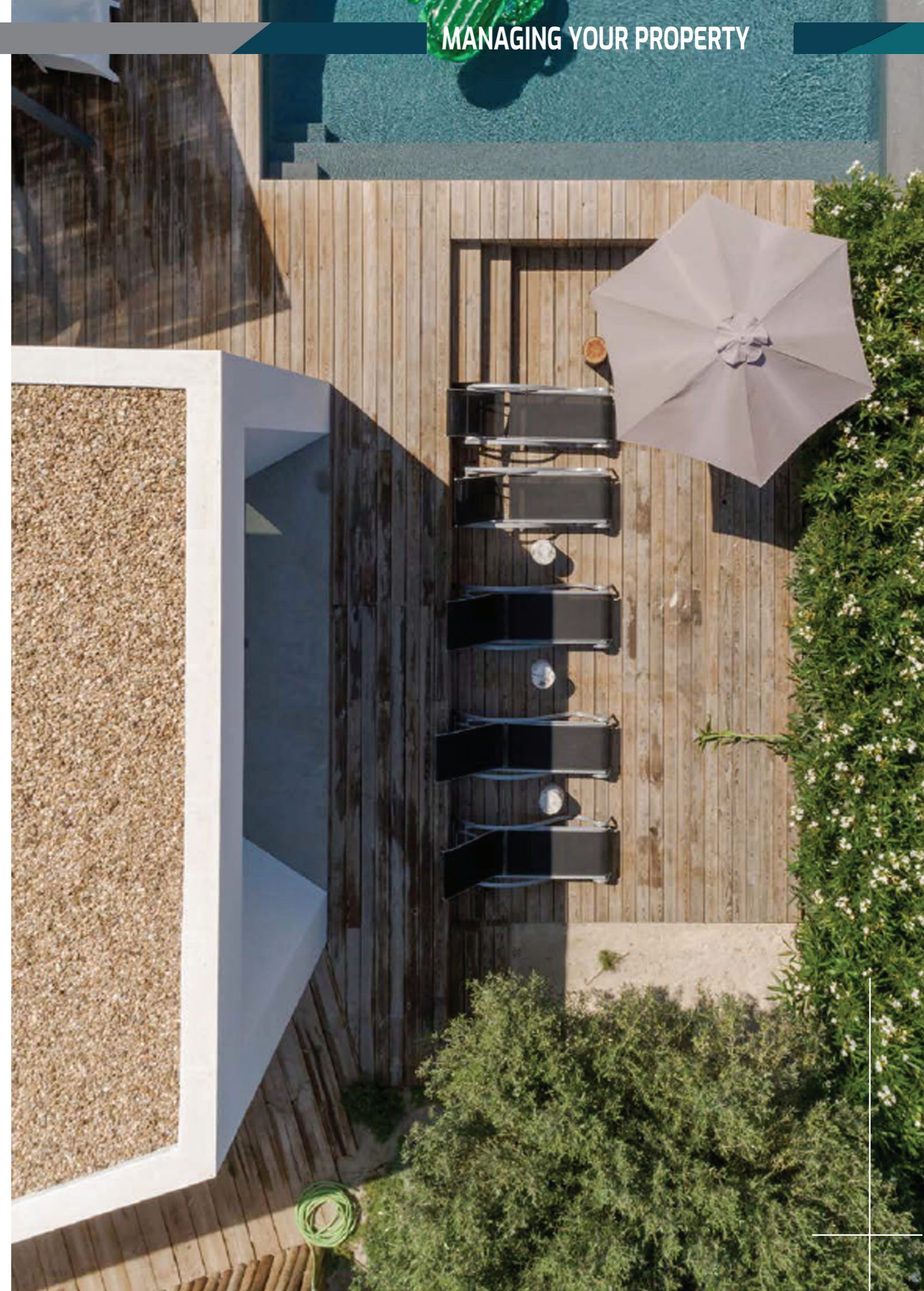
- **Proven rental record** - Even better if they are a specialist in your area, there is no substitute for local knowledge.
- **A good listener** - This is your investment property that they are managing, so you need someone who is listening to you and doing what's in your best interests.
- **Value for money** - Like any service provider, the agency needs to have an excellent work ethic, a strong sense of integrity and a focus on what's best for you and your situation.
- **Honesty first, always** - Realistic rental prices, open and regular communication, and transparent dealings are all the absolute minimum you should expect from your property manager.
- **A team player** - Many hands make light work! A successful property manager always has a strong team to support them, and an agency that makes the client experience their first priority.

Set a rental price

Get the best rental return with an accurate assessment

Assessing the value of a rental is based on a number of factors, and provides the cornerstone for setting a rent price with your agent. The assessment should include:

- **Prevailing market conditions** - What's happening in the rental market and, more broadly, the local economy.
- **Relevant rental statistics** - Agencies should use RP Data, the leading source of property data in Australia, which allows them to generate reports and perform information checking to get a realistic market assessment to help determine the value of your property.
- **Your property's unique attributes** - Where you are located and the property's features need to be taken into account as each property is different and will appeal to different types of tenants.
- **Expert knowledge** - Your agency will commonly have a qualified Business Development Manager who will have a thorough understanding of local market performance, both past and present.



Check your financial house is in order

Do a review of your overall lifestyle goals, and make sure you're on track to achieving them

Mortgage assistance

An investment property is an asset, and it's always a smart option to review your financial structure regularly. In most circumstances and investor will have consumer debt: either a house loan, vehicle finance, credit card or a combination of these. It is critical that your finances are structured correctly.

If you are an investor with lending on investment debt, it would be wise to obtain a home loan health check. A qualified Mortgage Broker has the ability to assist here, as well as with your options to utilise equity when you are an investor with additional owner-occupied debt. Consolidating debt and negotiating cheaper interest rates with Australia's leading lending institutions could literally save you \$1000's of dollars a year.

Insurance

Legally, landlord's insurance is required before a property can be rented. A well - connected Insurance Broker will make sure that your insurance is covering you effectively, at the best rate.

Your broker can also assist in packaging your general insurances, and business insurances (if applicable) to achieve a better overall rate.

Wealth Management

A relationship with a Financial Planner is long term. Their role is to ensure that you are making the most of your investment property as part of your full financial plan.



Put your rental on the market

As a guide, this is what a marketing strategy could include

- Listed on the top rated real estate websites in Australia - realestate.com.au and domain.com.au
- Support listing/promotion on the property manager's own digital channels - eg website and facebook page
- Hardcopy listings available at the rental agency premises
- For Rent signage at property

Managing your property effectively

Getting the right tenant is just the first step

Once your property manager secure a quality tenant for you, the real work begins!

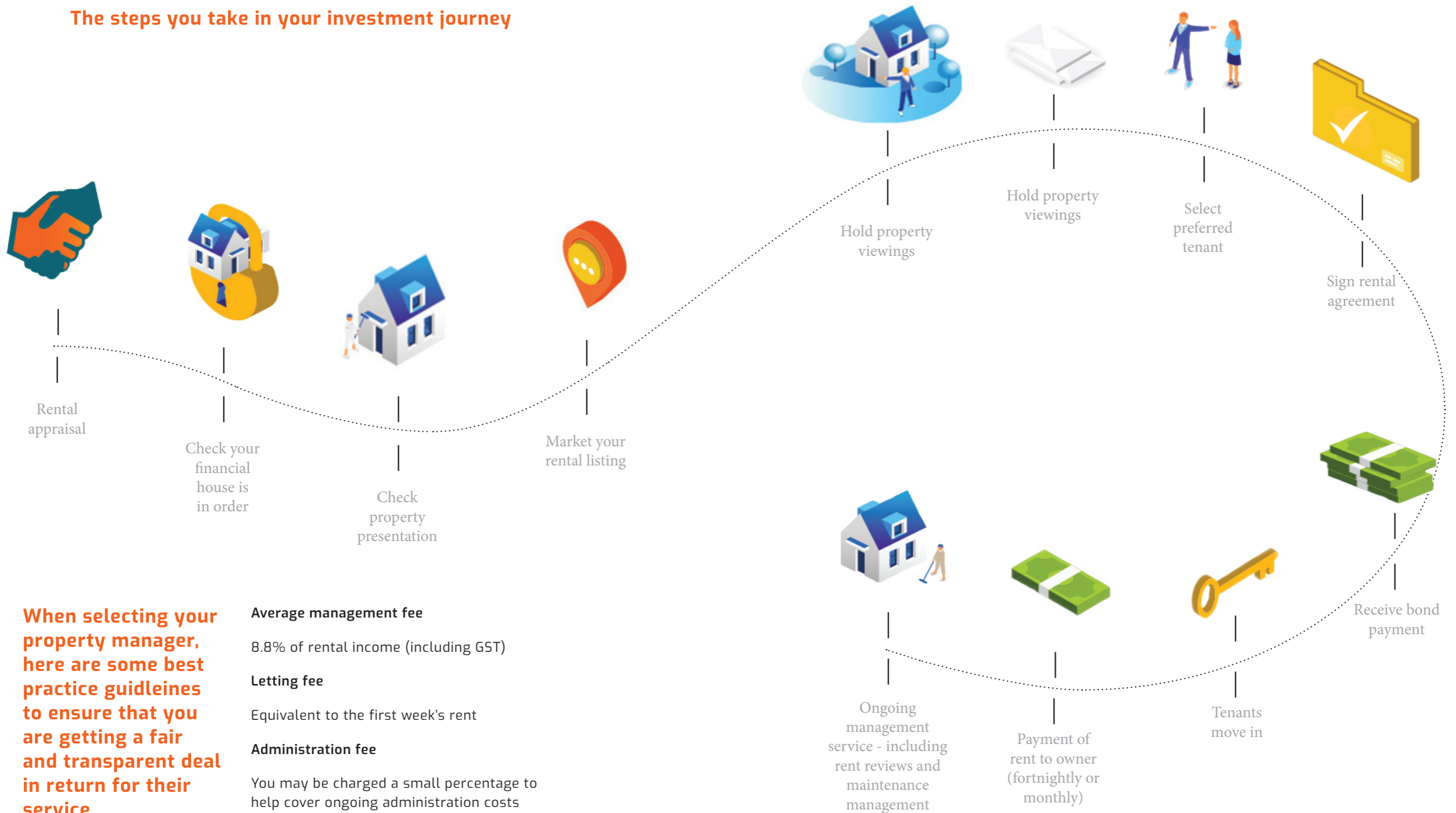
This is a list of activities your rental agency should be completing for you, to earn their ongoing management fee.

- **Regular Inspections** - Three monthly routine inspections to review how both the property and the tenant are going and report back to you on any issues or items that require your attention.
- **Payment management** - Set procedures that cover the collection of bond and rent, so that you automatically receive payments on time, every time. Rent can be collected to your preferred frequency fortnightly or monthly.
- **Regular financials** - The provision of a fortnightly or monthly statement for your ongoing reference, and an annual statement to make life a little easier for tax time.
- **Maintenance management** - From staying on top of any potential upcoming maintenance, to managing work in progress, to keep your asset in tip top condition.
- **Regular rent reviews** - Prior to issuing a new lease agreement, a check of current market conditions should be completed and yourself consulted as to whether a rent rise is applicable, to ensure your rental income is on point.
- **Conflict resolution** - If an issue arises with a tenant, your property manager should be professionally trained in resolving any disputes and keep you consistently informed for a positive overall outcome. If need be this could include representing you at a Queensland Civil and Administrative Tribunal (QCAT), should the matter go that far.



The complete rental property lifecycle

The steps you take in your investment journey



When selecting your property manager, here are some best practice guidelines to ensure that you are getting a fair and transparent deal in return for their service.

- Average management fee**
8.8% of rental income (including GST)
- Letting fee**
Equivalent to the first week's rent
- Administration fee**
You may be charged a small percentage to help cover ongoing administration costs



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