

www.sylvesterre.com.au

OWNER'S HANDBOOK

SYLVESTER REAL ESTATE KURRI KURRI

Managing Your Investment



The Property Management Specialists

Overview – about Sylvester Real Estate

Founded over a decade ago Sylvester Real Estate has taken great pride in living by the motto & reputation “Where a handshake still counts”.

Sylvester Real Estate is a family business who started operating in Cessnock in 1992. In 2004, due to the demands of the ever increasing real estate market a second office was opened in Kurri Kurri which as of 2011 has become the businesses primary residence. Sylvester Real Estate is the first in this area to provide a Property Management Office and a separate Sales Office.

When selling, buying or renting you can be assured that Sylvester Real Estate has your best interests at heart. With a team of professional and reliable staff members and the benefit of two offices we will make your dealings something to remember and can offer you a service second to none.

The Team

Our portfolio of properties managed for investor's totals 450 with this figure growing each year.

Here at Sylvester Real Estate, our Property Management Department is extremely organised, so that you have a team of people working for you. The team includes 2 property managers, 2 x property officers and excellent support staff.

The skills required by our staff within the Property Management Department are varied and diverse. We ensure they are experienced and well trained to guarantee a high degree of accuracy, efficiency and maximum benefit to Landlord.

Leasing Your Property

When a tenant has given notice of their intention to vacate a property, we immediately commence marketing the property for lease to minimise vacancy.

The Property Management Department will contact you in writing to advise you that the tenant is leaving, they will request you contact the office if you intend to complete any work or upgrades at the property and update you in relation to the current rental market.

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Advertising and Promotion of your Rental Property

- **For Lease Sign** – will be erected at the property
- **Rental List** – inclusion on our office Rental List for fax, off the street enquiry and collection by prospective tenants at our reception counter.
- **Web Site** – the property information is available on the following websites
 - www.realestate.com.au
 - www.sylvesterre.com.au
 - www.domain.com.au
 - www.homehound.com.au
 - www.cessnock.yourguide.com.au
 - www.propertyguide.com.au
 - www.rent.com.au

These sites will display a description, show photos and advise of the availability of the property.

- **Newspapers** – we will advertise (if required) in the local Advertiser.

Tenant Selection

All “For Lease” property inspections are completed by our Property Management Staff. This allows us to use basic interview techniques to assess the suitability of the applicants and get feed back on the property.

Once a prospective tenant has viewed the property, they are required to complete an application form and provide 100 points of identification.

This form provides us with full names, identification such as photo licence or passport, Medicare card, current and previous rental history, next of kin, employment details and personal references. This information is then checked and screened thoroughly.

Applicants are checked on TICA (Tenancy Information Centre of Australia – defaulting tenant database for agents in Australia and New Zealand).

Once we believe we have found a suitable applicant we will contact you to get your thoughts and final approval.

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Inspections

There are two (2) main types of inspections:

Initial Condition Report

Once your property has been leased to a suitable tenant they are provided with a detailed condition report that forms part of the lease agreement.

This report provides a measure against the tenant so they understand their responsibility to cleaning, repairs or general maintenance upon their vacating.

Carbonised handwritten reports are the industry standard. We have found the more information on this report the better covered an owner is for the end of the tenancy.

Routine Inspections

The first routine inspection is completed at 6 weeks and then 6 months thereafter. The property is entered, observed and a written report plus photographs is forwarded to yourselves informing you of the state of the property together with any maintenance issues.

We welcome your attendance at any inspection but generally prefer, due to time constraints, that we make a separate appointment for you to attend on a different day. We would request that you contact our office should you wish to attend the property during an inspection and a suitable time will be arranged.

If required, the Property Manager will contact you shortly after you have received your inspection report to discuss any maintenance issues that may require your attention.

Repairs and Maintenance

You will be contacted by our office to authorise any repairs. However, if it is an emergency repair and you are unable to be contacted, this office will authorise this repair. Our office can organise repairs using our list of qualified licensed tradespeople. These people are dedicated to Sylvester Real Estate and provide reasonable prices and a high quality of work.

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Rental Arrears Policy

Our rental arrears are monitored on a daily basis. Rental arrears letters are sent weekly and telephone call are made daily.

- **2 – 7 days in arrears** A soft reminder letter is forwarded + tenant contacted via telephone
- **7 – 14 days in arrears** A harsher reminder letter is forwarded + tenant contacted via telephone.
- **14+ days in arrears** A termination notice is automatically issued regardless of the tenant explanation, to ensure the owner is covered. This expires in fourteen days and the CTTT (Tribunal) cannot be applied to until this time has expired.
- **28+ days in arrears** This is when our office can apply to Tribunal if required. Most situations have resolved themselves by this time. Our office would contact you to discuss the situation and obtain instructions and advise of any further procedures.

Attending Tradespeople

If you send your own tradespeople to your property we advise that these tradespeople should have the following coverage. If they do not have coverage and problems arise, any insurance claims, including a tradespersons workers compensation can be made against your own insurance.

Therefore it is very important that you know that the tradespeople working on your premises are:

- Licensed
- Workers Compensation Insurance
- Liability Insurance

Every tradesperson that we send to the property must supply our office with copies of insurance as proof of coverage. Our office has a strict procedure to ensure we hold current copies of all tradespeople insurances.

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Accounts Department

Our end of month procedure takes place as close as possible to the last working day of the month with funds transferred electronically and available to Landlords as soon as possible thereafter.

The monthly statements are also printed and posted at this time. The statement shows all rental payments received and any payments made through your account held by our office. A copy of any invoices that have been paid on your behalf during the month will be attached to the end of month statement.

Payment of Invoices / Rates

At your request, our office can pay invoices on your behalf eg. council rates, water rates, strata levies, repairs and maintenance invoices from contractors.

We request at minimum that water rates are sent to our office for payment so we can invoice the tenants for usage and retrieve the costs from them as quickly as possible. You must contact Hunter Water Corporation and have the account sent directly to our office if instructed by you.

We take water meter readings at the commencement and conclusion of the tenancy (this is recorded on the ingoing condition report) and allows us to calculate the money owing to you for the first and last portions of a tenancy.

Repairs under \$500 can normally be paid through our rental account, we request that anything over this figure be paid directly by yourself to ensure that payment to tradespeople is completed within a reasonable time.

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Fees and Charges

Monthly

- 7.7% gst inclusive commission on monies collected
- \$8.80 administration fee per month – GST inclusive

Finding a New Tenant

- Letting fee – One weeks rent + GST on new tenancies
- Lease Preparation Fee - \$33.00 GST inclusive

Transfer of a Tenancy

- No fees charged for collection of file – A property that has existing tenants in place transferred from another Agency.

Tribunal Costs

- \$150.00 per hour – Attendance at a tribunal court
- Applying for a court or tribunal order (as charged)

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Getting Ready for the Tenancy

Cleaning – The property should be cleaned to a reasonably high standard. Remember that an eye for detail is crucial and that how you hand over your property is the condition on how we try to get it back. If your property is newly built or has been vacant for an extended period, you may need to give the premises a wipe over a few days prior to the tenant commencing occupancy.

Check for easily repaired faults / common problems **Eg:**

- All doors have doorstops that are in working order
- All windows have fly screens and they are in good order
- All doors and windows that have locks, have keys supplied
- Assessment made on appliances, if they are too old and you do not want to repair or replace, then remove, and
- Consideration given to professional steam cleaning carpets.

Trades Contracts have been Organised

If you are concerned that the tenant will not be able to maintain particular items, ie, landscaped or high maintenance gardens or lawns, swimming pools etc... these should be addressed and a contractor organised prior to commencement of the lease.

Ensure:

- All insurance policies are in place
- Gutters are cleaned. We do not recommend that you ask tenants to clean the gutters as it is a liability risk to yourself. If necessary, a regular cleaning contract should be organised.

What we need to get started

This is a guide as to things that you should check and/or do, before the property is ready for a tenant to commence occupancy.

Signed Agency Form – signed and returned to the office along with your bank account details.

Key Sets	1 full set	-	for you to keep somewhere safe if required
	2 full sets	-	required for the tenants (each tenant on the lease is required to have a set of keys)
	1 access set	-	for us to keep in the office for emergencies and use on routine inspections

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Remote Control Units and Information Booklets – please deliver any remote control units to the office or leave on the kitchen bench for collection by our office.

We photocopy all loose items, remotes, keys, booklets so that they will be returned at the end of the tenancy.

What do I need to know about Owners Liability?

The minimum amount required by an owner for liability insurance is a \$10,000,000. Most areas to check, or be aware of, are common sense. Here is a list of the type of things that you should take into consideration when leasing out your home:

- **Smoke Alarms**

We recommend the services of NSAS (national smoke alarm services) to provide and maintain the smoke alarms in all our properties. **Smoke alarms are compulsory in all properties from 1 May 2006.**

- **Doors**

Make sure all doors are easy to open – **ie.** Not sticking. This would be the most common problem area of properties that can cause injury.

- **Fire Hazards**

Check the property for fire hazards externally, including underneath. Remove anything that is not required to be there. Do not use the rental property as storage for wood, fence palings etc.... They only attract vermin, become a fire hazard and it can be difficult to work out what was with the property and what a tenant has left.

- **Balconies need to be stable and in Good Condition**

Balconies should be checked for wood rotting etc.. as they incur more exposure to the elements and are more likely to deteriorate quickly. Any rotting wood or rusted metal railings should be replaced immediately.

- **Stairs & Safety Rails**

Common sense prevails, that these items should be solid, stable and in working condition, due to people using these for stability.

- **Safety switches fitted to electrical meter boards**

A lot of older houses DO NOT have safety switches installed. If you are unsure, please contact our office and we will arrange our electrician to attend to ascertain/confirm the status.

- **Trees**

Trees which are hanging low or have unstable branches should be trimmed or removed.

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- **Water Efficiency**

As of 31st December 2010 all properties must be made water efficient.

- **Roof Tiles and Guttering**

Should be secured to prevent flying debris.

- **Windows should be safety glass**

It is not feasible to change all items to the current standard every time a safety standard changes. If glass is in sound condition, ie. no cracks or damage, the item is fine to be left.

If you have a cracked window, shower screen or any piece of glass – there is NO safety standard on these items when damaged. It is our policy to always report these items, when we find them on inspection and we suggest that you get these fixed immediately. Most glass breakages can be claimed on insurance.

If you have been instructed that the glass is not sound for any reason, (too large, too thin), it is then your responsibility to act on this information.

Looking to the Future

Re-Letting

Once a tenant gives you notice, suitable tenants are sorted prior to the original tenant vacating the property, so that property can be re-let in the shortest possible time.

Vacancies

Our goal is to re-let all vacant properties at the optimum rent so that any loss of income can be minimised. The following avenues are successfully used by Sylvester First National Real Estate to promote and lease properties:

- The Cessnock Advertiser
- Rental Availability List
- For Lease Signs
- Internet
- Enquiry log

Our professional property managers use these and many other methods to obtain rental enquiry. This complements the high profile of Sylvester Real Estate.

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Opinion of Selling Price

Our sales team and support staff have developed an enviable reputation in the area for achieving excellent results and prices for our clients. We can offer you, if required, a written annual market price opinion of your investment. This is a free service and you are under no obligation.

Our Philosophy regarding Sales and Purchases

At Sylvester Real Estate our philosophy is to provide an honest, professional and friendly service, whilst ensuring the best interest of clients at all times.

We aim to obtain the highest price possible, within the shortest period of time. We pledge complete confidentiality, discretion and integrity in all our dealings.

At Sylvester Real Estate, we believe our clients should be well informed and we are happy to answer any questions no matter how trivial, to ensure your complete satisfaction and peace of mind.

Every client is important to us whether renting, buying or selling, now or in the future. Our job is to assist you in any way we can.

What we don't do is:

- **We never** hand out keys to prospective tenants on a deposit and let them into the properties unaccompanied.
- **We never** wait until the property is vacant before actively seeking a replacement tenant.
- **We never** wait until the end of the month to find out that the tenant is weeks behind in their rent – we check daily.
- **We never** wait for the end of a tenancy agreement to do inspection reports.

Our Commitment

Our commitment to you as our client is to ensure that you gain maximum return on your investment property and that we as Managing Agents give you the best service available.

We will keep you informed and we will treat your property as if it were our own.