10 FREQUENTLY ASKED QUESTIONS

BY INVESTORS

1. Can I say I don't want pets at my Property?

Lessors may choose to specify if Pets are or are not allowed in Tenancy Agreements for your Property. If you elect to allow pets, the Residential Tenancies and Rooming Accommodation Act 2008 (RTRA Act) outlines the Tenant's responsibility with having them at a rental Property. Our Agency can provide practical suggestions for your consideration before deciding if you will allow a pet or not.

2. Who holds the Bond money?

A maximum amount equal to four weeks rent is to be paid by the Tenant as Bond prior to the Tenant moving into the Property unless the rent is greater than $700 per week. In this case, then an agreed amount can be requested to be paid over and above the four weeks rent as Bond. The Bond is lodged with the Residential Tenancies Authority and held there until the Tenant vacates the premises and a thorough Agent Exit Property Inspection and report is completed and we are satisfied the Tenant has returned the Property as required and all rent has been paid. The Bond is then dispersed appropriately.

3. How and when am I paid the rent from my Tenants?

All monies received on your behalf are held in our regularly audited Trust Account. From these monies we pay all authorized payments relating to your Property eg council rates, insurance, repairs and maintenance. Invoices are sent to you with your next statement. The Trust Account period concludes with account processing occurring on the nearest business day to the middle of each month, with this being called our "Mid-Month Payment Run", and the first business day following the end of each month to comply with Trust Account auditor requirements. We electronically transfer your funds into your nominated financial account within the next 2 business days. You may choose to be paid at our fortnightly Mid-Month Payment or once a month, at our End of Month Payment.

4. Are all repairs done properly?

Work arranged by our Agency for your Property is carried out by a suitably qualified and licensed tradesperson. If the work required is covered by a warranty, our Agency contacts the supplier, or if the work is claimable under your Landlord or any other insurance policy, we can contact the insurer to claim on your behalf. Please note that should our agency have to process insurance claims on your behalf, an hourly rate may be charged for our time spent contacting and conversing with your Insurance Provider. Our Agency has access to a wide range of tradespeople who have met our Agency's stringent criteria.

5. Does somebody keep track of rental payments?

Each business day rent arrears are monitored with action taken. If the Tenant is 1-4 days in arrears, a reminder is sent. If rent is in arrears on the 8th day, we issue a formal Notice to Remedy, as the law allows at this time. In this event, a Notice copy will be sent to you for your reference. If rent continues to be unpaid, we issue a formal Notice to Leave when the law allows and send a copy to you. We maintain contact with you until the matter is finalised, ie rent is paid or the eviction process concludes.

6. What is the average length of a Tenancy Agreement?

The most common tenancy is a Fixed Term eg 6-12 months or longer. In today's market, less Tenants are requesting 6 month tenancies due to the costs of moving premises and the desire to have security with their home and the knowledge the rent will not alter over the next 12 months. We suggest a new Tenant's first Tenancy Agreement be for 3-6 months to see how the Tenant performs. If the market allows, a rent increase can be written into the Agreement at the 6 month mark. The Agreement may be re-negotiated before the end of each fixed term period. We contact you about 2-3 months prior to a lease expiry with options and advice about rent.

7. How often can I inspect the Property other than for maintenance?

The Tenancy Agreement specifies that the Tenant permits the Lessor/Agent to inspect the Property during the tenancy provided the Tenant is given notice, as required by the RTRA Act. The Act states that unless a Tenant agrees otherwise, entry may not be made less than 3 months after a previous entry by the Lessor/Agent.

8. What Insurance is needed for an investment Property?

Before renting a Property it is highly recommended to have appropriate insurance cover such as 'Landlord Protection Insurance'. We can provide contact numbers for Insurance Companies providing this type of policy. In addition, building and contents insurance and public liability cover are vital. Packages are typically available from your preferred Insurer for cost effective and comprehensive protection. All queries about insurance must be directed to Insurance Providers.

9. Who pays for water?

The Lessor is responsible to pay Council / Shire sewerage and drainage rates, Land Tax and all corporate charges. From the date a tenancy commences and if specified on the Tenancy Agreement, Tenants are responsible to pay for electricity, telephone, gas plus water charges over and above the annual allowance including in the Lessor's Council Rates (usual allowance in Longreach is 1000 Kilolitres per year).

10. Do I pay for the telephone connection?

It is recommended that if the Property is new or has been vacant for awhile and a telephone line is not connected to the Property the Lessor pays for a line connection. We recommend the Tenant organises the work and submits the account to us for the Lessor to pay. The Tenant is responsible to pay for the service connection to the line and all services used.

To ask other questions and to find out about the services we provide to Investors, contact Ray White Longreach and ask for Property Managers on 07 4658 0000.

The Ray White Longreach Property Management Professionals are Brooke Ballard and Tayla Barram, and they are willing to assist with any queries you have regarding property management and rental properties.

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