

# NEST EGG/

the investor's guide to renting out your property



# HOW TO COMPLETELY FORGET ABOUT YOUR RENTAL PROPERTY.

Thank you for choosing to entrust Bourkes with the management of your investment. We look forward to being of service to you.

We've produced this handbook as a comprehensive guide to our property management processes, procedures and tenancy management expectations. We hope you find it useful.

Should you have a query which you believe is not answered in this booklet, please call us on 9474 2000 and we will be happy to assist you.

Happy stress free renting!



**Bourkes**  
experience better



SECTION ONE /

# THE TRICKY QUESTIONS WE'RE ASKED THE MOST

Maximising your rent /  
Getting the best tenant /  
Marketing & presentation /  
    Pets /  
Receiving rent monies /  
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Tenancy agreements /  
Repairs & maintenance /  
Renewing the lease /  
Giving due notice /  
Breaking a lease /  
Breaches of tenancy /  
Landlord insurance /  
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    Costs incurred /  
Receiving financial statements /  
Selling or moving back in /

With a collective 50+ years' experience in property management, we've had a fair few questions come our way. We've compiled answers to the most popular here.

## Show me the money.

### **Is there some secret magic formula for setting the rent?**

We always strive to get you the maximum possible rent. But we also must keep in mind to set the correct market rent to get your property occupied as soon as possible. To do this, we consider several things.

#### **1. Demand.**

Is there a high or low demand for properties at present? This can be seasonal and is affected by a number of other factors.

#### **2. What's currently available.**

We check the newspapers and internet for properties currently available for rent, and consider their location and features for comparison to calculate a maximum rent for your property.

#### **3. What we have rented right now.**

We compare your property with what we are currently renting, taking into account the property's location and features.

These factors allow us to give you enough information to set the right rent for your property.

### **Can you get me a higher rent, please?**

You may place your property on the market at the rental amount you wish. However keep in mind that it is the market demand that sets the rent, and if the market - that's prospective tenants looking for a rental property - deem the amount of rent too high, your property may stay vacant longer than necessary. Your annual rental return will be reduced by 2% for every week it is vacant!

### **How is the rent reviewed?**

When we need to secure you a new tenant, we will always review the rent against market conditions. This will also be done at lease renewal time, or at other times when required. We will always contact you for your permission before the rent is increased.

### **When do I get paid my rent?**

We will deposit all monies collected into your nominated bank account on the first day of the month.

## There's an art to finding good tenants. (And a bit of science too.)

### **How does someone apply to rent my property?**

We always ask the prospective tenant to fill in an application form and give us permission to check the information provided. We will never discuss an applicant with you without this completed application form.

### **What if they contact me directly?**

In the unlikely event a prospective tenant contacts you to discuss their application, or ask questions regarding their rejected application, then request that they contact us at Bourkes. If they persist, we insist that you do not discuss anything further to avoid unnecessary problems and complications.

### **What kind of checks do you run?**

Using the information provided, we check their payment and tenancy history by calling their current and/or previous landlord/agent as well as confirming their employment. We also check them against a National Tenancy Internet Database to see if they have been lodged as a bad tenant by a previous agent.

In some cases where an applicant may not have a tenancy history, we try and confirm other information that may give us an insight into their ability to maintain a tenancy in your rental property; for example, a stable employment history. In cases where this is not possible we may simply reject the application.

**I want to reject an application.**

**Do I have to give a reason?**

Legally we do not have to give a reason; and industry practice dictates we never give a reason.

**Do tenants come with guarantees?**

We can't guarantee an approved tenant for your property. We can only attempt to collect information on their past history and confirm their income arrangements. As their paying of rent and maintaining the property is purely voluntary, we cannot guarantee any tenancy outcome. This is a risk which comes with allowing someone to rent your property.

**So who has the last word?**

You do. We simply give you the information we have collected and - using our experience - give you a possible guide as to the tenancy outcome. But at the end of the day it is always your choice.

**OK, sounds good. So let's get the word out.**

**Where are you going to advertise?**

Once we have a signed Management Agreement authorising us to act on your behalf, we list your property in the following forms of advertising:

**Internet.**

Your property details and photos are featured on three popular websites, maximising coverage to 95% of all prospective tenants using the Internet to find a rental property -  
[www.bourkes.com.au](http://www.bourkes.com.au)  
[www.realestate.com.au](http://www.realestate.com.au)  
[www.reiwa.com.au](http://www.reiwa.com.au).

**Window Display.**

Our rental listing brochure is featured in our window display. This is popular for easy access after hours.

**Rental Listing Brochure.**

Your property is added to our office listing brochure with a photo and details of your property. This is given to anyone that comes in looking for a rental property.

**Newspapers.**

We advertise the details of your property into the Real Estate Classifieds section of The West Australian. This is charged to you, at the cost we are charged by that newspaper. We traditionally use the internet first and if response is low then we will use press ads.

**Good-looking properties attract the best tenants.**

**How should my property be presented?**

We ask that the property be presented in the best manner possible to attract the right tenant for your property. We don't want a bad first impression to detract the right tenant from renting your property. Please refer to our guide in Section Three of this booklet with tips and a checklist on how to present your property for rent.

**How much do I have to clean the place?**

The property should be presented 'reasonably clean' in accordance with legislative requirements. Please refer to our guide in Section Three for recommended levels of cleanliness.

As a very general rule, we ask the tenant to leave the property at the standard they found it.

In cases where the property is provided at an extreme level of cleanliness we ask the tenant to leave the property likewise. However, in the case of a dispute, we can only legally enforce that the tenant return the property in a 'reasonably clean' condition, this being their minimum legal obligation.

## It's renting cats and dogs.

### **If I decide to allow pets at my property, what are the rules?**

We always sign pet conditions with your tenant on their tenancy agreement. This obligates them in four ways:

1. No additional pet may occupy the property without prior permission.
2. The pet may not come inside the property.
3. The pet must be removed from the property if it becomes annoying or bothersome to neighbours (after reasonable warning has been given in writing).
4. The tenant must be responsible for any damage caused by their pet, and remove any rubbish or faeces deposited by the pet.

We also record the details of the pet on the agreement, which is then signed by the tenant.

### **How can you be sure the pet won't come inside?**

We obligate the tenant to commit in writing that they will not bring the pet inside. However as we are unable to monitor the property all of the time, we cannot guarantee that the pet will not come inside the property. We do look out for any warning signs whilst at the property conducting inspections.

However, the only way to ensure that a pet will not come inside the property is to insist 'No Pets' right from the start of the tenancy.

## The property inspector cometh.

### **Do you inspect the property at the beginning of a tenancy?**

Prior to the tenant moving into the property we conduct a full inspection and create the Property Condition Report - commonly known as the PCR.

We inspect your property area by area (lounge room, bedrooms, kitchen, front and rear yards, garage etc) and then all items present in each area (walls, ceiling, light fittings, curtains, windows, stove etc).

We record their condition and cleanliness item by item, and then a brief description and detail about the item. This includes recording details of any marks, scratches and dents etc. We

also take photos inside and outside the property. This report is vital during and at the end of the tenancy to refer back to the condition of the items and property.

### **How often do you inspect the property during the tenancy?**

We conduct the first inspection of your property within 6 weeks of a tenant first moving in. This ensures the tenants are what we were expecting and also to smooth out any initial issues that may have arisen during the move. We then inspect the property approximately every three months.

These inspections are more of a walk through, checking the tenant is keeping the property damage - free and reasonably clean. We will also take photos if required of any repairs or concerns observed provided we have the tenant's permission.

We also note any repairs reported or observed by us and any other recommendations needed to help you keep the property in the best possible condition. We will mail you a copy of the inspection. But if there are items requiring urgent attention, we will let you know as soon as possible.

### **What about when the tenant vacates the property?**

When the tenant lets us know they will be vacating, we send them detailed information on our expectations of how the property needs to be presented. Once the tenant has fully vacated, we compare the property to the PCR inspection report completed when the tenant moved into the property.



We carefully check through the report item-by-item, ensuring it has been left in the same condition as when they moved in, taking into account reasonable wear and tear for the period of time they have been in the property. This is a legislative requirement. We ensure the property has been left reasonably clean and also arrange to have a special water reading performed at your property.

## Their word is not their bond.

### How much bond do you take from the tenant?

In general, you cannot ask for more than the equivalent of four week's rent. However, the following exceptions apply:

1. If you have been living in the property for the previous 3 months, then the bond is negotiable
2. If the rent is more than \$500 per week then the bond is negotiable.

### When do you pay back the bond?

We only refund the bond after the following has occurred

- a. The tenant has fully vacated the property and returned the keys
- b. The property has been inspected, and is satisfactory when compared with the PCR.
- c. All monies are paid. These could be any outstanding rent, water or anything owed by the tenant
- d. If the tenant is breaking their lease, any re-letting fees and advertising costs (part or full costs)

### If the tenant has a pet, can I ask for a pet bond?

The maximum allowed as a Pet Bond is \$260 - regardless of the number of pets - for fumigation of the property (if necessary) at the end of the tenancy.

No animals may be kept on the premises without the owner's permission.

## Let's make sure we're all on the same wavelength.

### What do you explain to the tenant when they move in?

We go through all of the most important expectations. For example, how they must pay their rent on time, where to pay their rent, and what we do if they do not pay their rent. We discuss our repairs and maintenance policy, what happens in an emergency repair situation, how often inspections occur and what we look for.

We also supply them with two copies of the PCR, explain how they must check, sign and return one copy of the form within 7 days. We explain and get them to sign the Bond Lodgement Form.

We also give them a Consumer Affairs booklet that explains some of their tenancy rights and obligations. We must issue them with this booklet in accordance with legislative requirements.

### What do they sign?

We prepare a Tenancy Agreement covering the details of the tenancy, with terms and conditions. We explain the main parts of the agreement to the tenant before we get them to sign it. We will then send you a copy of the tenancy agreement together with a copy of the ingoing inspection report.

### When do they get keys and possession of the property?

After all the forms have been explained and signed, and all bond monies and the first rent payment received, we will then grant them the keys and possession of the property.

## I'm not very good at DIY. So who does all the repairs?

### Who's responsible for repairing my property?

It is the responsibility of the landlord to repair the property. This means it is at the landlord's expense.

### **Who is responsible for general wear and tear? (And what exactly is it?)**

General wear and tear that occurs from tenants just living in a property is expected and legislation provides that it be allowed. A few extra marks and scuffs on the walls, some chips and scratches to doors and doorways will occur over time, along with the gradual wear of everything that is in the property.

The only time a tenant can be held responsible is if wear and tear is considered excessive for the time frame that the tenant has been in possession. For example, a newly-painted property with walls severely marked after two years resulting in the walls having to be painted again may not be allowed as 'reasonable' wear and tear.

In a tribunal this type of situation, if proved, could result with the tenant paying for the painting to be done, minus any depreciation for the age of the paintwork at that point in time when it was repainted. Please also refer to our Residential Tenancies Act quotes in section 2 of this handbook for specific legislation on this issue.

### **What if the tenant is at fault?**

If a tenant has caused damage to an item that is not the result of normal break down or wear and tear, this will be charged to the tenant. Normally, a tradesperson would let us know that the repair was normal or was influenced or caused by the tenant.

### **What happens if a repair is required after hours, or on weekends?**

We have given the tenant a handbook detailing the process of emergency repairs. If there is an emergency repair - blocked sewerage or live electrical wires for example - the tenant can contact one of our emergency contractors and initiate repairs, if they cannot contact our property management staff. If however they have not attempted to contact them or we deem the repairs not to be of an emergency nature we will charge the after hours call out cost to the tenant.

### **Who is responsible for maintaining the lawns and gardens?**

Unless otherwise agreed, the tenant is responsible for maintaining the lawns and gardens to the standard they were given at the start of the tenancy. If the property has watering systems these need to be working and kept maintained during the tenancy at the landlord's expense.

### **What about cleaning gutters and pruning?**

According to legislation it is the landlord's responsibility to ensure these are done. Of course, we can arrange gardeners on your behalf to do these for you.

### **I quite like my tenants. Can we do a deal?**

### **Who decides if the lease will be renewed?**

You do. We will contact you by letter before the lease is due, and seek your instructions if you wish to renew the lease. Once we have your approval we will then approach the tenant to have the lease renewed.

### **OK, the tenants are leaving. What's the deal here?**

### **How much notice must they give?**

This depends on the type of lease they have signed. If they wish to vacate the property on a non-fixed term lease ('periodic lease'), they are only required to give 21 days notice in writing.

If they are on a 'fixed term tenancy' they can vacate at the end of lease without any official notice. It is up to us to approach the tenant to seek their intention to either renew the lease or vacate the property. We do this usually about two months prior.

If they break their lease, they may do so with little to no notice; however they are subject to paying rent until a new tenant is secured, or until the end of the lease (whichever occurs first). They must also contribute to the letting fee and advertising costs (please refer to the next section).

## Uh, oh. They've broken their lease. What happens now?

### Who pays for the letting fee and advertising costs when a tenant breaks their fixed term lease early?

Unfortunately we have no control over the tenant breaking their lease early. People's circumstances change and sometimes they move out earlier than expected. In this case, we will need to charge letting fees and advertising again.

However, under legislation, we are entitled to charge a tenant for part or the full amount of these costs to be reimbursed back to you, depending on how much of the lease remains when it is broken. We also must take into account the current lease or entire term of leases they may have already served at the property when calculating monies for reimbursement.

## You never know what's going to happen. (That's why you need insurance.)

### Why do I need landlord insurance if I have an agent?

We at no time can guarantee your tenant's performance at your property. The risk belongs to the owner of the property, and therefore the owner should be insured for such a risk.

### Why do I need landlord insurance if I have a good tenant?

Even a good tenancy can turn bad. If the tenant's circumstances change sometimes the tenancy will become unstable. This can result in rent owing and the property not being maintained.

In our experience, it pays to be properly insured, even with a good tenant.

### What does landlord insurance cover?

Landlord insurance will cover rent loss due to tenant default and malicious damage to the property caused by the tenant. It is important for you to know what your landlord

insurance policy will and won't cover.

Please consult with your landlord insurer so that you are fully aware of the extent of your cover and also any excesses that may be applicable in the event of a claim.

## Naughty tenants, and how to deal with them.

### What happens if the tenant breaks one or more of the conditions of tenancy?

Depending on what has occurred depends largely on what action is taken. If the breach is minor approaching the tenant verbally or in writing maybe appropriate. If it is something serious we will consult with you first to discuss what action to take. Serious breaches of tenancy may involve using the property for illegal purposes or bringing in pets without prior permission etc. We will let you know whether we should serve a termination notice on the tenant first or use more diplomatic means to rectify the breach.

### What happens if my tenant does not pay the rent?

Paying the rent is always a voluntary action on behalf of the tenant. We can never force a tenant to pay their rent. Even a tribunal can only 'order' a tenant to pay - but can never physically force them to pay. If a tenant does get behind in their rent payments, this is the process we follow.

#### 3 days behind.

Contact tenant by SMS to remind them they are in arrears.

#### 5 days behind.

We issue a *Breach of Notice for Non-Payment of Rent*. This requires the tenant to rectify the situation and gives them 14 days to remedy the Breach.

If after 14 days all of the outstanding rent is not paid, we will issue a *Notice of Termination for Non-Payment of Rent*. This notice seeks to terminate the tenancy and requires the tenant to vacate the premises

within the next 7 days. We will contact you for your authorisation prior to issuing this notice for your authorisation.

**Approx 4 weeks behind (25 - 28 days).**

We lodge an application with the Tribunal for an order of payment subject to your instructions. An application will be made to the court at the expiration of the Termination Notice (7 days) to minimise any possible loss of rent that could occur and to comply with the requirements of all Landlord Protection Insurers .

**Approx 6 weeks behind (40 - 47 days).**

A Tribunal hearing is held. An order is given to pay or be evicted.

**Approx 7-8 weeks behind.**

Eviction may occur if payments are not made as per the tribunal order.

As you can see, the full legal process can be very drawn out and lengthy. Unfortunately the bond will never cover the shortfall in rent. If you have landlord insurance will there be a reasonable prospect of covering the rent payment shortfall, in the case of your tenant defaulting in their rent payments.

Without landlord insurance, the chance of recovering owed rent monies is minimal. If you have no protection for your rent payments, the problem is further compounded with the fact that the bond will probably be exhausted with owed rent. You will then most likely have cleaning up and re-letting costs, as well as outstanding monies like water consumption owed by the tenant.

So without landlord insurance, this process can be quite financially painful.

## Getting rid of pests (real ones).

### Should I get my property regularly checked for termites?

We strongly recommend all of our clients choose a pest control service and request that they regularly check your property for termite activity at the

frequency they recommend. We do not contract them to do this on your behalf, unless you specifically instruct us in writing to do so each time it is required.

Please note, it is a general exclusion of all building insurance policies that damage to your property caused by termites is not covered (not insurable). Therefore regular checking is the best way to prevent termite damage, or at least attempt to identify warning signs that termites are creating damage.

## Can you tell me who pays for what? And when ? And why?

### Who pays for electricity and gas charges?

These are a tenant expense. However if there are charges relating to the supply of these services to a property, then the supply charges are at a landlord cost.

A good example of this is if a property has bottled gas supplied. The tenant pays for the gas in the bottles; however the landlord would be responsible for the charges related to the gas bottle rental. This is a charge associated with the supply of the gas.

### Who pays for water charges?

Water consumption charges are agreed between the landlord and tenant. In WA, metropolitan and most regional townships have water supplied by the Water Corporation of WA which charges a lower rate per kilolitre for the first 125 kilolitres used in a yearly period. Water used over and above this is charged at a higher rate.

In most cases where gardens and lawns are involved, the landlord would pay the first 125 kilolitres. This is 'allocated' for usage on the garden. Water used above this at the higher rate would be charged at a tenant expense.

Some landlords wish to charge the tenant all water costs. This is optional; however we do believe that an incentive should be given to the tenant to ensure the garden remains healthy. The water supply charge

can also be paid by the tenant, if this is first agreed upon in the tenancy agreement.

**What about council and sewerage rates?**

All these costs must be paid by the landlord as specified by legislation.

**I like watching my savings grow. Can you send me lots of statements please?**

**Why do I receive statements?**

We will issue you both monthly and yearly financial statements, accounting for all monies we have handled and disbursed to you on your behalf in accordance with legislative requirements.

**When do I receive these statements?**

Your monthly statement will be sent to you around the first day of every month. These statements can be sent by either post or emailed to you. Your end of year statement accounts for all monthly statements accumulated, for accountancy ease. This statement will come to you in July of each year for tax purposes.

All bills and tax invoices paid by us are kept on file and can be sent to you either on request or with the end of year statements.

**What if I misplace a statement?**

Call us and we will reissue another one to you. You can also view your current and past statements via your RentStar\* login on our website, [bourkes.com.au](http://bourkes.com.au)

**I've had enough. I want to sell the place. Or maybe even live in it.**

**What happens to the tenancy if I wish to sell my property?**

You may sell your property at any time. However any fixed term lease in place is guaranteed to your tenant. This means if a person buys your property and they wish to occupy it, they must wait until the tenancy is finished unless the tenant agrees otherwise.

**What if I want to move in or someone from my family wants to move in?**

Again any fixed term lease is guaranteed unless the tenant agrees to move out. Unless mutually agreed by both parties in writing or by an order from a court, the fixed term tenancy cannot usually be ended before the date stated in the Agreement. As is the case with the property being sold, this usually involves an amount of compensation being paid to the tenant as agreed by both the landlord and the tenant.

**What if they are on a non-fixed term agreement?**

You can end a periodic tenancy by giving the proper notice in writing for any of the reasons below:

- a. No particular reason - you can (without giving them a reason), give written notice to the tenant ending the tenancy not sooner than 60 full days from the date you give them notice.
- b. The property has been sold (contract signed) and the occupier requires vacant possession, give written notice to the tenant ending the tenancy not sooner than 30 full days.

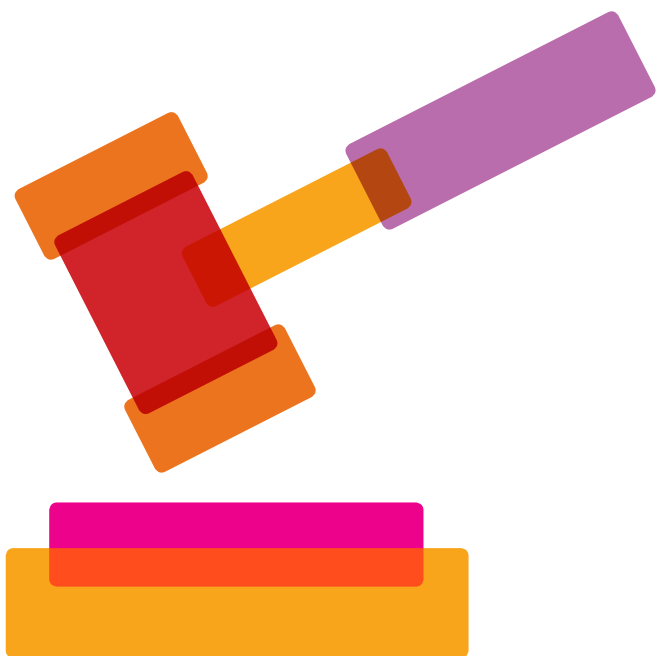
A regulated Form 1C notice must be used when giving 30 day or 60 day notice.

**Can you sell my property on my behalf?**

Of course! Selling your property is part of the service we provide. It is always preferred that we sell your property. It's much easier to coordinate access with the tenant between the sales and rental departments if you are using the same agency for both services.

Your tenant will also be more comfortable to deal with a company they are already familiar with.

Just let us know if you want to sell.



SECTION TWO /

# THE INS & OUTS OF TENANCY LAW

It's quite boring but very, very important.

Some landlord rights & obligations /  
Breaking the lease /  
Some tenant's rights & obligations /

For your information, here are some excerpts from the Western Australian Residential Tenancies Act. They are from sections of the Act that are commonly misunderstood or that people are unaware of.

## Some landlord rights and obligations

### Discrimination against tenants with children

Sec 56.

1. A person must not refuse to grant a tenancy to another on the grounds that it is intended that a child should live on the premises.

Maximum penalty: \$1,000.

2. A person must not -
  - a) instruct a person not to grant; or
  - b) state an intention (by advertisement or in any other way) not to grant, a tenancy on the grounds that it is intended that a child should live on the premises.
3. However, this section does not apply if the landlord, or an agent appointed by the landlord to manage the premises, resides in the premises to which the tenancy relates or in premises adjacent to those premises

### Tenant to pay only 2 weeks rent at the start of the tenancy

Sec 28. *Rent in advance*

1. A person shall not require before or during the first 2 weeks of the tenancy under a residential tenancy agreement as rent under the agreement an amount exceeding 2 weeks' rent.

Penalty: \$1,000.

2. A person shall not require any payment of rent (other than the first payment) under a residential tenancy agreement until the period of the tenancy in respect of which any previous payment has been made has elapsed.

Penalty: \$1,000.

### Security at the property

Sec 45. *Locks*

1. It is a term of every agreement—
  - a) that the owner shall provide and maintain such locks or other devices as are necessary to ensure that the premises are reasonably secure; and
  - b) that neither the owner nor the tenant shall alter, remove or add any lock or device without the consent of the other given at, or immediately before, the time that the alteration, removal or addition is carried out.
2. An owner or tenant who, without reasonable excuse, breaches the term prescribed by subsection (1)(b) is, in addition to any civil liability that he might incur by so doing, guilty of an offence and liable to a penalty not exceeding \$4,000.
3. Where an agent of an owner, without reasonable excuse, alters, removes or adds a lock or device without the consent of the tenant given at, or immediately before, the time that the alteration, removal or addition is



carried out, the agent is, in addition to any civil liability that he might incur by so doing, guilty of an offence and liable to a penalty not exceeding \$4,000.

4. The liability of an agent under subsection (3) is in addition to any liability of the owner in respect of the actions of the agent.

### **Providing the property clean and repairing the property**

#### *Sec 42. Owner's responsibility for cleanliness and repairs*

1. It is a term of every agreement that the owner –
  - a) shall provide the premises in a reasonable state of cleanliness;
  - b) shall provide and maintain the premises in a reasonable state of repair having regard to their age, character and prospective life; and
  - c) shall comply with all requirements in respect of buildings, health and safety under any other written law in so far as they apply to the premises.
2. In this section 'premises' includes chattels provided with the premises (whether under the agreement or not) for use by the tenant.

### **Landlord right of entry into the property**

#### *Sec 46.*

1. It is a term of a residential tenancy agreement that the owner may enter the premises in the following circumstances but not otherwise –
  - a) in any case of emergency;
  - b) for the purpose of inspecting the premises or any other purpose, on a day and at a reasonable hour, specified in a notice given to the tenant not less than 7 nor more than 14 days in advance;
  - c) at any reasonable hour for the purpose of collecting the rent under the agreement, where it is payable not more frequently than once every week and it is agreed that the rent be collected at the premises;
  - d) for the purposes of inspecting the premises, on the occasion of a rent collection referred to in paragraph e) but not more frequently than once every 4 weeks;
  - f) for the purpose of carrying out or inspecting necessary repairs to or maintenance of the premises, at any reasonable hour, after giving the tenant not less than 72 hours notice;
  - g) for the purpose of showing the premises to prospective tenants, at any reasonable hour and on a reasonable number of occasions during the period of 21 days preceding the termination of the agreement, after giving the tenant reasonable notice;
  - h) for the purpose of showing the premises to prospective purchasers, at any reasonable hour and on a reasonable number of occasions, after giving the tenant reasonable notice; or
  - i) with the consent of the tenant given at, or immediately before, the time of entry.
2. In subsection (1) 'premises' does not include any part of the premises used by the tenant in common with the owner or any other tenant of the owner.

## Breaking the lease

Please note - if a tenant breaks their fixed term lease and vacates the property, they will be required to pay rent until a new tenant takes possession (or to the end of the lease - whichever occurs first). They will also be required to pay full or part letting fee and advertising costs.

This next part of legislation deals with this area. The term 'abandon' simply means they vacate the property unexpectedly (eg during a fixed term tenancy). The term 'mitigation' means that the landlord/agent must 'use their best endeavors' to source a new tenant. 'Compensation for any loss' means letting and advertising costs (part or full amount - depending on how much of the tenancy remains when it is broken, and taking into account the current and any previous leases already served).

### **If a tenant breaks their fixed term tenancy**

#### *Sec 77. Order that premises are abandoned*

1. Where the owner under an agreement believes that the tenant has abandoned the premises, the owner may apply to a competent court for an order declaring that the tenant has abandoned the premises.
2. A court may, upon application by an owner under this section, declare that the premises were abandoned by the tenant on a day specified by the court and the tenant shall be deemed to have abandoned the premises on that day.

*Section 77 amended by No. 50 of 1988 s. 18; No. 59 of 2004 s. 120(1) and (3).*

#### *Sec 78. Right of owner to compensation where tenant abandons premises*

1. Where a tenant under an agreement abandons the premises, the owner shall be entitled to compensation

from the tenant for any loss (including loss of rent) caused thereby, but shall take all reasonable steps to mitigate such loss and shall not be entitled to compensation in respect of any loss that could have been avoided thereby.

2. A competent court may, upon application by the owner, order the tenant to pay to the owner any compensation to which the owner is entitled under this section.

### **Termination of a tenancy - grounds allowable**

#### *Sec 60. How residential tenancy agreements are terminated*

1. Notwithstanding any Act or law to the contrary, an agreement shall not terminate or be terminated except -
  - a) where the owner or tenant gives notice of termination under this Act and -
    - (i) the tenant delivers up vacant possession of the premises on or after the expiration of the period of notice required under this Act; or
    - (ii) a competent court, upon application by the owner, terminates the agreement under section 71;
  - b) in the case of a tenancy for a fixed term, where the term expires and -
    - (i) the tenant delivers up vacant possession of the premises on or after the expiration of the term; or
    - (ii) a competent court, upon application by the owner, terminates the agreement under section 72;
  - c) where a competent court terminates the agreement under section 73, 74 or 75;

- d) where a person having superior title to that of the owner becomes entitled to possession of the premises;
  - e) where a mortgagee in respect of the premises takes possession of the premises in pursuance of the mortgage;
  - f) where the tenant abandons the premises;
  - g) where the tenant delivers up vacant possession of the premises pursuant to an agreement in writing between the owner and the tenant to terminate the residential tenancy agreement;
  - h) by merger.
2. Where an agreement continues beyond the day on which it would upon its terms have terminated by effluxion of time or the happening of an event, subject to subsection (3), the same terms as last applied before that day continue to apply.
  3. A competent court may, upon application by the owner or tenant, make such modification of the terms of an agreement referred to in subsection (2) as may be necessary for or appropriate to its continuance.

## Some tenant rights & obligations

### The tenants right to quiet enjoyment of the property

#### *Sec 44. Quiet enjoyment*

1. It is a term of every agreement -
    - a) that the tenant shall have quiet enjoyment of the premises without interruption by the owner or any person claiming by, through or under the owner or having superior title to that of the owner;
    - b) that the owner shall not cause or permit any interference with the reasonable peace, comfort or privacy of the tenant in the use by the tenant of the premises; and
  - c) that the owner shall take all reasonable steps to enforce the obligation of any other tenant of the owner in occupation of adjacent premises not to cause or permit any interference with the reasonable peace, comfort or privacy of the tenant in the use by the tenant of the premises.
2. In this section 'premises' includes chattels provided with the premises (whether under the agreement or not) for use by the tenant.

### Tenant's responsibility for cleanliness and damage

#### *Sec 38. Tenant's responsibility for cleanliness and damage*

1. It is a term of every agreement that the tenant -
  - a) shall keep the premises in a reasonable state of cleanliness;
  - b) shall notify the owner as soon as practicable but within 3 days of any damage to the premises; and
  - c) shall not intentionally or negligently cause or permit damage to the premises.
2. In this section 'premises' includes chattels provided with the premises (whether under the agreement or not) for use by the tenant.

### Alterations to the property

#### *Sec 47. Right of tenant to affix and remove fixtures etc.*

1. An agreement may provide that the tenant -
  - a) shall not affix any fixture or make any renovation, alteration or addition to the premises; or

- b) may affix any fixture or make any renovation, alteration or addition to the premises, but only with the owner's consent.
- 2. Where an agreement makes the provision described in subsection 1.b) it is a term of the agreement that -
  - a) the owner shall not unreasonably withhold such consent;
  - b) the tenant may remove any fixture that he has affixed to the premises, with the owner's consent, during the period that he has continued in possession of the premises under the agreement, unless the removal of the fixture would cause irreparable damage to the premises; and
  - c) where the tenant causes any damage to the premises by removing any fixture, he shall notify the owner and, at the option of the owner, repair the damage or compensate the owner for any reasonable expenses incurred by the owner in repairing the damage.
- a) the state of disrepair has arisen otherwise than as a result of a breach of the agreement by the tenant and is likely to cause injury to person or property or undue inconvenience to the tenant; and
- b) the tenant has made a reasonable attempt to give to the owner notice of the state of disrepair and of his intention to incur expense in repairing the premises.
- 2. An owner is not obliged to compensate the tenant under the term prescribed by subsection (1) unless -
  - a) the repairs are carried out by a person who holds a licence that he is required to hold under any written law to perform such work; and
  - b) the tenant has furnished to the owner a report prepared by that person as to the apparent cause of the state of disrepair.
- 3. The term prescribed by subsection (1) applies notwithstanding that the tenant has notice of the state of the premises at the time when the agreement is entered into.

**Not use the property for illegal purposes, or be a nuisance**

*Sec 39. Tenant's conduct on premises*

It is a term of every agreement that the tenant -

- a) shall not use the premises, or cause or permit the premises to be used, for any illegal purpose; and
- b) shall not cause or permit a nuisance.

**Compensation where tenant conducts repairs**

*Sec 43.*

- 1. It is a term of every agreement that the owner shall compensate the tenant for any reasonable expense incurred by the tenant in making urgent repairs to premises where -

**Obligation to give 21 days notice on a non-fixed term tenancy**

*Sec 68. Notice of termination by tenant*

- 1. A tenant may give notice of termination of an agreement to the owner without specifying any ground for the notice.
- 2. Where a tenant gives notice of termination under this section, the period of notice must be not less than 21 days.
- 3. This section does not apply in relation to an agreement that creates a tenancy for a fixed term during the currency of that term.

# A REMINDER OF WHY YOU'VE HIRED US...

Now we've gone through all the boring stuff, let's lighten the mood with some excerpts from actual tenant's letters sent to landlords.

FROM REAL ESTATE HUMOUR.COM

The toilet is blocked and we cannot bathe the children until it is cleared.

I want some repairs done to my stove as it has backfires and burnt my knob off.

This is to let you know that there is a smell coming from the man next door.

I am writing on behalf of my sink, which is running away from the wall.

I request your permission to remove my drawers in the kitchen.

Our lavatory seat is broken in half and is now in three pieces.

The person next door has a large erection in his back garden, which is unsightly and dangerous.

Will you please send someone to mend our cracked sidewalk? Yesterday my wife tripped on it and is now pregnant.

Will you please send a man to look at my water? It is a funny color and not fit to drink.

Would you please send a man to repair my downspout? I am an old-age pensioner and need it straight away.

The toilet seat is cracked: where do I stand?

Could you please send someone to fix our bath tap? My wife got her toe stuck in it and it is very uncomfortable for us.

When the workmen were here, they put their tools in my wife's new drawers and made a mess. Please send men with clean tools to finish the job and keep my wife happy.



SECTION THREE /

# HOW TO CLEAN UP AS A PROPERTY INVESTOR

Things people often forget to do /  
Cleaning inside the property /  
Cleaning outside the property /  
Cleaning after your pets /

The better your property presents, the better the tenants it will attract. (And to be totally mercenary about it, the more rent you can ask for.)

So here are our top tips to help you get your property looking its very best. And a few memory joggers we often find people need.

### Things people often forget to do. (Obvious, but essential.)

#### Mail

Please ensure that all mail is re-directed to your new address.

#### Electricity, gas, phone, etc.

Please ensure all utility companies are advised and services cancelled accordingly. The only services to remain in your name (with your new postal address) are the water and council rates.

#### Appliance manuals.

Please leave a copy on the kitchen counter for the tenants to refer to. It is recommended that the agents also have a copy or the originals for safe keeping and to be able to refer to if there is a problem.

#### Keys.

Please ensure all locks have keys. Please supply 2 or 3 full sets of keys (one for our office, one or two for the tenant)

### Cleaning inside the property

#### Walls.

Please clean off any dirty marks, removable scuff marks, finger or food marks etc.

#### Ceilings.

Please remove any cobwebs.

#### Ceiling mould.

Please clean off - particularly in wet areas and sometimes in bedrooms.

#### Light fittings.

Clean off dust and remove any dead insects inside

#### Ceiling fans.

Wipe fan blades and the tops of fittings to remove dust build up

#### Skirting boards.

Wipe down with a damp cloth

#### Doorways and doors.

Wipe off finger marks and any other removable marks

#### Windows.

Clean inside and out. Nearly all modern sliding aluminium windows can be lifted and pulled out for easy cleaning. Also clean sills and runners. Wipe out dust build up and any dead insects. A vacuum cleaner and paint brush can really help here.



### **Flyscreens.**

Brushed and dusted down. Most modern sliding aluminium windows allow for the flyscreens to be taken off from the inside only, once the sliding part of the window has first been moved. Attempting to take them off from the outside may result in damaging them.

### **Screen doors.**

Front and back including frames; wiped clean and screen wire brushed.

### **Stoves.**

Clean stove top, control display, knobs, panels around knobs, any pull out or in-built drip trays, griller racks, trays and any inserts, oven racks, trays and oven bottom, walls and oven roof. A good oven cleaner will clean most ovens - but read carefully the instructions on the product. Some cleaners can actually damage oven surfaces - like stainless steel - and some products release dangerous caustic fumes. Therefore use with extreme caution.

### **Kitchen rangehood.**

Clean pull out filters and framework.

### **Bathroom.**

Clean sink, mirror, cabinet, vanity unit and drawers, shower recess, glass screen and screen doors, bath and wall tiles. Please ensure both the sink and the bath have a plug.

### **Toilet.**

Clean the cistern, the seat, inside the bowl and also outside around the base. Don't forget the skirting tiles around the toilet.

### **Laundry.**

Clean both the inside and outside of the trough, and underneath. Make sure the trough has a plug.

### **Tiling.**

All tiling and grouting in the kitchen, toilet, bathroom and laundry areas are clean.

### **Exhaust.**

Vents and fan covers are clean of any dust and dirt.

### **Air conditioners.**

Front vents and filters cleaned of built-up dirt. The filters on split system units easily pull out and can be brushed down with a hand brush. If there is a ducted reverse-cycle air conditioner unit, the air intake filter should be cleaned. This is usually on the ceiling in the passage area. Please clean air conditioning ceiling duct vents, if dusty or dirty.

### **Cupboards and drawers.**

Please clean/wash inside and out. Also doors and door frames; both the fronts and backs of doors need to be cleaned.

### **Curtains.**

Wash any washable curtains and netting. If other curtains are visibly dusty or dirty, consider dry cleaning.

### **Blinds.**

If you have venetian blinds, clean off the blind slats. Any other type of blinds should be able to be wiped down.

### **Floors.**

Mopped and washed if needed. Please ensure corners and hard to reach areas are also cleaned.

### **Carpets.**

To ensure a greater chance of the carpets being returned by a tenant professionally cleaned, we ask also that the carpets be professionally cleaned. Phone us for details of who we recommend and use.



THE DICTIONARY  
IS THE ONLY PLACE  
WHERE SUCCESS COMES  
BEFORE WORK.

ARTHUR BRISBANE

## The inside's done. Now for the outside.

### **Lawns.**

Freshly mowed and edged (best done a couple of days before the tenant takes possession).

### **Gardens.**

Remove any weeds, any rubbish and built up leaves etc.

### **Guttering.**

Please ensure that the gutters are freshly cleaned of any dirt/silt and leaves/twigs.

### **Rubbish.**

Remove any rubbish that you have placed at the property. Be sure to check behind sheds, under shrubs and trees. This includes lawn clippings piled and compost left.

Sweep paths and paving areas (this is best done before a tenant takes possession).

### **Oil spillage removal.**

Check and clean carport and garage floors, paths and driveway. If you have used a barbeque, check for any grease spots and spillages etc.

### **Cigarette butts.**

If there are cigarette butts lying around, please pick up and remove.

### **Garages and tool sheds.**

Please remove any items from inside and behind garages and tool sheds. The only things that perhaps should remain are items directly related to the property (for example spare roof tiles, other spare tiles and paint tins etc)

## And finally, for animal lovers.

### **Pet droppings.**

Please remove from gardens, lawns and any out of the way areas. Please dispose of in the bin; do not bury them.

### **Dog urine.**

Remove/clean where your pet may habitually urinate (Base of walls, verandah posts etc.)

### **Dog stains on outside walls.**

Check where your dog regularly lies down; there maybe 'tell tale signs' on walls etc.

### **Dog/Cat claw damage.**

Check screen doors, flyscreens and curtains. Please replace the screen wire if required.

### **Dog chew damage.**

Please ensure watering systems are free of dog chew damage and are repaired accordingly.

### **Pet hair.**

Please ensure any visible pet hair inside is removed.



SECTION FOUR /

# OUR WRITTEN SERVICE STANDARDS GUARANTEE

Marketing your property for lease /  
Leasing your property /  
Rent monies /  
Repairs and maintenance /  
Tenancy agreement renewals /  
Periodic inspections /  
Tenant vacating /  
Property disbursements & statements /  
General communication /  
Complaints handling /  
Documentation /  
Personal information /  
Professional standards /  
Our guarantee to you /

We guarantee that we will perform the following duties when managing your property.

### Marketing your property for lease

- We will erect a 'For Lease' sign on your property within 2 working days of listing, if signs are permitted and if requested by you.
  - We will place a listing for your property on all the real estate websites that we subscribe to and each listing will include at least 3 photographic images of the property.
  - Your property will be accurately described and advertised in the newspapers (as mutually agreed between us).
  - We will conduct an unlimited number of private viewings of your property and at least one 'Open for Inspection' each week until the property is leased (subject to access provided to us by any current occupant).
  - All property viewings will be carried out by one of our representatives (we do not give out keys to prospective tenants).
  - We will update you on the status of your available property at least twice each week and provide you with a weekly marketing report until such time as the property is leased.
- All tenancy applicants will be screened on the national tenancy databases that we subscribe to.
  - Unless you instruct otherwise, all potentially suitable tenancy applications will be referred to you for a decision.
  - We will lease your property for the rental amount nominated in the Management Agency Agreement between us (or higher if the market justifies it) and the property will not be leased for a lower amount without your prior approval.
  - Subject to the tenancy commencement date and the tenant's availability, we will prepare the tenancy documentation within 2 working days of tenancy approval.

### Leasing your property

- All information and references provided by tenancy applicants will be verified by us within 1 working day of receipt.
- ### Rent collection
- We have a zero tolerance rent arrears policy.
  - We will follow up all rent payments in accordance with:
    - our fully documented arrears process, and
    - the requirements of the relevant legislation
  - Should your tenant get to 14 days in arrears, we will contact you to seek your instructions regarding possible termination of the tenancy.
  - Should termination of the tenancy be necessary, we will keep you informed throughout the legal process.
  - You will be advised once the rent arrears have been paid by the tenant.

## Rent monies

- All monies received by us will be banked into your nominated bank account, or posted by cheque to you within 2 working days of our Rent Statement close off date.

## Repairs and maintenance

- All non urgent repair requests from tenants will be attended to within 2 working days of receipt.
- We will not arrange any repairs to your property without your knowledge and approval (unless the repair is defined as 'urgent' under the Residential Tenancies Act).
- We will attend to any 'urgent' repair requests within 4 hours of receipt.
- All reasonable steps will be taken to obtain the best pricing for your repairs and maintenance.
- We will only use appropriately licensed and insured tradespeople for any repairs or maintenance work to your property.
- We will provide you with a copy of invoices for all work arranged on your behalf for the property.

## Tenancy agreement renewals

- We will review the tenancy agreement for your property 90 days prior to its expiry.
- Unless you instruct otherwise, we will offer the tenant a renewal of tenancy agreement for the same period as the initial agreement at the same rent (or a higher rent if the market justifies it).
- You will be advised if the tenant does not want to renew their tenancy agreement.

## Periodic inspections

- We will carry out at least 4 periodic inspection of your property each year and provide you with a detailed report each time.

## Tenant vacating

- On receipt of a tenant vacating notice we will:
  - advise you by phone, letter, fax or email
  - confirm the details in writing to both you and the tenant
  - list the property on our website and put the agreed advertising plan into effect within 1 working day
  - prepare all necessary vacating documentation
  - arrange access for viewings by prospective tenants
- A pre-vacating inspection will be carried out to check for any potential problems with the property.
- After the tenant vacates the property:
  - process the tenant's rental bond refund within four working days
  - if deductions from the rental bond are considered necessary, full details will be provided to both you and the tenant
  - complete all necessary documentation to finalise the rental bond within a further 2 working days.

## Property disbursements and statements

- All agreed property disbursements will be paid on your behalf prior to the due date (subject to the availability of funds).
- Your Rent Statement will be sent to you within 2 working days of our monthly close off date.
- Your Rent Statement will be personally checked by your Property Manager prior to being forwarded to you.
- We will provide you with an accurate Annual Income and Expenditure Statement within 30 days of the end of the Financial Year.

## General communication

- Our office hours are 8.30am - 5.00pm Monday - Friday.
- We will respond to:
  - telephone messages within 4 hours
  - email within 24 hours
  - fax within 24 hours
  - mail within 48 hours
- We will promptly advise you of any pertinent matters affecting your property or the tenancy.

## Complaints handling

- Tenant's complaints received in writing (i.e. fax, letter, email) will be acknowledged within one working day
- All complaints will be formally recorded and responded to within 2 working days.

## Documentation

- We will provide all documentation in clear and concise English.
- We will ensure that all documentation is accurate and complete.
- All property condition reports will be comprehensively and accurately completed.
- Copies of all documents that we sign on your behalf as agent will be forwarded to you (unless you instruct otherwise).

## Personal information

- All personal information will be held in the strictest confidence and will not be released to a third party without written authorisation.
- All updates and corrections advised to us will be recorded in our system within one working day.

## Professional standards

- The highest standards of honesty, integrity and professional practice will be conducted in compliance with the Code of Conduct of the Real Estate Institute of Australia.

## Our guarantee to you

- If we fail to meet any of these standards, and we are notified in writing and we do not rectify the matter within 2 business days, we will manage your property for 3 months - management fee free.

This Guarantee does not apply when:

- We are requested to carry out non-standard duties.
- Matters are outside our control. For example, a natural disaster or accident.



SO ITS 11PM AND YOU'RE  
FINALLY SORTING YOUR  
TAX OUT (OMG) AND NEED  
A STATEMENT OF YOUR  
RENTAL INCOME?

RIGHT NOW?

EASY.

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ACCOUNT FOR 24/7 ACCESS TO RENT TOOLS & RESOURCES.

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If you know South Perth and surrounding suburbs, then the name Bourkes is a familiar sight. We've been involved in residential sales and property management in the area since 1988.

If you live further afield then you've probably heard of our man at the helm, real estate veteran, Alan Bourke. He's been in the business since 1980. Since that time, he's sold countless properties and helped thousands of clients make the most of the Perth property market.

Alan is also an experienced auctioneer and holds regular seminars for clients and industry groups on the benefits of real estate investing.

At Bourkes, you'll find only dedicated, hard-working professionals who are ready to help you buy, sell, rent or lease. Plus an unbeatable level of local knowledge, expertise and insight.

Whether you're buying, selling, leasing or renting a property, we believe it should be an exciting and, above all, enjoyable time.

Whatever we can do for you, we're sure you'll enjoy the experience.

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*Understanding the Basics  
of Real Estate Investing*

*Open House:*

*The complete guide to  
selling your home*

*Gimme Shelter:*

*The tenant's complete  
guide to stress-free renting*

*Good Buy:*

*The buyers's guide to  
choosing the right home*

*Settle Petal:*

*The complete guide to  
property settlement*

#### Disclaimer

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# THE BEST INVESTMENT ON EARTH IS EARTH.

LOUIS GLICKMAN

Now there's a sentiment that's pretty popular around our office. Another one is that the next best investment is in a good Property Manager. And that's where this guide comes in. Compiled by our property management experts at Bourkes, in it you'll find everything you need to know and can then forget about while we take care of it all for you. See why we're a good investment?

Visit our website for more at  
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