

# THINKING OF MANAGING YOUR OWN RENTAL PROPERTY?

(Please, think again!)

## What is your time worth?

Each of the following items should be considered before embarking on the management of your own property. Most of these items will require at least one hour of your time for each tenancy.

1	Attending at your property to show prospective tenants who may or may not turn up at the appointed time
2	Process tenancy applications by confirming all references and accurately calculating the prospective tenant's ability to pay
3	Property Condition report (ingoing) — required to be attached to Residential Tenancy Agreement
4	Collect and then correctly lodge the rental bond on the tenants' behalf
5	Receive and then act on telephone complaints from tenants regarding repair and maintenance issues
6	Attend at the property to meet tradespeople when obtaining quotes and / or completing work
7	Drive by the property periodically to conduct external inspections
8	Attend at the property periodically to conduct internal inspections
9	Make phone calls / send mail requests when tenant falls behind with their rent

10	Prepare Consumer, Tenancy and Trader Tribunal case against tenant who has breached the lease
11	Attend Tribunal and defend your actions against a tenant who has breached the lease
12	Manage eviction proceedings through the local Court and the local sheriff's office
13	Physically evict a tenant who refuses to vacate the property by order of the Tribunal or the Court
14	Prepare and submit an insurance claim for a rented premises when the property is damaged during the tenancy
15	Prepare outgoing property condition report when tenant vacates
16	Manage the disbursement of the rental bond to tradespeople and the tenant at the end of the tenancy
17	Collect, store and then properly auction abandoned goods left at the property
18	Study and correctly determine the proper market rent for your property prior to each tenancy

If you earn \$50,000 per annum **your time is worth \$24.00 per hour**. If each one these items take one hour each (18 x \$24.00) then your cost will be \$432.00 per tenancy (usually 26 weeks) or **more than \$860.00 per annum**.

Our cost for managing your property would probably be the same. And when we manage your property, **our costs are tax deductible** ... your time is not! So, the real cost of employing a professional real estate agent to properly and legally represent your interests is **NIL**.

## Need some more reasons ... ?

1. Some Landlord Insurance policies **do not cover you for loss of rent**, malicious damage etc, when you manage the property yourself.
2. The Residential Tenancies & Rooming Accommodation Act 2008 and regulations amount to **hundreds of pages** of relevant information regarding the management of properties with which you should be familiar.
3. A real estate agent has **access to tenancy databases** containing identity details of defaulting tenants. Tenants with poor payment histories target private rentals knowing owners do not have access to their previous rental records.
4. A Residential Tenancy Agreement is a **legal document** and must be prepared correctly in order to ensure it is enforceable in the tribunal and the courts.
5. A real estate agent keeps **all records on computer** allowing no room for error especially in the area of tenant receipts for rent payments. These can be used as evidence in a tribunal case.
6. Most people dislike conflict with anyone. **Conflicts with your tenants** over rent and repair issues although not guaranteed are an almost inevitable part of the management of residential property.
7. It is almost impossible to secure a new tenant without **advertising**. This cost is generally no less than \$100.00 per vacancy.

### But I have a great tenant !

These are the famous last words of every "unlucky" landlord.

Even the best tenants can quickly become problem tenants. They may lose their job, they may have a domestic problem, there may be an illness or some other unfortunate happening that causes your tenant to change their behaviour.

Are you ready to cope with such a sudden change in a "great" tenant?