

FOR LEASE

So you will shortly be seeking a tenant?

Critical to your investment property is rental income. However, there are a number of factors that can influence this based on how a tenant will search for a rental property.

Setting your rental

MYPM will offer you advice on a suggested rental based on the rental market affecting your property at the time of vacancy. Many factors can influence this, be it seasonal, supply, or economic. As our fees reflect the amount of rent collected, we are motivated to achieve the highest market rent, yet with minimal vacancy period. We encourage our landlords to look at rental on an annual basis, not weekly. If we lease your property today at \$485/w, that would provide you a higher annual rental amount than if we leased it in 2 weeks time at \$500/w. And there is no guarantee \$500/w will be achieved in 2 weeks time. The sooner the market rent is met, the greater the annual rental achieved on your property will be.

Attracting Tenants

Consider for a moment you are a tenant looking for a property like yours. Gone are the days walking from Estate Agent to Estate Agent and asking for a paper "rental list". It just doesn't happen anymore. The vast majority of tenants will find your property online, and not using the website (page after page – boring, so last decade), but using an App on their phone or tablet. If you haven't experienced the realestate.com.au App, it is well worth experiencing this, because your tenants most likely are.

When searching for your property using these apps, tenants simply enter;

1. Property type (i.e. apartment)
2. Maximum rent /w in \$50/w increments (Assume \$500/w)
3. Number of bedrooms (Assume 2)
4. Number of bathrooms (Assume 1)
5. Number of carparks (Assume 1)

Perhaps you can see where this is going? I.e. that gorgeous sunny courtyard you may have on your property doesn't rate a mention at this stage of the search, so expecting an additional \$100/w for it could simply knock your property out of the search criteria, and your prospective tenant may never even know your property existed as it fell above their maximum rental amount. Meanwhile, tenants searching for a 3 bedroom at \$600/w will also miss your property as it was knocked out of their search given the lack of the third bedroom. It is very important to price your property correctly, or you will miss the market for your property, and gain the attention of tenants to which your property does not suit.

Once a tenant enters the 5 search criteria items above, a map area will be shown with flags indicating the location of the properties. The tenant simply knows that the properties that suit their criteria have been shown, and they will now click on the properties who's location now appeals.

It is important to note that to get this far, your tenant still has not seen any pictures of your property, nor a description. No matter how good your presentation is, and your advertising description, to this stage it has contributed nothing to the tenant finding your property.

Now, if your property is in the preferred location, the tenant will click on this, and only then will the pictures and description be seen, and the tenant can then decide whether to inspect. Pictures should be professionally taken, to present the property at it's best. Remember, your existing tenant need only give 28 days notice to vacate, so any

pictures taken at this stage may be full of boxes for the pending move. MYPM aim to keep a stock of quality photos' of your property that can be reused at each leasing.

So in summary, your property will generally be found by a tenant in the following priority:

Price, then location, then presentation.

All prospective tenancy inspections, be these by private appointment or advertised open for inspection times, will be undertaken with our staff in attendance. It is the firm policy of MYPM that we will never allow a potential tenant access to a property in our care without our staff in attendance, and with our staff ensuring the property is locked and secure on our departure.

Obtaining a rental Application

At MYPM the rental application starts the moment we first meet your prospective tenant. Are they polite (Respectful)? Were they on time to the inspection (Punctual)? Did they present well (Tidy)? Should the tenant show interest in your property we will then encourage them to complete a Tenancy Application which we will hand to them at the inspection to complete and return to us at a later date with the required information attached.

Our Tenancy Applications require;

- Applicant Names
- Applicant Contact details
- References for current and previous rental history
- Reference for current and previous employment
- Evidence of suitable income
- 100 Points ID (including photo)
- Next of Kin contact details

However, on receipt of a completed tenancy Application, we take this as a priority to process as many tenants will lodge a number of Tenancy Applications in case they are declined. Being aware of this, MYPM, on receipt of a Tenancy Application will immediately contact the applicant to acknowledge this receipt, and then keep them updated as the reference checks are undertaken. Subject to our being able to contact the References listed (usually the biggest hold up in any Tenancy Application approval process), we aim to have a tenancy Application either approved or declined within a matter of hours from receipt.

Of course no approval will be given without first speaking to our Landlord. This is the second last part of the process after the application has been assessed. We will provide you our recommendation on whether to accept or decline the application, and in the event of a number of acceptable applications, which application we feel is the strongest. Following our advice, it is ultimately our landlords decision to accept or decline an application.

It is important to note that our fee structure is heavily biased towards the successful collection of rent. We are not remunerated by the hour, and therefore we are very conscious of the need for Tenants that will require little management to comply with their tenancy obligations. As a result, we believe our interests are genuinely aligned with our landlords in that we profit best when our landlords do, and least when they do not. When searching for a new tenant, we are not looking for a quick tenant, we are looking for a good tenant. We believe this is good business.

Welcoming a new Tenant

On successfully gaining a new tenant, MYPM will arrange for the lease to be executed on behalf of the landlord, we will undertake both written and photographic evidence of the condition of the property at the commencement of the lease which will be signed by the tenant, and we will ensure the tenant is aware of the particular characteristics

of your property. Our preference is for tenants to pay monthly, and the Residential Tenancies Act does require that a tenant must at all times be at least paid to date, or in advance. We also provide after hours emergency contacts for preferred, known and trusted trades in the event of an “Urgent Repair” as defined by the Residential Tenancies Act.

Rental Bond

Under no circumstances will MYPM lease a property without a Rental Bond paid. This must be paid by unconditional funds receipt (Cash, Bank Cheque, direct debit (visual in our trust account) or Money order). The residential Tenancies Act allows a maximum Bond amount of 1 month for properties rented for \$350/w or less. For rents higher than this, the Bond is negotiable, although it seems industry practice to carry this 1 month Bond through to higher rentals. Whilst a higher Bond amount does have greater appeal to both the landlord and their agent, it can affect the number and quality of applicants on your property. MYPM will advise you on the Bond amount to require in order to mitigate your risk, whilst minimising your vacancy.

In Summary

Tenants move in and out of properties almost every day. However, we respect that tenants do not move in and out of *your* property every day. Our objective is to give you the confidence that a vacancy is an inevitable part of owning an investment property, and that MYPM are here to manage this event to your best advantage.