

true =
PROPERTY



contents

about true	1
the true way	2
the true answers to frequently asked questions	9

Disclaimer

This booklet has been prepared by True Property as a guide for property owners and investors

Our directors and employees believe that the information and material contained in this booklet is correct at the time of printing but do not guarantee or warrant the current accuracy or currency of that information and material

The information relating to the law in this booklet is intended only as a summary and general overview on matters of interest. It is not intended to be comprehensive nor does it constitute legal advice. Many factors unknown to us may affect the applicability of any statement or comment that we make to your particular circumstances and consequently you should seek appropriate legal advice from a qualified legal practitioner before acting or relying on any of the information contained in this booklet.

The information contained in the booklet is of a general nature and does not take into account your objectives, financial situation or needs. Before acting on any of the information you should consider its appropriateness, having regard to your own objectives, financial situation and needs.

about true

Our vision was to create a very different property services company - one that focused on property management rather than real estate sales.

We do have a real estate sales arm to our business to service our property investor clients.

However, our core business is to manage properties for our property investor clients.

For you this means that our entire team is 100% focused on managing your property to the highest professional standards.

At True Property we have a team of professionals that we believe are among the best in the country. And we should know.

Our Managing Director, Michael Catalano, has more than 16 year's experience in property management and has established a solid reputation with clients as the "go to man" for all Real Estate transactions.

Michael is exceptionally well connected, with a strong network of neighbourhood knowledge behind him. This personal insight translates well to his clients and allows them to make informed decisions regarding their property acquisitions.

True Property has also won many industry awards including "Best Real Estate Agency" for New South Wales in 2011.

So, when you choose True Property to manage your property you are choosing a company that has market leading systems, is dedicated to property management and that has a team committed to world class customer service.



the true way

accelerating the leasing process

We assist you in setting the best possible market rent for your property by researching the rents being achieved for comparable properties in the area.

We have a database of qualified prospective tenants ready to rent properties like yours. In addition to this, we are members of all the major real estate internet portal websites such as realestate.com.au, domain.com.au, rent.com.au, rentfind.com.au and homehound.com.au.

These sites receive thousands of enquiries daily from potential tenants nationally and internationally and are linked to our own website. We have specialist Leasing Consultants focused on one objective, finding you a qualified tenant in the fastest possible time.

We use strict, fully documented selection criteria. We consider selecting quality tenants to be one of our most important duties. Our selection process includes 100 point identification checks, checking prospective tenants' employment and stated income and getting references from current and previous rental agents or owners. Your personal senior property manager carries out face to face interviews, checks references and screens all tenant applications through the major national tenancy database, all at no cost to you. If you require, we give you the final say by presenting you with all our research and recommendations.

agreement preparation

Once the tenant has been interviewed and approved, we will sign the Residential Tenancy Agreement, the Premises Condition Report and lodge the Rental Bond with the NSW Office of Fair Trading on your behalf.

We have a set of "Additional Terms (Special Conditions)" which we put in all our Tenancy Agreements to ensure that your interests as a Landlord are well protected.

client concerns

Your personal senior property manager is answerable to a higher authority. If you have a concern beyond what your senior property manager can deal with, you can request to speak to our Director, *Michael Catalano*.

Your senior property manager is only human. Although our team strives to provide the best possible service, mistakes do happen from

time to time. To counter this, we take immediate and positive action when requested to provide a solution.



communication

As your Managing Agent we will communicate with you proactively.

We guarantee to advise you of all pertinent matters regarding your property - you will not be kept in the dark.

Our bi-monthly newsletter will help you keep in touch with the important issues that may affect you as a property owner and investor.

You can access information such as rent statements, inspections, and other financial information about your property on the internet 24 hours a day via our website www.trueproperty.com.au

disputes with tenants

Normally the relationship between our landlord clients and their tenants is a happy one and it is our aim to keep it that way.

As part of this philosophy, our service extends to mediating between you and the tenant in the unlikely event of a dispute.

As an impartial third party with a great deal of negotiating experience in this situation, we

often achieve amicable results to the satisfaction of both parties, without needing to resort to legal processes.

If Tribunal proceedings become necessary, your personal senior property manager will skilfully represent you.

financial accounting and reporting

We will send you monthly, easy to understand rent statements. Most of our clients elect to receive their rent monies on a monthly basis (at the end of month), however, if you require a mid monthly payment, this can be arranged.

Our monthly close off date is the 30th of the month (or the closest business day either side of that, if the 30th falls on a weekend).

We guarantee to have your monies in your bank account within 2 working days of our monthly close off date.

We fast track cleared funds into your bank account by EFT (electronic funds transfer). That way you can use the money straight away. You can elect to receive your rent statement by email if you wish, to save you having to wait for the post. Our unique, computerised statement emailing system will also include scanned copies any invoices that were paid on your behalf during the month.

Whether you receive your monthly rent statement by post or by email, we will always provide you with copies of all invoices paid on your behalf.

At the end of each financial year we will provide you with a complimentary Income and Expenditure Report for your property, saving you hundreds of dollars in tax accountancy fees.



the true way

inspections

Our programmed inspections and detailed condition reports with recommended routine maintenance will help to ensure that your property remains in good condition and obtains maximum market rent.

We take a comprehensive sets of photographs at the beginning of the tenancy. We have the tenant sign these photographs to minimise the likelihood of a dispute at the end of the tenancy regarding the condition of the property.

At the end of the tenancy we will again inspect your property and ensure that the tenant leaves the property in an acceptable condition. We also determine any renovation work necessary, re-assess the rent level and advise on any recommended rent increases.

insurance

Insurance for property owners is more important now than ever before. In fact, we regard insurance so highly that it is our policy not to manage a property on your behalf without comprehensive insurance cover being in place.

We recommend that you take out landlord protection insurance to cover you against loss of rent and tenant damage. Your personal senior property manager can provide you with information about this type of insurance and can arrange cover for you at a highly competitive premium.

market knowledge

We keep ourselves fully informed of new developments in the area, changing demographics and all local planning issues.

Our long experience in property management has proved invaluable to many of our landlord

clients. We can advise on current rentals for your property type and area and set a rental rate to give you the greatest return on your investment.

outgoings

If required, we will pay all your property outgoings on your behalf. Any outgoings we pay will be fully detailed on your monthly rent statement and any invoice/receipt attached.



marketing your property for lease

We expose your property to a wide range of prospective tenants by using marketing strategies such as:

- The internet
- The newspapers (if appropriate)
- Prominent property signage
- Property 'Open for Inspections'
- Escorted private viewings
- Our comprehensive database
- Relocation companies.

How will we promote your property for lease?

internet

Every available property is advertised on the internet. As over 90% of prospective tenants in this area use the internet to find suitable rental accommodation, we advertise your property on all the major real estate portal sites as well as our own website. All internet advertisements for your property will include highly descriptive copy as well as at least 5 high quality, photographic images.

newspapers

Where appropriate, we will advertise your property in the Sydney newspapers.

signage

If authorised, we will place one of our "For Lease" signs on the property. It will be placed in a clear and visual position so that passing traffic can see that the property is for lease. Prospective tenants who call us after seeing our sign are good prospects because we know that they like the look of the property and the location. A signboard promotes your property 24 hours a day, 7 days a week.

open for inspections

To accelerate the leasing of your property, subject to suitable access being available, we will hold your property open for inspection at least twice a week until it is leased.

escorted private viewings

We will provide an unlimited number of escorted private viewings of your property while your property is for lease.

database

We maintain a detailed, up to date record of qualified, prospective tenants. Whenever a new property becomes available, we circulate the information to all potential tenants. In addition, we circulate all our Open for Inspection times to all the prospective tenants on our database.

relocation companies

We maintain a close, working relationship with leading relocation companies in Sydney. We provide them with full details of all our available rental properties on a regular basis.



the true way

rent collection

Handing over the responsibility of rent collection to us eliminates one of a property investor's greatest concerns. Knowing that your rent is going to be paid on time and worry free is vital to profitable management and your peace of mind.

Our system of rent collection is designed to ensure you receive the rent due to you promptly and that tenants are aware of, and live up to, their payment responsibilities.

We ensure your tenants have no excuse for late payment of rent by requiring that the rent be directly debited from their nominated bank account when it is due. True is one of only a

small number of real estate agencies in Sydney approved through the Australian banking system to do this.

We review rent payments daily and have a highly comprehensive communication system in place to follow up quickly on any tenant whose rent "dishonours" on our direct debit payment system.

If a tenant falls into serious arrears (14 days), your senior property manager will communicate with you to seek your instructions regarding possible termination of the tenancy.

rent reviews

We keep our "fingers on the pulse" of the rental market as we are in it every working day.

Regular rental reviews are carried out in line with market trends to ensure your income is maximised, at the same time ensuring capital growth of your asset.

repairs and maintenance

We act on repairs according to your instructions and maintain complete records for future reference. We pay tradespeople on your behalf and full details are printed on your monthly rent statement with the relevant invoice attached for your reference.

We will happily co-ordinate any maintenance required on your property. We have an extensive list of qualified and reputable tradespeople who offer competitive rates for quality workmanship. The tradespeople we use also understand our expectations when it comes to representing us, and our clients. We expect the very best in customer service and communication from our tradespeople whether they are dealing with the owner or the tenant. Of course, our clients have the flexibility to use or nominate their own tradespeople.

Emergency repairs would be at our discretion and in keeping with the strict requirements of the Residential Tenancies Act. In all cases, we would always act in your best interests.

All repairs and maintenance matters are checked to ensure that the cause is "fair wear and tear" rather than carelessness or neglect by the tenant. We ask all our investor clients for authority to issue repair instructions to the amount of \$350. This amount usually covers most repairs required to rental properties.



residential tenancies act

A thorough knowledge of the Residential Tenancies Act is essential to manage your property efficiently and every member of our property management team is thoroughly conversant with all aspects of the Act and the workings of the Tribunal.

Tribunal Hearings are always attended by one of our senior property managers who are capable of presenting persuasive cases on behalf of our clients, and being able to make the right decisions in our clients' interests when necessary.

systems

We use cutting edge computer software to provide a highly efficient, automated solution to all day-to-day processes. All internal systems and processes are audited monthly.

Our fully documented procedures include checklists for all key processes to ensure legally correct, efficient management of your property. Our checklists ensure nothing is forgotten or overlooked whilst managing your property. Our checklists are constantly reviewed and updated to keep pace with our clients' needs and requirements.

In fact, our property management "system" has been copyrighted and sold to hundreds of real

estate agencies across Australia and New Zealand.

We have an electronic document management system where all important documents are scanned and filed electronically for easy reference. This reduces the amount of paper being generated and printed, and provides a quick, simple solution for the location and retrieval of documents when required.

tenant payments

rental bonds

The Residential Tenancies Act states that the maximum rental bond that can be charged to a tenant is the equivalent of 4 weeks rent.

Unless instructed otherwise, we will collect the maximum rental bond permitted by law.

rent in advance

Under NSW law, the maximum rent in advance that we can demand a tenant pay is 2 weeks in advance. We will, however, ask your tenant to pay monthly in advance wherever possible.

tenancy agreement preparation fee

The law provides for the cost of the preparation of a Residential Tenancy Agreement to be paid by the landlord. Details of True's current fee for this service can be found in the management agency agreement.



the true way

tenant selection

Prior to the completion of a tenancy application, all prospective tenants must first inspect the property.

A prospective tenant is then required to provide complete details of current and previous tenancy and employment history, along with further identification details and references. These details are then thoroughly checked and confirmed.

We carry out a 100 Point Identity Check, plus a detailed tenancy database search to see if the tenancy applicant has previously defaulted on a tenancy.

We carry out a comprehensive face to face interview with every tenancy applicant before approval.

All applications are discussed with you unless otherwise instructed by you. Whilst we offer recommendations, unless you instruct otherwise, the final approval is your decision. Once you have approved an application for your property we will then draw up the tenancy documentation including any legally acceptable special conditions you may request. We will then arrange for the tenants to sign the documentation and will collect the maximum rental bond permitted by law and the maximum rent in advance permitted by law.

Our experience in matching tenants to properties is probably one of the areas that gives our clients the greatest satisfaction.

training

We are able to give you the best advice in all aspects of the leasing and management of your property through ongoing, cutting edge training of our team.

All our senior property managers are certified or licensed professionals who are required to undertake continuing professional development every year in order to retain their certification.

All members of our property management team receive regular in-house and external training to ensure they keep abreast of industry trends and changes. This ensures our level of service is continually extended and improved.



The true answers to frequently asked questions

how do you determine the best rent for my property?

We always strive to get you the maximum rent possible, however we also must keep in mind setting the correct market rent to get your property rented as soon as possible.

To do this, we consider these factors:

1. Demand - is there currently a high or low demand for rental properties? This can be seasonal and affected by a number of factors.
2. What is available now - we look at 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 recently - we compare your property with what we have recently rented, taking into account property location and features.

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

what if I want a rent amount that is higher than your recommendation?

You may place your property on the market at whatever rental amount you wish. However, keep in mind that it is market demand that sets the rent, and if the market (i.e. prospective tenants looking for a rental property) think that the asking rent is too high,

your property may stay vacant longer than necessary.

With this in mind, be aware your rental return will be reduced by 2% for every week it is vacant!

what is the length of the average tenancy?

For residential properties in this area, the fixed term is usually 6 or 12 months.



do you guarantee the tenant?

We can never guarantee the performance of the tenant for your property. We can only use our professional skills and experience to verify that the tenant can afford to pay the rent and to form an educated opinion on whether the tenant will maintain the property to an acceptable standard.

As the paying of rent and the maintaining of the property is purely voluntary on the tenant's part, we cannot guarantee any tenancy outcome. This is a risk that comes with owning an investment property. We recommend that you take out landlord protection insurance if the risk greatly concerns you.

what tenancy documentation is required?

All tenancies are subject to the Residential Tenancies Act.

The tenancy documentation includes:

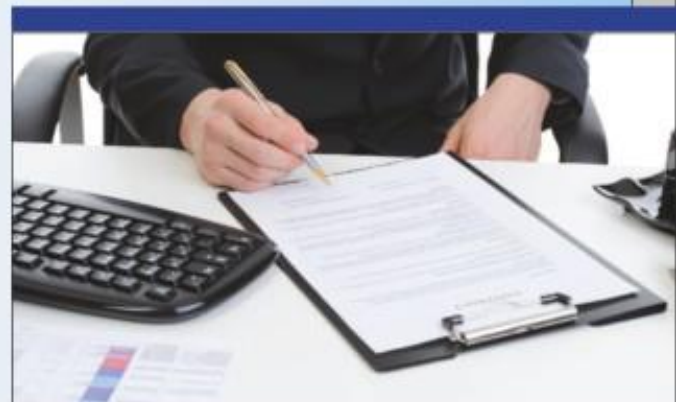
1. A statutory Tenancy Agreement.
2. A statutory Premises Condition Report.
3. A Rental Bond Lodgement Form.
4. Tenant Information Statement (provided by the NSW Office of Fair Trading).

who signs the tenancy documentation?

This is your choice. However, it is usual practice for us to sign these documents on your behalf. Unless you instruct otherwise, we will, of course, send you copies of any documents signed on your behalf.

may I give you some special instructions?

Yes. You may give us some special instructions in relation to the property and the way it is managed, provided the instructions are lawful. These special instructions will need to be either specified in the management agency agreement or provided in writing to us.



if I allow a pet at my property, what expectations will be given to the tenant regarding the pet?

If a pet is permitted we will provide the tenant with strict written conditions.

The major conditions would be that:

1. The pet may not come inside the property.
2. The pet must be removed from the property if it becomes annoying or bothersome to neighbours (after reasonable warning has been given in writing).
3. The tenant must be responsible for any damage caused by their pet, and clean up any mess left by the pet.
4. The tenant must have the carpet professionally cleaned and the property professionally fumigated upon vacating the property.

if the tenant has a pet, can I ask for an extra bond (a pet bond)?

Unfortunately, no! Charging a bond in excess of the tenant's normal rental bond is illegal in NSW.

what happens when the tenancy agreement expires?

The Agreement continues on a continuation (or holding over) basis. Each party will then be required to give the following notice period to terminate the Agreement:

- Tenant: 21 days
- Owner: 90 days

It is not necessary to renew a Tenancy Agreement when the fixed term period ends. In fact, in Sydney, most landlords and tenants choose not to enter into a renewal agreement once the initial fixed term expires.

While we can request that a tenant renew their Tenancy Agreement for a further fixed term, we cannot insist that they do so. Any renewal agreement must be mutually agreed between the parties.



what keys must be supplied to the tenant?

All tenants listed on the Tenancy Agreement must be given a full set of keys. This includes keys to all external doors, windows, garage or letterbox locks. We retain a full master set of keys at our office.

This may necessitate having keys cut at your expense.

how secure must the property be?

The law requires that an owner must provide and maintain locks and other security devices to the property in order for the property to be “reasonably secure”.

It is recommended that key operated deadlocks be fitted to all external doors and windows.

what if the tenant wants the locks changed?

If the tenant wishes to alter the existing locks or add other security devices to make the property more secure, the tenant must obtain the landlord’s prior consent and pay all costs.

The tenant must provide the landlord/agent with a copy of any new keys.

what about smoke alarms, light globes and tap washers?

It is the landlord's legal responsibility in NSW to provide working smoke alarms and light globes, and to fix any leaking taps prior to the commencement of the tenancy.

During the tenancy, the tenant is responsible for replacing any light globes.

The landlord is required to maintain the smoke alarms as such we recommend the use of qualified professionals for that purpose.



who pays for water usage?

If there is no individual meter for the property, as in the case of blocks of older style units, a tenant cannot be charged for water usage.

However, the tenant is responsible for any cost of water used during the tenancy if the property has an individual water meter.

The NSW Government has prescribed water efficiency measures that residential rental premises are required to contain before a tenant can be required to pay water usage charges for the premises. They are as follows:

- all showerheads must have a maximum flow rate of 9 litres per minute,
- all internal cold water taps and single mixer taps for kitchen sinks or bathroom hand basins on the premises must have a maximum flow rate of 9 litres per minute,

- there must be no leaking taps on the premises at the commencement of the tenancy agreement or when the water efficiency measures are installed, whichever is the later.

It should be noted though that Sydney Water requires that all water charges must be paid in full by the owner of the property. We then invoice the tenant for the water usage component of the account.

Please note that tenants can only be charged for water usage where the water usage account is provided within 2 months of the original paid invoice from Sydney Water. Tenants, by law, must then be given 21 days to pay the account.

the property is a house, who is responsible for maintaining the lawns and gardens?

Unless otherwise agreed, the tenant is responsible to maintain the lawns and gardens to the standard they were given at the start of the tenancy.

If the property is provided with watering systems these need to be working and kept maintained during the tenancy.

However, Sydney often has water restrictions which mean that landlords need to have realistic expectations regarding the health of lawns and gardens.

can I inspect the property whenever I like?

You can, however, the tenant needs to be 7 days notice. Landlords and Agents are limited to a maximum of 4 “periodic type” given 7 inspections in any 12 month period.



how can I terminate the tenancy?

There are 3 main ways that a tenancy can be terminated.

To end the tenancy at the end of the fixed term

The tenant must give at least 14 days' notice.
The landlord must give at least 30 days' notice.

To end a tenancy after the fixed term has expired (i.e. a continuing tenancy)

A tenant is required to give at least 21 days' notice and the owner must give at least 90 days' notice to terminate the agreement any time after the fixed term has ended.

To end a tenancy due to a breach

A 14 day termination notice may be given at anytime if either party breaches a term of the agreement, or if the tenant is more than 14 days in arrears of rent.

can a tenant break the tenancy agreement?

Residential Tenancy Agreements are legally binding contracts. However, if a tenant wishes to break the Agreement and vacate the property before the fixed term expires, the tenant is responsible for the following:

- 4 weeks rent if less than 25% of the fixed term has expired
- 3 weeks rent if 25% or more but less than 50% of the fixed term has expired
- 2 weeks rent if 50% or more but less than 75% of the fixed term has expired
- 1 weeks rent if 75% or more of the fixed term has expired

who pays for damage by the tenant?

The question of what constitutes damage and what is considered acceptable "wear and tear" is always an issue in property management.

In cases of damage to a property attributable to a tenant that is not considered normal wear and tear, normally the rental bond will provide sufficient protection to remedy the damage.

If not, the owner can take action in the Tribunal against the tenant. Also, landlord protection insurance can cover this type of situation.



what happens if a repair is required after hours or on weekends?

Tenants are provided with the direct phone number and mobile number of their senior property manager when they move in. The property managers use mobile phones provided by True and are required to have them on at all times for emergencies.

If a tenant needs an urgent repair carried out after hours they can communicate immediately

with their senior property manager to make the necessary arrangements.

We also provide the tenant with the contact information of our key tradespeople should they not be able to make contact with their property manager. These tradespeople will always act in in your (and our) interests.

what should I do if I change my address, bank account, phone numbers, email address, etc?

Please notify us in writing as soon as possible.

what do I do if I misplace a rent statement?

You can go to the True Property website and use your Owner login user name and password to locate and reprint rent statements. Alternatively, you can make

contact with your personal senior property manager who can arrange for a replacement statement to be sent to you.

what happens to any mail that comes addressed to me at the property?

We ask the tenants to forward to us any mail addressed to you, however, tenants are not always as diligent with this as we would like.

It is strongly recommended that you request Australia Post to redirect your mail to you.



if I want to sell my property, can True Property help?

Yes, we have our own real estate sales team to service the needs of our property management clients.

For information on how we can help you sell your property or assist you in buying another property, contact your personal senior property manager

what service can I expect from True Property?

We are one of the few companies in Sydney who have documented customer service standards in place and GUARANTEE the level of service provided to investor clients.

Set out opposite are the True Customer Service Standards and Guarantee.



The **true** customer service standards and guarantee

So you know what you can expect from us, we've put our service commitment to you in writing

Personal Attention

= We give you one point of contact, your Senior Property Manager, who has full knowledge of all matters relating to your property

Communication

= We are available to you 6 days a week (either by phone or email)

= You can also access up to the minute information on all the key aspects of your property from our website, 24 hours a day, 7 days a week

= If your personal Senior Property Manager is unavailable at any time during business hours and you leave a message, it will be returned within 4 business hours

= Email messages will be returned within one business day

Letting

= Your personal Senior Property Manager will communicate with you at least twice a week while your property is available to lease (unless you instruct otherwise)

Paperwork

= We will not make any mistakes in the preparation of any documents used in the management of your property

Maintenance

= We will not carry out any maintenance to your property without your knowledge and consent (unless the repair is legally defined as "urgent")

Rent Collection

= We will use the most efficient systems available for rent collection and in the event that your tenant ever fails to pay the rent on time, we will pursue the rent arrears with the maximum speed the law will allow

Rent Monies

= We will deposit your rent monies into your nominated bank account within 2 working days on our monthly close off date

Property Outgoings

= All agreed property outgoings will be paid on your behalf prior to the due date (subject to the availability of funds)

Privacy

= All personal information will be held in the strictest confidence and will not be released to a third party without written authorisation

Professional Standards

= The highest standards of honesty, integrity and professional practice will be conducted in compliance with the Codes of Conduct of the Real Estate Institute of Australia and the Leading Property Managers of Australia

Guarantee

= If we fail to meet any of these standards the next 3 month's management of your property will be provided to you free of charge



True Property

407 Parramatta Rd
Leichhardt NSW
2040

P 02 8507 2444

F 02 8507 2445

W trueproperty.com.au