



Property Management Prospectus

Delivering Property Management Solutions
to Hervey Bay

www.bbpm.com.au

BAYSIDE BOUTIQUE PROPERTY MANAGEMENT PROSECTUS

ABOUT US

The opportunity for Bayside Boutique Property Management has been born through the realisation of the importance of creating a business that focuses solely on property management services.

Many real-estate agencies see property management as an undervalued ancillary service compared to the more glamorous sales department. Some agents even leave the management of client's income and investments to poorly trained staff & receptionists. At Bayside Boutique Property Management our sole focus is exclusively property management.

We have established a boutique portfolio, ensuring your property receives our full attention and you will never get lost in the crowd. You won't find any real estate salespeople in our business, just a team of experienced property managers dedicated to maximize the value of your investment property.

You're also dealing directly with the business owners- ensuring we treat your property investment as our investment in a serious business. We pride ourselves on delivering close, one on one communication to our clients to ensure you are always kept informed along with extreme attention to detail.

Are you prepared to deal with tenants and all of the repairs? Do you have the spare time? Do you know what the tenant's rights and responsibilities are? Do you know what your rights and responsibilities are?

Let us manage and lease your rental property and deduct the cost of our services from your tax. By choosing Bayside Boutique Property Management you are choosing a team fully trained, equipped and dedicated in all aspects of property management, who understand the obligations of investors and tenants.

We manage a range of properties including;

Long Term & Short Term Rentals Holiday Rentals
Furnished & Unfurnished Rentals Units, Town Houses & Houses
Unit & Townhouse Complex Management

The following pages will outline the most important reasons for engaging the services of Bayside Boutique Property Management and will enable you to understand we do more than just collect the rent.

YOUR OWN PROPERTY MANAGER

When you choose Bayside Boutique Property Management as your property management provider you will be allocated your own Property Manager who will be your point of contact for any assistance or information that you require. There is no confusion or disruption in having to track down different people from separate departments. Your Property Manager will be responsible for the day to day detail of your property including, all maintenance required, tenant management, tenant selection and all inspections of the premises.

Property management portfolios are kept small so your property manager can maintain a personalised management strategy for your property.

WHY AM I APPOINTING A PROPERTY MANAGER

There are many advantages to a property owner in appointing a Property Manager to look after your property.

The Residential Tenancies Act can be complicated and confusing. Anyone managing or leasing a tenanted property including an individual property owner must comply with legislation. The main Acts being;

- Property Managers & Motor Dealers Act 2000
- Residential Tenancies Act
- Rental Bond Act
- Trade Practices Act
- Privacy Act
- Anti-discrimination Act

Our property managers are fully qualified licensed, experienced and knowledgeable in the laws and procedures of property management which ensures we will act in your best interests.

ACCOUNTING TO YOU

Each month we forward you an itemised statement showing all rental income and payments made on your behalf. We electronically deposit your money as cleared funds, into your nominated account. A statement detailing all income and expenditure is sent to you each month. The original of any invoices including from maintenance and repairs completed on your property will be posted to you for your records, with the statement. We also provide a fully itemized expenditure summary at the end of each financial year.

We can pay all authorised accounts as per your instructions, including council rates, insurance premiums, and strata levies on your behalf (from your rental income). These payments will appear on your monthly statements and on your end of financial year statement.

RENTAL PRICE

Setting the rental price is one of the most critical decisions, your property manager is the best qualified to assist you with determining a fair market rental value for you property.

Some owners make the mistake of setting the rent too high and consequently not attracting a tenant.

This can waste your advertising dollar, along with missed opportunities of potential rent whilst trying to secure a suitable tenant willing to pay a higher rate. The condition and location of the property must be considered when assessing rent.

We can assess the market value of your property through undertaking a no obligation FREE Property Appraisal by our Senior Property Manager. During this inspection we can also provide advice on work that may be required to improve the ability of achieving a higher rental income or attracting a better quality tenant to your property.

TENANT SELECTION

We consider the tenant selection process as being one of the most important parts of our business. Tenants are not always what they appear to be. For this reason, we do not hand out keys to perspective tenants. Your property manager will escort tenants on inspections. This method also gives us the advantage of being able to casually interview the prospect on a neutral ground thereby making the first step in tenant selection.

We require all tenants to complete an application form. As part of our thorough screening of tenants we verify all information provided by the applicant including drivers license, income means, employment and previous tenancies in order to establish a sound knowledge of the applicants character and reliability. All tenancy applications are screened through TICA, a national tenancy database.

As the property owner you have the final choice in the tenant selection process. You will be contacted by your property manager to discuss the application. Upon approval the tenant will then sign the appropriate Residential Tenancy Authority documents and pay the first two weeks rent to secure the property. The bond must be paid in full prior to releasing the keys at the commencement of the tenancy.

ENTRY CONDITION REPORTS

Prior to tenants moving into a property, a complete and detailed 'Entry Condition Report' including photos is completed. This report records the cleanliness, condition of the property and its fittings/fixtures inside and out, including any inventory which may be in the property. This report is used as a comparison at the end of a tenancy in order to finalise the release of the bond.

PROPERTY INSPECTIONS

Routine inspections are conducted by the property manager on a regular basis to ensure that the tenant is maintaining the property to a satisfactory standard, and within the terms and conditions of the Tenancy Agreement. On completion of the inspection a detailed report will be sent to you. Any concerns or maintenance issues that arise from the inspection will be communicated to you by your property manager.

MAINTENANCE

It is important to mention that as a property ages and tenants changeover, owners must expect and allow for “general wear and tear” on the property which is why attending to property maintenance is important to sustain and increase the value of your investment.

We have a team of licensed Local Independent Qualified Tradespeople at hand to tend to any repairs or maintenance issues with your property. To avoid any conflict of interest with our property owners, we do not attach a surcharge to our Landlords on any maintenance or repair items.

We will not approve repairs on your property in excess of what appears on our management agreement without first contacting you for instructions. You will be notified of all maintenance requests in writing or by phone by your property manager.

We insist tenants request all general maintenance in writing to the office ensuring all repairs or maintenance are authorised and tracked. Emergency maintenance must be addressed as quickly and promptly as possible. All emergencies must be addressed Refer to Residential Tenancies Act Guidelines.

If your property is vacant, we will recommend items necessary to improve the property's show ability to prospective tenants. This may include lawn mowing or pool service if applicable. Some expenditure incurred for repairs (not of a capital nature) can be an allowable tax deduction against your rental income.

LEASE RENEWALS

We will contact you to discuss the tenancy agreement, prior to the expiry date. New legislation states that if the owner does not wish to continue with the tenancy agreement they must give the tenants 60 days notice in writing.

If the tenant decides to vacate at the end of the fixed term, normal vacating procedures will apply, that the tenant must provide at least fourteen (14) days written notice of their intention to leave.

TENANT VACATING

An exit inspection is conducted at the property within 48 hours of the tenant handing back the keys to the property. The condition of the property is compared to the entry condition report (allowing for appropriate aging, wear and tear). If the property is not to the same condition due to tenants, the cost to rectify the problem will be deducted from the tenant bond.

The tenants bond will not be refunded until the condition of the property has been communicated to the owner. Any contractor invoices relating to the bond will be paid by the owner in the first instance. The owner's account will be reimbursed as soon as the bond centre refunds the money from the tenants bond into our Trust account.

RENTAL ARREARS

At the beginning of a tenancy, all tenants agree to keep their rental payments in advance at all times. In most cases, tenants adhere to this agreement and with the option of electronic and telephone transfer, rental payments should not fall behind. Rental arrears tracking reports are checked by property managers on a daily basis.

In instances where a tenant does fall behind in rent we implement our rental arrears procedure.

Rental Arrears Management Procedure.

3 days in arrears- Tenant will receive a reminder phone call or sms.

5 days in arrears- A reminder letter will be sent in the mail.

8 days in arrears- A Notice to Remedy is issued, informing tenants that they have 7 days to bring their rent up to date.

15 days in arrears- If the rent is not up to date, Notice to leave will be issued informing the tenants that they have 7 days to vacate the premises.

Tenants who have not remedied their rental arrears by the expiry on the Notice to Leave will be expected to have vacated the rental property by the same date. Tenants are also advised during the process that if a Notice is issued their name and details may be placed on TICA- Tenancy Information centre of Australia.

ADVERTISING

Through Advertising will give your property exposure to the widest possible number of prospective tenants through every available resource.

We can deliver an agreed, tailored promotion strategy to attract potential tenants for your property. Our reputation from previous clients both Individuals and Companies gives us a solid source of potential tenants. Advertising regularly in the local press along with signage displayed at your property will maintain a high profile for your property within the local community presence.

Marketing and Advertising Include;

- ✓ "For rent " Section of local newspapers.
- ✓ "For rent" Signboards posted at property.
- ✓ Rental search website- including photos of property.
- ✓ Brochures distributed from our agency.
- ✓ Email newsletters distributed to the agency mailing list.

An accurate account for the advertising cost is submitted at the commencement of new tenancy. Your Advertising cost is tax deductible.

TAILORED MANAGEMENT AGREEMENT

We can discuss together any special instructions or long term plans for your property. Our Management agreement allows your individual management requirements to be tailored to suit your needs.

Some Investors may prefer to have us pay all bills relating to the property and approve tenants on their behalf. While some investors prefer a more hands on approach, being informed every step of the way.

Once you choose Bayside Boutique Property Management to manage your property, you can authorise us to communicate with your current agents on your behalf. We will send the appropriate documentation and make arrangements to collect all your files, keys and other necessary documents.

Our objective at Bayside Boutique Property Management is to provide an exemplary level of service to lessors. We respect the interests of lessors as being of paramount importance and can assure you that we will care for your property as if it were our own.

KNOWING YOUR RESPONSIBILITIES

As an investment property owner you need to be aware of the sorts of responsibilities that you will have as an owner. The most obvious responsibilities are:

- To provide the premises in a reasonable state of cleanliness and repair having regard for the age, character and prospective life of the property.
- To comply with all requirements in respect of health, building and safety laws in so far as they apply to the premises.
- To ensure reasonable security and provide the household with one complete set of keys plus entry keys for each tenant on the tenancy agreement.
- To pay all charges, levies, premiums, rates and taxes payable for the premises.
- To provide the tenant with reasonable peace, comfort and privacy.
- To maintain the premises and inclusions in good repair.
- Since July 2007, all Lessors are required to install and maintain smoke alarms in rental properties. The minimum legal requirement is a nine (9) volt battery-operated smoke alarm.
- The law states that safety switches must be installed and maintained in the premises.

LANDLORD PROTECTION INSURANCE

In addition to the normal Insurance Policies for home owners, we strongly recommend that you take out Landlord's Insurance prior to any tenancy commencing. Although we have strict guidelines for finding tenants that we adhere to, unforeseen circumstances such as a tenants loss of job or marriage break-down can leave lessors with unnecessary heartache. The benefits of Landlord's Insurance policies may vary between insurance companies but premiums are reasonable and it will provide you with additional peace of mind.

INVESTMENT PROPERTY TAX DEDUCTIONS

If you use an investment property to earn income at anytime, you have entitlements and tax obligations. If you utilise an Agent/Property Management service to manage your investment property than please be aware you could be in titled to tax deductions for appointing a Professional to manage your property. These tax deductions may include but are not limited to;

- Advertising
- Agents Management Fees
- Body Corporate Fees
- Cleaning
- Council Rates, including water rates
- Gardening & Lawn mowing
- Insurance- Landlord & Building
- Pest Control
- Repairs & Maintenance- General wear & tear, not capital improvements

CHANGING OVER TO BAYSIDE BOUTIQUE PROPERTY MANAGEMENT?

Are you currently with another agency/property manager? **Not a problem**, you can still changeover/transfer to Bayside Boutique Property Management.

You can change managing agents without affecting the tenancy in any way, even if your property is tenanted and on a current lease.

All management agreements have a 'notice period for termination', allowing you to terminate a current manage agreement contract. To simplify things, you can choose not to call your current agency or communicate with them in any way. We will send the appropriate documents to your current agency on your behalf and make arrangements to collect all your files, keys and other necessary documents. We will notify the tenants prior to the new management commencing, so they are well aware of the upcoming change of management. This allows us to introduce ourselves to the tenants and promote the services we provide to your tenants.

Importantly an agent cannot punish, intimidate or charge you a fee for terminating their services. Once a 'notice of termination' is issued the agent will still have to comply with the Residential Tenancy Act and all other regulations for the remainder of the 'notice period'. This ensures that the current agent is still accountable for any actions until the specified date. Agents are professional enough to allow the transition of management to be smooth and hassle free for you, your property and any current tenants.

CONCLUSION

We are confident that our prospectus has been successful in showing you how Bayside Boutique Property Management will assist you, your property and your tenant. Importantly still we hope you're now aware of how important a property management service is for you and your investment property.

ALL OUR PROPERTY MANAGEMENT FEES ARE TAX DEDUCTIBLE

Residential Fees:

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|--------------------|----------|--------------------|
| Management Fee | equal to | 8.0% of rent + GST |
| Letting Commission | equal to | 1 weeks rent + GST |

Holiday Fee:

| | | |
|----------------|----------|-------------------|
| Management Fee | equal to | 10% of rent + GST |
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Note: Fees for multiple properties to be negotiated, tailored to the number & type of properties requiring service. We look forward to having the opportunity to discuss your personal needs and the range of our services.

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| Administration Fee | | \$5.50 Monthly |
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| Income & Expenditure Report | | \$20.00 Yearly |
| (Delivered ready for your Accountant for tax purposes. Without this statement, your accountant would charge to compile this data). | | |

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|--|--|----------------------|
| Mediation- Tribunal Fee | | \$ 55.00 per Hearing |
| (Should you wish to have us pursue a matter and appear before the Residential Tenancy Authority Tribunal). | | |

Advertising

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| Print Advertising (As authorised by you) | | cost price as required. |
| For Lease Sign | | FREE |
| Window Display | | FREE |
| Internet | | FREE |
| Brochure | | FREE |

EXPLANATION OF FEE STRUCTURE

Understanding a Letting Fee

A fee equivalent to one week rent plus GST is charged for the following services. These services are all essential to successfully let/tenanted your property:

- Comprehensive Entry Condition Report with photos
- Conducting property viewings/appointments with prospective tenants
- Processing Tenancy Applications
- Conducting Tenant interview/discussions
- Verification of applicant information and reference checking
- Access to tenant database services
- Applicant employment & income source verification
- 100 point check processing of each applicant
- Selection of a qualified tenant
- Lease documentation preparation
- Bond lodgment documentation preparation
- Thorough lease sign up interview & discussion with approved tenants
- Remittance of bond to Bond Authority
- Additional tenant discussions/interview & key pickup appointment

Understanding Your Management Fee

A fee equal to an agreed % of one week rent plus GST is charged for the continual tasks completed in the day to day management of your property. These tasks include but are not limited to:

- Rent Collection
- Rental Arrears tracking & reporting
- Rent deposited to you
- Income & Expenditure reporting
- Maintenance management tracking & reporting
- Tenant Management & reporting
- Property Inspections
- Property Reporting with photos
- Lease Renewals
- Legislative Act requirements
- Correspondence
- Daily Property Management & reporting