

FACT SHEET

WHY DO WE CONDUCT A PROPERTY MANAGEMENT AUDIT?

01 FORM 6 not complete

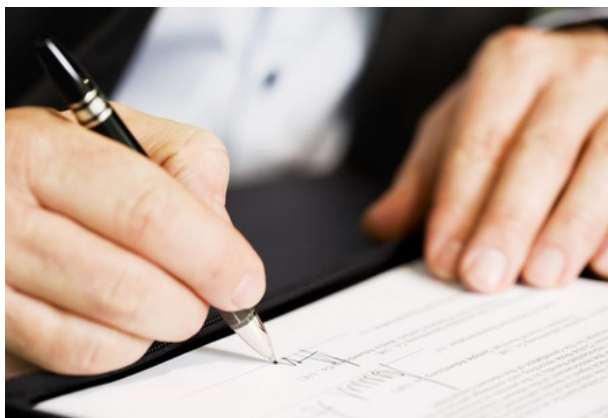
Agents in QLD cannot act on your behalf (take rental money, sign documents, etc) without your written consent to do so. It is your real estate agent's legal obligation to ensure you have received a copy of the completed Form 6.

02 Leases not renewed

If your tenants lease has lapsed and not been formally renewed, your tenants are now on a Periodic Lease. This type of agreement allows tenants to leave giving just 2 weeks notice. Often landlord insurance policies only cover rent loss for fixed term tenancies not periodic tenancies. Should there be an insurance claim on the property, a periodic lease may leave your claim null and void. Ensure your lease is a fixed term agreement unless specifically arranged with your property manager. A periodic lease may suit you if you are looking to sell the property or perhaps you are planning to move back into the property in the near future.

03 Unlawful clauses in lease agreements – Special Conditions

Contracting outside the law is a legal term many courts use when issuing fines to property managers or owners that do not adhere to the law of leasing in Queensland. Lease agreements that contain these types of clauses or special conditions may be invalid.



04 Smoke alarm certificates incorrect

It is a legal responsibility to have the smoke alarms tested within 30 days before a new lease or a lease renewal. Queensland Fire and Emergency Services can issue a fine of \$640 for not having these tested within the correct timeframe, but non-compliance can also nullify any insurance claims should there be a fire at the property.



05 Safety switch compliance

While not a requirement - it is important to ensure you have working safety switches in the rental property. Electric shocks can and do happen, ensuring you have a working safety switch will minimize the chance of an accident occurring.

06 Water efficiency compliance

A Water compliance certificate should be provided or arranged if all water is to be charged to the tenants. As an owner you can complete one yourself, but it is recommended to have a plumber do it.

07 Pool safety certificate lapsed

In Queensland, a pool safety certificate is valid for 2 years. It is a legal requirement to ensure there is a pool safety certificate in place at the start and renewal of each tenancy.

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08 Blind Cord Compliance

To minimize the risk to tenants children, all new corded blinds, curtains and window coverings must comply with a national safety standard.

09 Bond Lodgement

All Bonds in QLD must be lodged with the RTA within 10 days of receiving the funds.

10 Bonds not being increased

The bond on any property should be 4 weeks rent. This is a Queensland standard and important to note that all insurance companies know this. If the agent has failed to increase the bond (generally after a rent increase), the insurance company will calculate the claim based on the Queensland standard, not the amount held. Depending on the shortfall of bond money, this could be in excess of \$100.

11 Application forms not complete

When an insurance claim is made on the property, one of the first documents asked for by the insurance company is a copy of the tenant's application form. Insurers need to verify that your agent has done every check available on the tenants prior to leasing the property to the tenants. No records or having an incomplete application form could jeopardise any insurance claim.

12 TICA Check not complete

Ensuring that your tenants are not blacklisted on the TICA database is one of the responsibilities of your letting agent. This will minimise your risk of rent loss and ensure you are able to make claims on insurance.



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13 Entry condition report

An Entry condition report is the reflection of the condition of a property at the start of the tenancy and the document that is referred to at the end of the tenancy. Having this document correctly completed is essential. An Entry Condition Report must be signed by both the agent and tenants. If there is no signature by the tenant, then the tenant has not returned their copy of the Entry condition report on time. A note should state this in the file to prevent issues during the vacate process when tenants are looking for their bond to be refunded.

14 Tenant Ledger Issues

The tenant ledger should show the tenant to be up to date with regular rental payments. All owners should be notified of any arrears or irregular payments that may affect the tenancy.

15 Outstanding Tenant Invoices

Tenant invoices that have not been paid in full must be passed onto the new managing agent. Failure to do so may mean the loss of reimbursable income.

16 No key documentation

A photocopy of the keys provided to the tenants should be kept on file to compare the set of keys returned at the end of the tenancy. Without this receipt, keys may need to be cut and copied or even locks changed.



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17 No Office Key set

An additional set of keys are required for each rental property. On occasion, we may need to enter the property when the tenant is not at home, we will also have tradesmen use the office set of keys.

18 Incorrect commissions or fees being charged

The form 6 should show clearly what your agent will charge you and when. Any fees or charges that are not on this form cannot be charged and should be refunded to you. Your ledger shows what fees have been deducted throughout the management of the property.

19 Inspection reports not being completed

Inspections must be completed at a minimum of every 6 months or as agreed in writing on your Form 6 with your real estate agency. Generally, inspections are carried out every 3-4 months unless there are long-term tenants in place. Inspections that have not been completed at least every 6 months may affect any insurance claims.



Blackbird and Finch is a boutique agency specialising in residential and strata property management in the Toowoomba region. We understand that everyone's situation is slightly different and believe you deserve unique, individual attention regardless of whether you are renting, leasing or investing.

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