

Cairns Ultimate Real Estate Property Management Proposal

Agency Profile

N J A Holdings Pty Ltd T/As Cairns Ultimate Real Estate was opened in December 2009. After working through both the boom and the bust of the region, it was realised that a fresh approach was needed to ensure customer service levels were kept to a high standard.

Cairns Ultimate Real Estate offers a comprehensive and consistent level of effective property management and sales service throughout the Cairns Region. The latest software and technology and extensive industry knowledge allows me to keep up to date with all the latest trends.

My guarantee is to always act in your best interest, helping you maximise the cash flow and value of your property portfolio.

Principal Profile

I have lived in the Cairns region my entire life. After completing school at Atherton State High School, I worked in several different fields before entering the real estate industry. I received 2 years comprehensive training with a highly respected and experienced Principal before moving into a property management role.

Purchasing my first investment property at 20 (sight unseen in country WA!), fed my desire to learn more about investing. The next investment came at 21, and in return for a stable, well maintained home my tenants have never missed a payment in 4 years.

It was while servicing over 170 landlords in my property management position that I realised many were being under serviced and over charged due to the profit demands of real estate Principals.

I wanted to create an agency where precious investments were nurtured and cared for, therefore creating longer term, happy tenants and maximising your cash flow and serviceability.

Property Management Proposal

It is with pleasure that we submit our proposal for the management of your investment property. In this proposal, we will outline:

Our property management services

Details of our fees and charges.

Please feel free to contact me directly to discuss any aspect of this proposal that you may wish to clarify.

PROPERTY MANAGEMENT SERVICES OFFERED BY CAIRNS ULTIMATE REAL ESTATE

Tenant Selection

Careful tenant selection is crucial to ensuring your investment is maintained well. It will ensure maintenance costs are kept to a minimum, allowing continuous, consistent cash flow. This responsibility is held in the highest regard, and checking includes the following:

- Rental reference checks from 2 previous agents or private landlords.
- Confirmation of employment.
- Verification in writing of wages (eg. payslip, employment agreement/contract)
- TICA check to ensure the applicant has not been blacklisted anywhere in Australia or New Zealand.
- Character reference checks from independent sources (not related to the tenant).
- All prospective tenants are accompanied to the property – WE DO NOT HAND OUT KEYS.

As an experienced agent, gut feeling also plays a role in tenant selection. While speaking with prospective tenants, it is easy for us to qualify them prior to them even lodging an application.

Prospective tenants are shown through properties while tenants are still in place and all applications are processed in 48 hours or less. This ensures minimum vacancy periods for your property.

Once we have obtained a high quality application, you will be contacted immediately. This means YOU are choosing who will live in your property. All too often, a decision is made by a property manager and this may not be in line with your wishes.

Collection and Lodgement of Bonds

Prior to any tenant being given keys to your property, they will be required to pay a cash bond of four (4) weeks rent, plus two (2) weeks rent in advance. If the weekly rental is more than \$700, it is recommended a higher bond be negotiated.

The bond will be sent to Residential Tenancies Authority within ten (10) days of receipt, as required by law. The RTA will hold the bond for safekeeping until the end of the tenancy.

Entry Condition Reports

Experience shows that a thorough Entry Condition Report is the best tool to protect your property from tenant damage. A detailed inspection will be carried out prior to any new tenant moving in and this will be reflected in the entry Condition Report. A copy of this report, including any photographs, will be forwarded to you for your records. If necessary, it will also include a water meter reading. In the event your property is furnished, a detailed inventory will also be completed and forwarded for your records.

Presentation of Vacant Properties

It is kindly requested that only very clean, well presented and well maintained properties are handed to us for rental. This will ensure the property is handed back at the end of the tenancy in the same condition. Many claims in the QCAT arise from the original presentation of the property. To avoid this, we will assist you by making recommendations on what course of action to take. Well maintained properties are essential to prevent actions lodged due to maintenance defects.

Routine Maintenance Inspections

Many complaints have been received by the Office of Fair Trading in relation to agents not carrying out regular, thorough maintenance inspections. It is our guarantee that inspections will be carried out every four (4) months. Within 7 days of the inspection taking place, a comprehensive written report and current photos of the property will be forwarded to you via email. If we find any serious breaches occurring at the property (ie damage), the tenant will be issued a Notice to Remedy Breach giving them 7 days to rectify the problem. The property will then be re-inspected to ensure the problem has been rectified.

Maintenance

You will be notified in writing immediately of any maintenance items we become aware of, bearing in mind your maintenance instructions. Only qualified, insured, and reputable tradespeople will be used. Copies of the persons qualifications and insurance will be taken prior to any work commencing.

If you have specific tradespeople you would prefer us to use, we are more than happy to do so provided appropriate paperwork is completed.

It is NOT recommended that landlords or tenants carry out their own works at any time.

Should a warranty claim be necessary, we can contact the supplier on your behalf, or if it is an insurance matter, your insurance company.

Projected Maintenance Plans

Once your property is placed in our care, an entry inspection will be conducted. As well as noting things for the Entry Condition Report, we will also note potential maintenance items. From this we will create a 5 year tailored maintenance plan to ensure your property continues to achieve maximum rental, and minimise potential liabilities. This service is provided at no extra charge. **Please note:** This will be a visual inspection only and we do not purport to be a licensed tradesperson of any field. We strongly recommend that an independent inspector is employed annually to check the property for non-visual faults.

Communication

You may have previously been neglected by other property managers, waiting days for a reply to a simple request. I guarantee that your questions, concerns or requests will be answered in 24 hours or less.

Payment of Rent

Tenants are requested to pay rental monies directly to the company trust account. All rental receipts will show the "paid to" dates, and ledgers can be easily printed/emailed to a tenant should they request it. Daily rent arrears checks will be carried out to ensure speedy collection of late payment. A tenant is notified via phone/letter/email as soon as the rent is 3 days behind. Once a tenant is 8 days in arrears, the legal process to evict them begins. Being well versed in the eviction and QCAT tribunal system ensures that tenants are suitably notified of the process to ensure that evictions happen only as a last resort.

Remittance of Rent Money

Rental monies will be remitted on the last working day of the month. Please allow a further 2 working days for the money to reach your nominated bank account.

Statements will be issued via email as soon as payment has been remitted, along with copies of any invoices paid for the statement period. At the end of each financial year, a collated statement will be issued with the years expenses detailed. This is at no extra charge.

Payment of Rates, Body Corporate Fees and Insurances

Are you too busy to deal with these sort of payments? Provided you change your registered address with Council, your Body Corporate and Insurance companies, you can have these

bills sent directly to our office for prompt payment. This service is available at no extra charge.

Insurance

It is the law that any property being rented in Queensland must have building insurance with a minimum public liability insurance of ten million dollars (\$10,000,000). Please review your insurances with your broker prior to placing your property in my capable hands.

We also highly recommend a Landlord Protection Policy, also known as Landlord Insurance. This will protect you from rent loss due to default by tenants, break lease situations, malicious damage, contents and in most cases, legal liability. Please contact your broker to discuss Landlord Insurance.

Cairns Ultimate Real Estate

Our Fees & Charges

Rent Collection

A rent collection fee of 5.5% incl. GST is applicable on all rent collection.

Management Fee

A management fee of 3.85% incl. GST is charged on all managed properties. No further fees are charged for any of the normal services outlined in this proposal.

Administration Fee

A fixed fee of \$11.00 incl. GST per month is charged to cover sundry outlays including Federal Government & Tax paid on all deposits, postage, photocopying etc.

If you have more than one property, only one administration fee will be charged overall.

Renewal of Tenancy Agreements.

It is paramount that your tenants are kept on a fixed term agreement to offer security for you, and for them. Due to legislative requirements, the renewal process must begin 3-4 months in advance. As they fall due, a rent review will be conducted and your written instructions will be requested. As this process can be time consuming, we ask a fee of half of one weeks rent + GST for lease renewals. This is only charged once the agreement is returned to the office. A copy will be provided for your records.

Letting Fee

A fee equivalent to one weeks rent + GST is charged for tenant selection. This fee includes unlimited inspections with prospective tenants, application processing, preparation of the Entry Condition Report and necessary lease documents.

Court Hearing Fee

Due to the costly process of applying to the courts, a fee of \$55.00ph is requested. In most cases, court application fee and the hearing fees can be taken from a tenants bond, or covered by insurance.

Insurance Claim Lodgement Fee

Insurance claims can get messy and time consuming when there are too many parties involved. For this reason, insurance claims can be lodged on your behalf for \$165 incl. GST, for a major event. This includes claim preparation and lodgement, meeting assessors on-site if necessary and unlimited time finalising the claim for you.

Refurbishment Fee

Is your property looking old and tired? Don't have time to organise refurbishments? It can be done for you! Where a property requires 2 or more trades, a fee of 5.5% of the total refurbishment cost is applicable for project management. This will include a comprehensive report of works needing to be done, 2-3 quotes for each major item, organisation of tradesman, overseeing and inspection of completed works.

Good and Services Tax

Good and Services Tax (GST) is payable on or in respect to the supply of the service agreed to be supplied by Cairns Ultimate Real Estate to you pursuant to the terms of the Exclusive Property Management Agreement. The amount payable by you to us for the supply of that service shall be increased by the amount of GST so levied by the Government, from time to time.

Fee Negotiation for more than two Properties.

The importance of your cash flow can be maximised as I am prepared to negotiate the management fees outlined above if you have more than two properties. Please feel free to discuss this with me anytime.

Additional Services

An on-line web portal called Online Agent is also available at no extra cost. This facility allows you to access information online such as maintenance, invoices due, how much money is in trust, tenants paid to date, print off extra statements and lodge requests to me online.

“No Obligation” appraisal on your property

We will attend your investment property and shortly thereafter provide you a written “No Obligation” Appraisal and Comparative Market Analysis. This will be provided to you prior to you signing an Exclusive Property Management Agreement with Cairns Ultimate Real Estate.

In Conclusion

Cairns Ultimate Real Estate strives to provide a quality service using effective systems, methods and procedures. I hope you enjoy the refreshing change that I am offering.

Asset management goes a long way beyond securing a tenant and collecting the rent. Property investing should be a smooth, stress free and painless event. Be assured that your property will maintain and increase its value, while getting the highest return possible on the capital invested.

Effective communication is essential to assuring you of my attention at all times, which is why I guarantee to answer all enquiries or concerns within 24 hours.

You will not be disappointed with the level of trust and responsibility you have invested in me.