

BAYLEYS RESIDENTIAL

Property Management

A GUIDE TO PROPERTY MANAGEMENT



Bayleys Real Estate
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Whalan and Partners Ltd, Bayleys, Licensed under the REA Act 2008

BAYLEYS

PROPERTY MANAGEMENT

WELCOME TO THE COMPLETE RESIDENTIAL PROPERTY MANAGEMENT GUIDE

Owning an investment property can be a highly rewarding and profitable experience. However, without the correct advice and knowledge, it can also be a stressful and expensive one.

WHO ARE WE?

We are a member of the Real Estate Institute of New Zealand (MREINZ). Because we are licensed, all your monies are held in a Trust account which is independently audited every 4 months, and we are accountable to REINZ under the REINZ Property Managers Code of Practise.

Operating as an independently and locally owned and managed company, we not only have a thorough understanding of the local property market, but also the freedom and flexibility to ensure your needs are our priority.

While our Property Management division is independently owned and managed, we are able to use the resources available to Bayleys Real Estate to effectively market and manage your property and provide additional services when required.

WHAT IS PROPERTY MANAGEMENT?

Having a professional Property Manager takes away the stress of owning a rental/investment property. Our comprehensive approach to tenant sourcing, property management and maintenance, means that you can have peace of mind knowing that your investment is well cared for.

WE LOVE REFERRALS

It is a result of the high level of service we provide that guarantees customer satisfaction. We also strongly believe in the value of referral business, and a majority of our growth comes from our clients referring our services to their family, friends and colleagues.

UNDERSTANDING YOUR REQUIREMENTS

We understand when you are choosing a Property Manager you require experience and knowledge, reputation and a high-quality, consistent service at all times.

To achieve these objectives, Bayleys Property Management provide:

- » A guarantee of service
- » Responsiveness at all times to your requirements and requests. We ALWAYS respond to calls and emails.
- » Accurate and timely reporting
- » Furthermore, you may have some special requirements for us. We welcome you to discuss these with us.



“We are so confident in our ability to help you that we guarantee, if after three months, you are not entirely satisfied with our service, we will cancel your contract and refund in full all management fees paid by you!”



“Property is our passion, just talk to us and you will find this out!”

SPECIALISING IN OUTSTANDING SERVICE

The key benefits Bayleys Property Management offers to all our clients:

Communication

Ultimately our people are our key point of difference. There is nothing more annoying than doing business with a company that doesn't listen to you, or a company that does not deliver what it says it will. We treat our tenants with respect and believe that good, open communication with our owners and tenants is paramount to a happy working relationship.

Staff are easily contactable via landline, mobile or email.

You will always be contacted immediately if:

- » Your tenant is in arrears
- » When a vacancy is approaching
- » Your tenant hands in their notice
- » Or if repairs are required

Personalised Service

We run a portfolio-based property management service meaning that your Property Manager is responsible for all aspects of the management of your property including regular inspections. Many companies outsource these inspections to an administration staff or third party to complete.

As you have one key point of contact, communication about your property is fast, easy and accurate which allows us to give you a more personal approach. But rest assured

we have backup and after-hours service procedures in place to provide you with a quality service 24 hours a day, 7 days a week.

Performance

We aim to deliver maximum performance and benefits as a result of the service we provide and the latest technology we embrace.

Controlled Management & Technology

Our policies and procedures are strictly maintained to ensure quality process control and achievement of client expectations. We embrace the latest technologies and software to help achieve this for you.

Residential Tenancies Act

When dealing with Property Management you must have a thorough understanding of the Residential Tenancies Act 1986. This is a highly specialised aspect of Real Estate law. Our staff are highly skilled in this area, to ensure they know the best action to take to efficiently manage your tenancy and minimise any risk.

Other Services

We can also offer complimentary services such as valuations, property appraisals and assistance and advice should you ever decide to sell your property.



“Because you shouldn't hand your keys out to just anyone.”

MARKETING YOUR PROPERTY:

Internet

Your property will be advertised on the following websites:

- » www.trademe.co.nz
- » www.realestate.co.nz (only available to licensed operators)
- » bayleyspm.co.nz

An effective rental advertisement should have a compelling blurb with a detailed description of the property and its local amenities accompanied with eye-catching photos.

Being online enables us to present your property with detailed photographs on a 24/7 basis. More than 85% of our inquiries come from the internet.

Signs and Office Rental Listings

Our reputation in the marketplace means we receive a good deal of walk-in, phone and email inquiries from people searching for a property to rent. We have a rental list available at our reception area that contains photos and information on all our properties available to rent.

We also erect 'For Rent' signs outside all our properties for rent, unless otherwise requested.

Database of Tenants

Potential tenants are able to submit their requirements via our website or by visiting our office. These inquiries are logged and, wherever possible, matched with available properties.

Viewings

We will conduct unlimited viewings on your property until the property is rented. We also do viewings on Saturdays and outside business hours to get your property tenanted.



“Once we feel we have the ‘best fit tenant’ for your property, we will contact you to discuss before proceeding.”

SELECTING THE RIGHT TENANT

To ensure you receive maximum returns on your investment, high occupancy rates are fundamental. That's why finding and selecting the best tenants is one of the most important things we do.

To us, a good tenant must always be able to pay their rent on time, maintain your property like it was their own by keeping it clean and tidy inside and out, and advise us immediately of any repairs or maintenance if required.

Our Application Form

Potential tenants must fill out our comprehensive Tenancy Application Form with photo identification. This gives us details of their personal and business situations, reference details and authorises us to do a number of background checks.

Reference Checks

Our staff contact referees including previous landlords and employers to ask pertinent questions, reducing the risk of any future problems.

Financial and Credit Checks

We screen all our tenants through New Zealand's most extensive databases including Veda and Centrix, as well as searching Court Results, The Dispute Tribunal and New Zealand Police Results.

Maximum Occupancy

We review current tenancies well in advance to the end of a lease, and when required, we market your property to potential tenants up to 6 weeks prior to vacancy. This means in most cases, we have quality tenants ready to move in when the property is vacated or shortly thereafter.

Once your property has been rented, we regularly monitor rental levels and initiate rental increases where required to ensure your property receives maximum returns.

Rent Collection

Timely collection of income is paramount to successful property management. Bayleys Property Management has strong systems and procedures in place to ensure that rent is collected on time and that any missed rental payments are promptly pursued.

If you are like us, you will have financial commitments, which is why we have a zero-tolerance to rent arrears. We educate our tenants thoroughly on this matter at the start of the



“You will always be kept updated on inquiry and feedback from the viewings.”



tenancy, ensuring they are aware of our procedures to collect rental payments and the consequences if rent is not paid.

Rent payments are checked daily to ensure we can react to any problems without delay. All funds are held in a non-interest bearing Trust account which is independently audited on a quarterly basis.

OWNER PAYOUTS AND STATEMENTS

Funds are direct credited into your account on a once or twice monthly basis. We will also attach to your e-mailed statement any invoices for maintenance work completed.

At the end of each financial year, we also supply all our clients with an annual income and expenditure summary which your accountant will require to claim the maximum tax benefits.

MAINTENANCE AND REPAIRS

It is important that maintenance issues are attended to promptly in order to:

- » Maintain the capital value of your property
- » Prevent minor problems escalating
- » Keep your customers, the tenants, happy with their home

We have strong relationships with a select number of excellent and reliable contractors who perform work at competitive prices. However, should you have some key contractors that you already deal with, we are happy to work with them also. For larger jobs, we ensure quotes are sought to avoid any unnecessary surprises.

REGULAR INSPECTIONS

Maintenance inspections are carried out at regular intervals four times per year. These are focused on proactively ensuring that the property is kept in an attractive and well-maintained condition, and to ensure that your tenants are caring for your asset appropriately. As part of this process we communicate with you after our inspection with a detailed report including photos if necessary.

IN AND OUT-GOING INSPECTIONS

In addition we prepare a detailed Pre-Tenancy Inspection Report for each new tenant including chattels. This clearly sets out the condition of your property at the commencement of a tenancy. We also photograph every surface, room and any relevant areas inside and outside the

property including garages, sheds and gardens.

At the end of every tenancy, a detailed and final inspection is completed to compare the state of the property to that of when it was first rented to the tenant, taking into account 'fair wear and tear'.

Tax Advantages

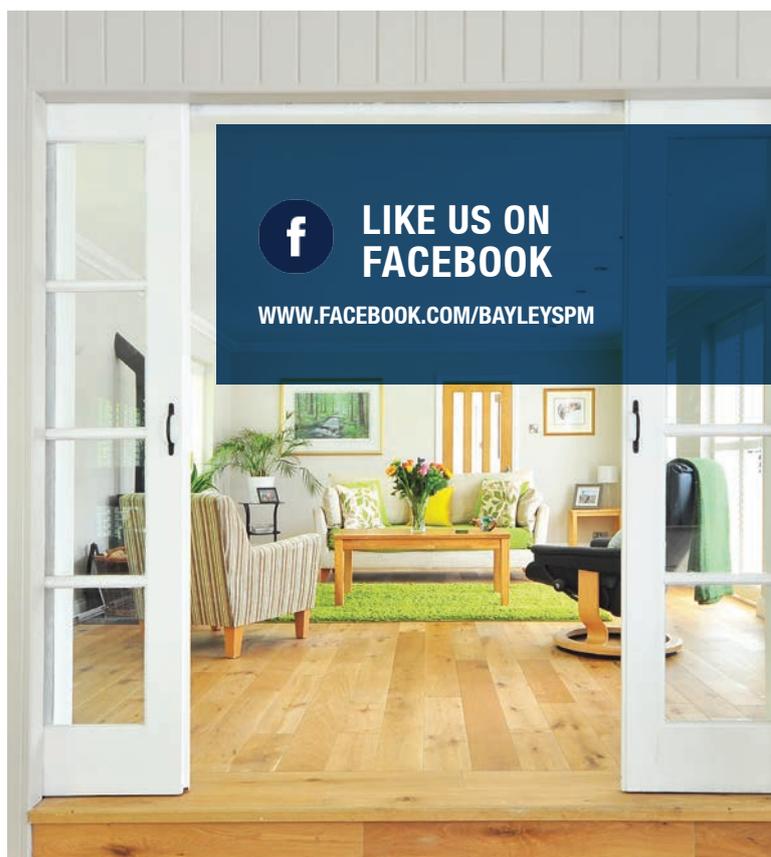
There are many legal deductions that you can make to offset rental income, and if the investment is well structured you may find some significant savings. We recommend that you consult a specialist tax adviser prior to purchasing or renting out your property. All our management fees are tax deductible, as are rates, insurance, bank interest, landlord insurance, repairs and maintenance.

INSURANCE INFORMATION

Many standard insurance policies do not cover the specific risks often associated with rental properties such as malicious damage or theft by tenants and their guests.

We offer insurance to ensure peace of mind for our landlord's investment properties, however we would encourage you to talk to your insurance company or broker about options available to you.

It is important to note that such specialised insurance for landlord situations are complimentary to your existing house insurance and do not replace it.





“We take the stress out of owning a rental property. Specialising in properties best described as ‘family and executive homes.’”

FREQUENTLY ASKED QUESTIONS:

How long does it take to rent out my property?

The demand for rental properties in Christchurch is traditionally strong. So as long as the property is well presented, has good heating and is priced and marketed correctly, it usually takes between 3 and 5 weeks to secure good tenants, depending on the time of year.

What is the likely rental amount for my property?

We are happy to visit the property and provide you with a free no obligation rental appraisal. We base our assessments on a range of criteria, including similar properties currently available, rental statistics for the area and properties we currently manage.

How do you assess tenants for my property?

Potential tenants are required to fill out a comprehensive application form which includes details of their personal and working situations and current renting/living arrangements. The application also gives us the authority to check personal and business references, previous landlord references, permission to check with online tenant referencing agencies and to do a credit check.

Once we have all of the information needed and we are 100% comfortable, we will select the most suitable tenants for your property after consultation with yourself.

How do we get paid?

Rent is paid to us by automatic payment from the tenant and this is monitored daily to ensure they meet their obligations. We forward the rent to you either twice monthly or monthly with our management fee deducted and any other applicable fees.

How often do you conduct property inspections?

We routinely inspect your property four times per year. We conduct inspections for three main reasons:

- » The tenant knows we are visiting regularly
- » To ensure the house is being looked after
- » To take notice of any ongoing or gradual maintenance issues

A letter and report including photos is sent to you after each inspection.

How do you deal with maintenance issues

We will arrange for all repairs and maintenance as required, up to an amount specified by you. If you have your own preferred contractors, we are happy to work with them also. However, in the case of urgent after hours repairs which are required to either preserve the original condition of the property or to provide essential facilities for the tenant, we will commission repair work without prior contact to the property owner if necessary.

Who handles problems late at night or on weekends?

We always have a duty Property Manager available 24 hours a day, 7 days a week to act upon emergency situations.

Are you the cheapest company in town?

Probably not. We are competitive and we are certainly not the most expensive. Traditionally, real estate companies will charge a percentage of the rent collected, and then have a host of extra charges – for the likes of arranging advertising, professional photos, initial property condition reports and photos, representation in your postal fees and end of financial year statements, just to name a few.

We believe our service is the best around (in fact we guarantee it on the back cover of this booklet). You get great value for money and no hidden costs. All our fees are tax deductible.

What about bonds?

We lodge the maximum amount allowable under the Residential Tenancies Act 1986 for all bonds, which is 4 weeks rent. We believe this is key to make certain the chosen tenant has a financial interest in ensuring they look after your property and furthermore, we believe this provides good security should anything go wrong during the tenancy. All bonds are lodged with the Department of Housing New Zealand within the legal timeframe.

Do I need to do anything to get my property ready for tenanting?

The Residential Tenancies Act requires landlords to ensure their properties adhere to certain minimum standards including

» Smoke Alarms

All properties must have working smoke alarms. There must be at least one working smoke alarm within 3 metres of each bedroom door or every room where a person sleeps. If you are replacing or installing new alarms, you must install photoelectric smoke alarms with the long life batteries that have a life span of 8-10 years. Bayleys Property Management can supply these alarms and have them installed for you if required.

Please see <https://www.tenancy.govt.nz/maintenance-and-inspections/smoke-alarms/> for further information regarding the new regulations in New Zealand.

» **Insulation**

Whilst properties do not need to be up to the required standard until 1 July 2019, it is now compulsory for all landlords to provide a full statement on all new tenancies regarding the location, type and condition of the current insulation. Ceiling and underfloor insulation will be compulsory in all rentals from 1 July 2019.

This allows tenants to be better informed and make better decisions regarding which property they wish to rent. If you are unsure of the current insulation in your rental property or cannot fully answer the above requirements in detail, then Bayleys Property Management can organise an assessment and certificate for you at a cost of \$50 + GST. A landlord who fails to comply with the regulations is committing an unlawful act and may be liable for a penalty of up to \$4,000. Please see <https://www.tenancy.govt.nz/maintenance-and-inspections/insulation/> for further information regarding the new regulations in New Zealand.

» **Keys**

We require at least 2 x sets of keys to be provided for all locks (where possible). One set will be retained in our office. This includes garages and sheds.

» **Cleaning**

You are required to hand over the property in a reasonably clean and tidy condition, which includes having the carpets commercially cleaned. If you have any concerns around this area we can assist by providing you with a comprehensive cleaning list. Further discussions can be had after we have viewed your property.

WHY SHOULD I CHOOSE BAYLEYS PROPERTY MANAGEMENT?

We take away your day-to-day worries, eliminate as much risk as possible, and have experienced, enthusiastic and qualified staff.

We are members of the Real Estate Institute of New Zealand and as such, are governed by the relevant laws, rules and a code of practice to ensure the job is done well at all times.

What if I want to sell my property? Can Bayleys Property Management help?

Absolutely. In fact, using the same company to both sell and manage the property is very easy.

We can make sure the tenants are as helpful as possible, that all rights and responsibilities under the Residential Tenancies Act 1986 act are met and the transition goes as smoothly as possible.



“We can advise you on all aspects of the process, from buying an investment property to renting out your own family home.”





Our Service Guarantee

We guarantee that if, after three months, you are not entirely satisfied with our Property Management service we will cancel our contract and refund in full all management fees paid by you.

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