



A Totally Caring Approach To Property Management

Prepared and Presented by Chevron Realty
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WELCOME TO CHEVRON REALTY

RESIDENTIAL & COMMERCIAL PROPERTY MANAGEMENT

INFORMATION FOR LESSORS

Disclaimer: "The information contained herein or any information given orally is given without any representation on our part or our employees as to its truth or accuracy. To the extent permitted by law no responsibility is accepted in relation to such information. All interested parties should make their own enquiries and obtain their own independent advice in order to verify the information."

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1.0 INTRODUCTION

The Chevron Island precinct is a small yet exclusive residential enclave.

Even though it is not an official suburb of the Gold Coast, but is rather a part of Surfers Paradise, the area does have its own unique identity.

Situated in the middle of the Nerang River, Chevron Island has clear access to both Surfers Paradise and Bundall. Also, the island has direct access to the Broadwater.

Chevron is ideally located close to major medical facilities, hospitals, and retail shopping at Bundall, Southport and Surfers Paradise. The Turf Club is within walking distance, as is the Southport Golf Club. The Gold Coast Arts Centre is close by. Public transport is available with easy links to all parts of the Gold Coast. Local primary and secondary schools are highly sought after by families. World-class beaches are minutes away. Other water sports are also prominent on the river. The weather of course is just the best.

The Chevron Realty office is centrally located at 57 Thomas Drive in the heart of the local business district. With such a prime location we attract a continuous wealth in inquiry from both locals and tourists. The office has been operating in this area since 1987.

Despite a strong local presence we manage and attract inquiry from all over the Gold Coast. Landlords appreciate the experience and the knowledge we are able to offer to ensure their investments provide a steady income stream and strong appreciation in value.

There are three very different dwellings styles that make up the island. These are the older-style, one-storey houses that date back to the 1960s, the more modern three and four-storey homes that are the norm for the island and the exclusive absolute riverfront homes located around the island's perimeter.

The future for the chevron property market is solid as the town plan allows buildings in the centre of the island to reach a maximum height of 8 to 10 levels. This, however, is balanced by a greater proportion of the parcel being set aside for landscaping.

Cronin Island, situated at the northern tip of Chevron Island is another prestige community.

The island is small and has only one street - Southern Cross Drive - The homes are grandiose and extremely exclusive.

One of Cronin Island's impressive claims is that it is home to Queensland's first million dollar house sale back in 1983.

With development sites few and far between and given the continuing demand for inner-city living, increased interstate migration and the continual upgrading of the Surfers Paradise retail precinct, the future of residential investment in the area is bright.

1.1 Chevron Realty on Chevron

Chevron Realty sales and property management division with over a 100 years of real estate experience comprises a team of highly trained and skilled professionals. With a wealth in experience in all facets of residential and investment real estate, when dealing with our sales team you will experience a new level of service and satisfaction.

We are proud to manage one of the best property management portfolios on the Gold Coast with a large number of properties under management consisting of permanent and commercial listings.

2.0 WHY YOU NEED A PROPERTY MANAGER

There are many reasons for you as an owner/investor to engage an experienced Property Manager to care for your property. The following outlines some of the major reasons for utilizing our experience and expertise.

2.1 Knowledge of the Law

Knowledge of the legislation applicable to rental properties is essential. Property management has a high degree of legislative control and the consequences of violating the relevant Acts can be very serious. To ensure compliance, there are various government and community organisations that monitor rental accommodation, the most notable in Queensland being the Residential Tenancies Authority (RTA).

Unfortunately, lack of knowledge of the relevant legislation is no excuse and the unwary landlord can quickly find they are in very deep water. As professional property managers, we have intimate knowledge of the law and in this area we can help you avoid any unnecessary legal entanglements.

We know what you are, and are not, required to do by law so that you do not have to go through the hassle of finding out for yourself.

2.2 Promoting your Property

Chevron Realty is in a better position than an average owner/investor to ensure your property is promoted to the greatest degree possible. With our established client base, internet promotion, our relationship with the local newspapers, and our general office enquiry rate, we ensure that someone looking for a rental property knows about yours.

2.3 Tenant/Owner Relationship

We have found that most tenants would prefer to deal with a Real Estate Agent rather than directly with the owner. Many tenants feel that they cannot discuss problems with the property freely with the owner and so little problems become big ones. Tenants also worry about owners dropping in unexpectedly and that the owner will not respect their legal rights. Consequently, most tenants look to Real Estate Agents to rent through rather than private owners.

Conversely, most owners do not want to deal directly with the tenant. Many feel uncomfortable asking for rent or enforcing the Tenancy Agreement and are uncertain of what to do when something goes wrong. Also, do you really want your tenant to call you personally with every little problem?

2.4 Stress

Managing a rental property can be a very stressful business and we are here to take that weight from you. There is very little we have not seen or heard when it comes to rental properties, so why not let us solve the problem for you.

3.0 CHEVRON REALTY TEAM

At Chevron Realty, we pride ourselves in the personal and professional service offered by our property Management team. While your property is managed predominantly by a single property manager, there are other important personnel who are involved in providing a quality property management service.

Paul Hewitt	Owner/Director
Fraser Coop	Senior Property Manager /Manager-Commercial
Sharlene Smith	Property Manager
Kathy Evans	Property Manager

The collective experience of our Property Management team enables Chevron Realty to provide the highest standard and quality of service to both owners and tenants. Please refer to our testimonials at Appendix D for more information.

4.0 PROMOTING YOUR PROPERTY

One of the most important aspects of Property Management is procuring a suitable tenant for your investment property. To that end, we employ the following means of promoting your property;

- Advertising in the Gold Coast Bulletin
- Listing the property on Chevron Realty and realestate.com.au Internet sites and affiliated web sites
- Office availability list and/or window display
- Listing with associated real estate and tenant agencies
- To Let sign at the property where permissible

Given our prime location and our excellent reputation, we experience a high volume of walk-in traffic and general telephone enquiries. We also find that the majority of our existing tenants come to us first when looking to relocate which provides us with a vast database of tenants.

5.0 THE APPLICATION PROCESS

To ensure the best possible tenant is placed in your property, prospective tenants are required to complete a detailed application form and provide 100 points of identification. A copy of the application has been provided at Appendix A for your perusal.

Our tenant selection criteria consists of the following main tasks:

References

The prospective tenant must supply proof of employment and personal references as well as sufficient details to enable us to obtain confirmation.

Proof of income:

While we cannot demand financial information due to privacy legislation, we can and do request it. In most cases, prospective tenants are only too happy to oblige.

Tenancy Information Centre Australasia (TICA):

As members of TICA, we have access to a database of õbadö tenants that have been listed by real estate agents throughout Australia and New Zealand for a variety of reasons.

6.0 COMMENCING THE TENANCY

Once an application has been accepted, the applicant is required to pay a holding deposit equivalent to two weeks rent within 24 hours in order to secure the property. Until this deposit is received, we continue to look for suitable tenants. In the event that the applicant does not proceed with the tenancy, this deposit may be transferred to your account as two weeks rent less any fee and charges.

On or before the day the tenancy is to commence, the applicant must pay the bond . Once this is done, the Tenancy Agreement and other required documentation are signed and the Tenant is given the keys to the property.

6.1 The Tenancy Agreement

We use the standard tenancy agreement provided by the Real Estate Institute of Queensland (REIQ), a draft copy of which has been provided at Appendix B. Given that the Residential Tenancies Act 1994 strictly controls the terms and conditions of a tenancy agreement in Queensland, we have found that the REIQ Tenancy Agreement provides the best protection for both owners and tenants while still complying with the legal requirements.

Once the tenant has signed the agreement, we forward a copy of the schedule to you with your next monthly statement.

6.2 The Entry Condition Report

Before the tenant moves in to the property, we complete an Entry Condition report. This is a form provided by the Residential Tenancies Authority for both landlords and tenants to comment on the condition of the property at the start of a tenancy.

We complete our portion of the form and give it to the tenants when they sign the tenancy agreement. The tenants have three business days to complete their portion and return it to our office. When the tenants vacate, an Exit Condition report is completed and compared with the Entry Report to determine what work the tenant must complete in order to secure a bond refund.

7.0 DURING THE TENANCY

7.1 Rent Payments

The tenant is required to keep the rent in advance at all times. In order to facilitate this, we have instituted a direct debit system whereby we deduct the rent from the tenants bank account.

Tenants have various options of paying through the IPay rent process, or a Deposit Book with the Bendigo Bank.

However, in the event the funds are not paid, rent payments are monitored daily and followed up with direct phone contact if late. After 7 days in arrears, a Notice to Remedy is issued in accordance with the Residential Tenancies Act. If the phone calls have not worked, more often than not, this action encourages tenants to pay their rent when it is due.

7.2 Inspections

Routine property inspections are a major part in caring for your property. A routine inspection is carried out on your property approximately every four months. After each routine inspection you receive a written report with your monthly statement indicating the overall condition of the property and any maintenance that is required.

There are three main reasons for these inspections. The first is to keep you informed of the condition of your property. Second, to ensure that the tenant is looking after your property. Third, it is often at these inspections that minor maintenance is brought to our attention by the tenant that could become large problems if left unattended.

7.3 Maintenance

Neglect of minor repairs, often leads to major repairs and expenditure and can at times result in the loss of a good tenant. Our comprehensive maintenance programme ensures that problems are resolved quickly by qualified trades people at a reasonable price.

While we have a variety of trades people whom we use regularly, we are always happy to use specific trades people nominated by you for your property.

With your approval, we will pay your invoices for any maintenance done and forward the original invoice to you with your statement.

8.0 AT THE END OF A TENANCY

At the end of the tenancy, by law the tenant is required to give two weeks notice in writing prior to vacating the property in order to give us time to find a new tenant.

As soon as this notice is received, we notify you of the tenant's intentions and begin looking for a new tenant. By law, the tenant is still in possession of the property until the keys are returned, and therefore, is required to pay rent until that time.

Once the keys are returned, we inspect your property and complete an Exit Condition Report. This report is compared with the Entry Condition Report completed at the commencement of the tenancy.

In this way, we ensure the tenant leaves the property in at least as good a condition as when they entered, subject to normal wear and tear,. If the property is not in appropriate condition, either the tenant pays to rectify it or we deduct the money from the bond.

The bond is never refunded until we are completely satisfied with the condition of the property. If there is any dispute, we may take appropriate legal action on your behalf.

9.0 LANDLORD INSURANCE

As a residential property investor, your largest asset is your investment property. This provides you with a regular source of income.

However, like other investments, residential property has risks, which may diminish your source of income and affect your livelihood.

Such risks may include your property being accidentally or maliciously damaged by your tenant.

Whilst you may be able to take legal action against your tenant, this is normally time consuming and can result in a loss of income. If the tenant cannot pay for damages, what will happen to your income and your property ?

Even the best tenant selection test cannot guarantee against your property being damaged or your income lost.

For this reason we believe it is essential for any landlord to take out Landlord Protection Insurance. This type of policy insures you for loss of rent, malicious damage to the property, legal costs, public liability and contents insurance for your carpets etc.

It is also important to remember that if you do not have a contents policy, your building insurance or body corporate insurance public liability will not cover you for accidents occurring inside the home. To be completely covered, you need a contents policy of some kind or Landlord Protection Insurance. With the dramatic increase in personal injury litigation, full public liability insurance is a must.

There are a number of insurance companies that offer this type of cover.

10.0 FEES & CHARGES

Letting Fee: one week rent (inclusive of GST)

A letting fee is charged to place a new tenant in your property, there is no charge for renewing an existing tenancy. The cost of the letting fee is the first week's rent.

Rent Collection & Management Fee: 7.5% plus GST

This charge is to collect the rent and the general day-to-day management of your property and covers all the tasks under the Management Agreement.

Postage & Petties \$5.50 per month includes GST

This charge is for producing the statement plus incidentals such as postage, cheque fees, bank charges for EFT, stationery and phone calls. Etc.

Advertising: at cost on account

As we advertise several properties in the one advertisement, and due to our relationship with the local newspaper, we are able to advertise at a cheaper rate than an owner could. The 1st month adds generally (4) do not attract a charge. After the first 4 adds the landlord pays the media invoiced price.

Court Fees: Cost + \$50 per hour

In the event that we must appear in court in the course of managing your property, we charge \$50 per hour for our expertise. This cost is claimable on most Landlord Protection Insurance.

Maintenance: at cost

We do not add any additional fees or charges for organising and overseeing maintenance on your property.

Commercial charges are available on request.

***Property Management Fees are Tax Deductible.**

11.0 DISBURSEMENT & STATEMENTS

Your rental monies are disbursed to you on the last business day of each month by either cheque or electronic funds transfer (EFT) directly to your nominated bank account.

You also receive a statement each month showing all transactions for your property during the month along with the original invoice for any maintenance done. An annual statement is available each July for the proceeding financial year.

12.0 THE MANAGEMENT AGREEMENT

Appendix C contains a draft copy of our standard Management Agreement as provided by the REIQ for your perusal. Please read the entire agreement and if you have any questions regarding the terms and conditions, please do not hesitate to contact our office.

13.0 GUARANTEE OF SERVICE

In managing your property we guarantee to provide excellence in service. As our client, your best interests are our primary concern.

Our aim is to be the BEST Property Managers in the area and to provide a level of service that offers you, our clients, the best value for money.

We guarantee to:

- Treat you with courtesy at all times
- Return your telephone calls promptly
- Move quickly to secure new tenants when your property becomes vacant
- Thoroughly screen all tenancy applications

- Effectively follow up rental arrears
- Be responsible and accurate when performing outgoing tenant inspections
- Notify you of any serious breach by the tenant of the Residential Tenancy Agreement
- Obtain the best market rent for your property
- Perform regular, thorough inspections of your property
- Immediately attend to property maintenance matters on your behalf
- Pay all authorised property management accounts on your behalf.
- Keep accurate property management records
- Provide you with a detailed monthly rental statement
- Forward your rental income account to you promptly at the end of each month
- Keep you informed of property investment trends

We further guarantee to:

Have and maintain a thorough knowledge of the current Residential Tenancies Act and all other legislation involved in Property Management.

14.0 THANK YOU

At Chevron Realty our rental management continues to grow by personal referrals from our clients. We believe that we offer our clients an unparalleled level of service from the initial landlord liaison through to our high standards of tenant supervision and regular inspection of properties.

On behalf of Chevron Realty we assure you of our professional and expert attention at all times.