

How to “tenant-ready” your investment property

CONSUMER COLUMN



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You've signed on the dotted line and are now the proud owner of an investment property. But what happens next? How does an investment property turn into a rental property?

Real Estate Institute of Queensland (REIQ) managing director Dan Molloy says that in the 21st Century having a rental property is much more involved than just collecting the rent.

“There are many systems and practices that are required by legislation,” Mr Molloy says.

“A property manager can help an investor make their investment ‘tenant-ready’ from the moment they buy the property. Property managers have a working knowledge of all the necessary legislation and have systems in place that assist the landlord in meeting their legislative responsibilities.”

The *Residential Tenancies and Rooming Accommodation Act* is the legislation that regulates tenancies, however, property managers also have to adhere to other legislation including the *Trade Practices Act*, the *Fair Trading Act* and the *Anti-Discrimination Act* during the rental process.

Under the *Electrical Safety Amendment Regulation (No. 1) 2006* owners of leased domestic residences have to have a safety switch installed for the power circuit of the residence within six months of a residential tenancy agreement being entered into.

Owners of leased domestic residences must also have a safety switch installed for the power circuit of the residence after a residential tenancy agreement has been entered into.

As per the *Fire and Rescue Service Amendment Act 2006*, every domestic dwelling in Queensland must also have smoke alarms.

The minimum legislative requirement is one nine-volt battery-operated smoke alarm for each level of a property – for example if the property is two-storey, two alarms will be required. These batteries usually have a one year life.

For rental properties, it is recommended lessors consider installing either a tamper-proof smoke alarm complete with lithium battery that lasts up to 10 years and does not need to be changed for the life of the alarm; or a hard wired 240-volt smoke alarm which has a nine-volt battery back up that will require changing at least once a year.

“Before a tenancy starts the lessor must test and clean the smoke alarm in accordance with manufacturers’ instructions. During the tenancy, the tenant is

response for replacing smoke alarm batteries or advising the lessor as soon as possible if the smoke alarm has failed," Mr Molloy says.

The State Government's pool fencing legislation requires every residential pool in Queensland to be fenced. As well as maintaining the fence, the REIQ also recommends lessors have the pool fence professionally checked.

Mr Molloy says before a tenancy begins, under the *Residential Tenancies and Rooming Accommodation Act*, the landlord must make sure that the property is clean, is safe for a tenant to live in and, together with inclusions, is in a good state of repair.

If fittings such as a dishwasher or an air conditioner are supplied at the beginning of a tenancy, Mr Molloy says, the landlord has a legal obligation to maintain them throughout the tenancy.

"The *Residential Tenancies and Rooming Accommodation Act* is very clear on this. If lessors don't want to maintain fittings such as a dishwasher then they should be removed before the property is offered for rent," Mr Molloy says.

"The lessor must also supply a key for each lock, and if there is more than one named tenant, they must supply entry keys that allow independent access to all other named tenants."

Landlords also need to have a good look at their investment property and identify any potential dangers, such as pavers that are loose, or nails sticking out of fences that may injure people. Any potential safety hazards must be rectified so that the property is a safe place for a tenant to live.

It is also highly recommended that landlords obtain a public liability insurance policy, as well as building insurance and landlords' insurance which, depending on the policy, can cover such things as damage and rent default in an investment property.

Make sure you choose an REIQ accredited agency when you appoint a property manager for your investment property.



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