

THE DEFINITIVE
GUIDE TO:

A BETTER WAY
TO RENT OUT
YOUR PROPERTY



RENTBETTER



 RENTBETTER

INTRODUCTION

There is a **revolution** taking place in the world of property technology and self-management, and we want to help people understand this new phenomenon..

Those who understand how to find and manage tenants without using an agent will be able to **maximise the return on their investment property**, and we wanted to provide a robust framework for thinking about it and doing it.

WELCOME TO RENTBETTER

This guide is for landlords, entrepreneurs, property moguls, those who own one property or one hundred. If finding and managing tenants and rental income is important to you, then you should read this guide.

Each chapter is a standalone mini-guide that can be read in isolation, but to get the most of this guide it would make sense to read it all the way through at least once, and then return to it as a reference resource when needed.



**IF CASH FLOW
AND INVESTMENT
RETURNS MATTER
TO YOU, THEN
RENTBETTER
SHOULD MATTER
TO YOU.**



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DEFINE GOALS & ACTIONABLE OUTCOMES

At a high level these steps look simple enough, but obviously when you get into the detail of applying it, it can be a little bit more tricky.

To help with this, the following pages provide tools, tips, checklists and suggestions for how to complete these steps in an efficient way.

Specific goals and outcomes can help guide the process. If you are up to the first step of advertising, set yourself the task of completing the goal/ad before lunch time and then do it!

You can head to [RentBetter.com.au](https://rentbetter.com.au) to guide you through the process.



**NOW THAT YOU
KNOW THE
STEPS AND
WHERE TO GO
FOR MORE
HELP,**

**IT'S TIME FOR
YOU TO GET
STARTED!**



WHAT TO KNOW BEFORE YOU GET STARTED



IT'S NOT ROCKET SCIENCE

Renting out a property is so misunderstood (sometimes even by professionals in the industry) that there is a desperate need for this chapter. Outside of real estate there are few professions that cause people to have such a violent reaction! This chapter will clearly define what renting out your property really means.



GET THE BASICS RIGHT

Before we dive into the specific tactics and tools at your disposal, it might be helpful to first talk about the process of renting out your property. There are definite steps that you can follow, either consciously or subconsciously. This chapter will outline the six fundamental steps in the process of renting out your property.



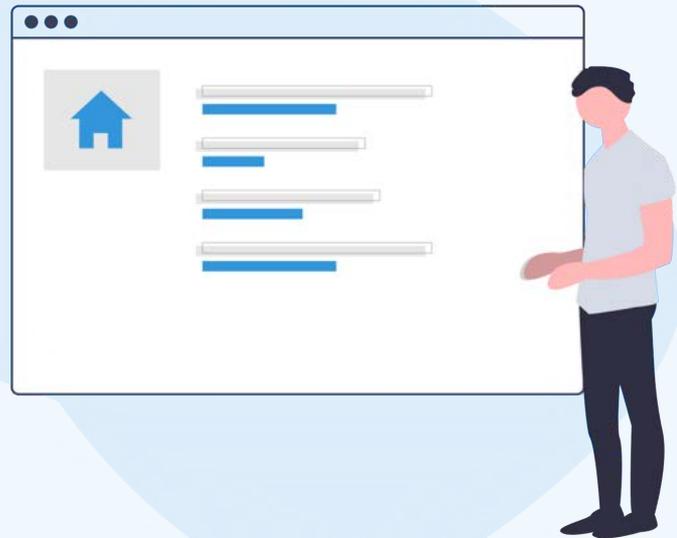
HOW WE CAN HELP

The RentBetter management platform has revolutionised the way to rent out your property. Providing the tools professionals use but at the fraction of the cost, you will be able to save money on property management! We hope this guide will help you begin your journey to successful property management.

CHAPTER ONE

WHAT DOES IT MEAN TO RENT OUT YOUR OWN PROPERTY?

Renting out a property is so misunderstood (sometimes even by professionals in the industry) that there is a desperate need for this chapter. Outside of real estate there are few professions that cause people to have such a violent reaction! **Let's get started...**



A short history of a highly charged topic

Part of the great Australian dream is owning your own property and the roof over your head. And Australians are pretty good at it...

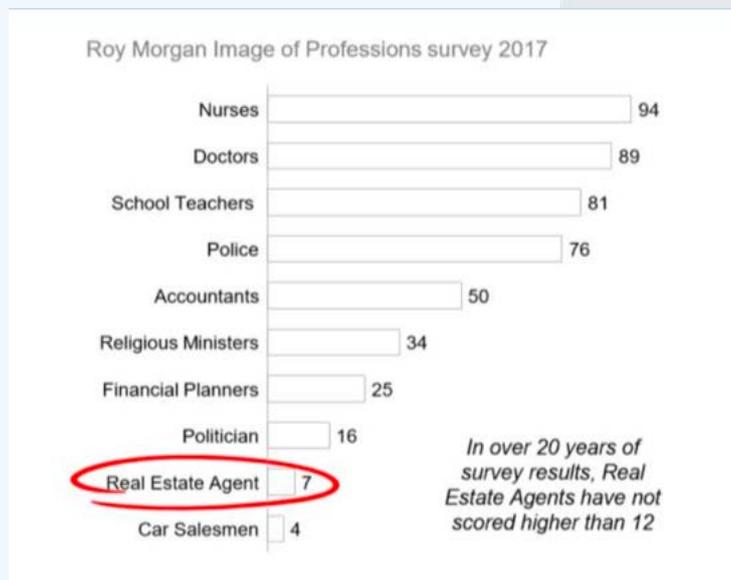
For the better part of the last 50 years, **about 70% of occupied private dwellings have been owned** by their occupants. That means a lot of us own property – mums, dads, professionals, tradies, and everyone in between. We are a lucky country in that so many people participate in home and property ownership, and we are even luckier that immigration and foreign investment into the property market have driven up prices over time. As a result of the high participation rate, a lot of people interact with agents (and their fee structures) on a regular basis.

Whilst engagement is a good thing in any business or industry, it also forces a question about the value delivered for the cost incurred.

NEGATIVE PERCEPTION OF AGENTS

The 2017 Roy Morgan Image of Professions Survey 2017 Real Estate Agents once again scored near the bottom of the pack. In fact over the past 20 years of survey results, they have not scored higher than a 12 (nurses scored 94).

To be fair to agents, there are a lot of them - a recent IBIS report suggests 110k people employed in Real Estate across 40k businesses - that is a lot of people businesses - that is a lot of people to judge with one survey score.

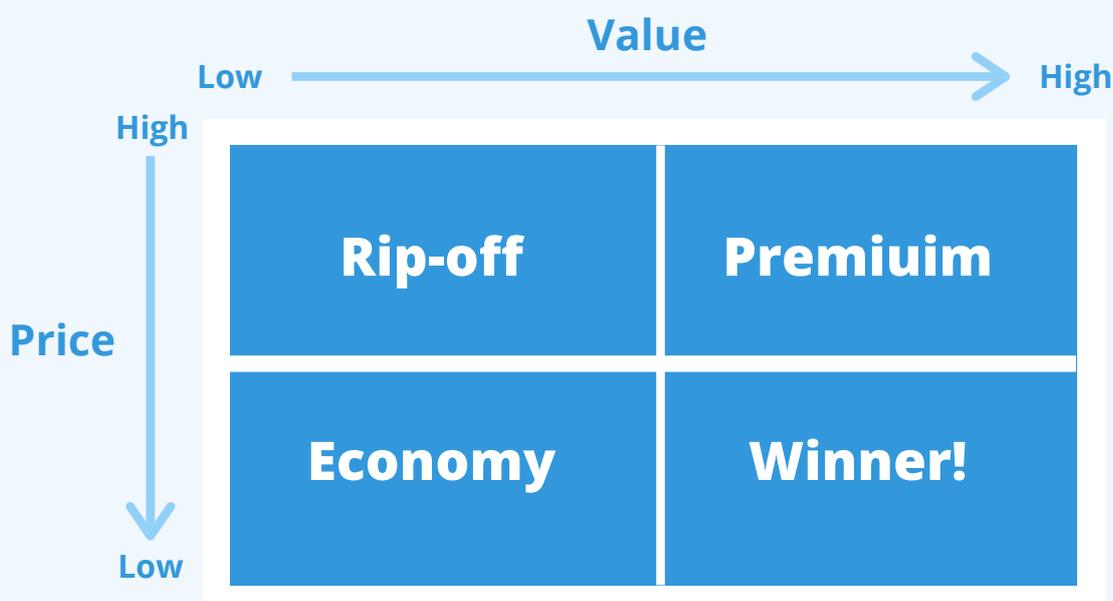


But one thing the survey does tell us, is that the **general perception and image of agents is fairly low when compared to other professions**. Uber, AirBnB, Carsales.com.au, Expedia and other online businesses are good examples of what can happen in an industry when consumers are not happy.

WHAT CAN WE LEARN FROM A MARKETING GURU?

Not to get too academic, but we wanted to introduce some concepts from Philip Kotler as a way to potentially explain some of the negative perceptions associated with agents. You may not have heard of him, but he is a **marketing guru**. One of the many ideas credited to him, is using both **price and value** as a way of deciding whether you are meeting your objectives and if perception is reality.

Originally there were 9 different boxes, but we adapted this slightly to make it easier to work with. The four boxes are combinations of whether you pay a high price or a low price, and feel you get a lot of value or a little value for what you pay. As you can see, when you pay a high price for little value you fall squarely in the rip-off category, but when you pay a low price and get a lot of value, you are onto a **winner**. We speak to a lot of property owners and receive feedback on where they believe they fit in this diagram over the last 10-20 years. They are now taking steps to change this to move to a 'winner' for good!



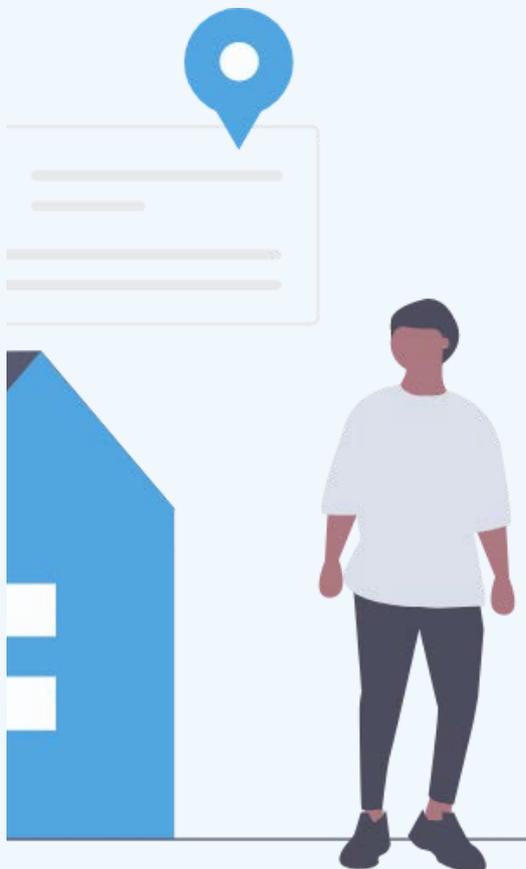
WHAT WAS THE QUESTION AGAIN?

So let's get back to the original question of this chapter. **What exactly does it mean to rent out your property?**

The short answer is it is not a mystery. It requires a little bit of effort mixed with a little bit of know-how, which is exactly why we produced this guide. As with anything, the first time you try something new it can seem

daunting, but it is not rocket science and it can be very rewarding.

Given the general dissatisfaction we hear from people and see from survey results, it is no wonder that more and more people choose to proceed with **finding and managing tenants without using an agent.**



RENT BETTER WITH RENTBETTER

This guide is to help you so
that you can do it too!



SUMMARY & TAKE-AWAYS

CHAPTER ONE



KNOW YOUR MARKET

A lot of Australians own property and interact with agents. ~70% of occupied private dwellings have been owned by their occupants in the last 50 years. Outstanding question about the value delivered for the cost incurred...



LEARN THE FACTS

The general perception and image of agents is fairly low when compared to other professions.

If the facts tell you that there is general dissatisfaction in dealing with agents, it might be time to consider proceeding with finding and managing tenants without using an agent.



PRICE AND VALUE

Familiarise yourself with the price/value table.

Think about what really matters to you.

Be sure to take steps to. move to a 'winner' for good.

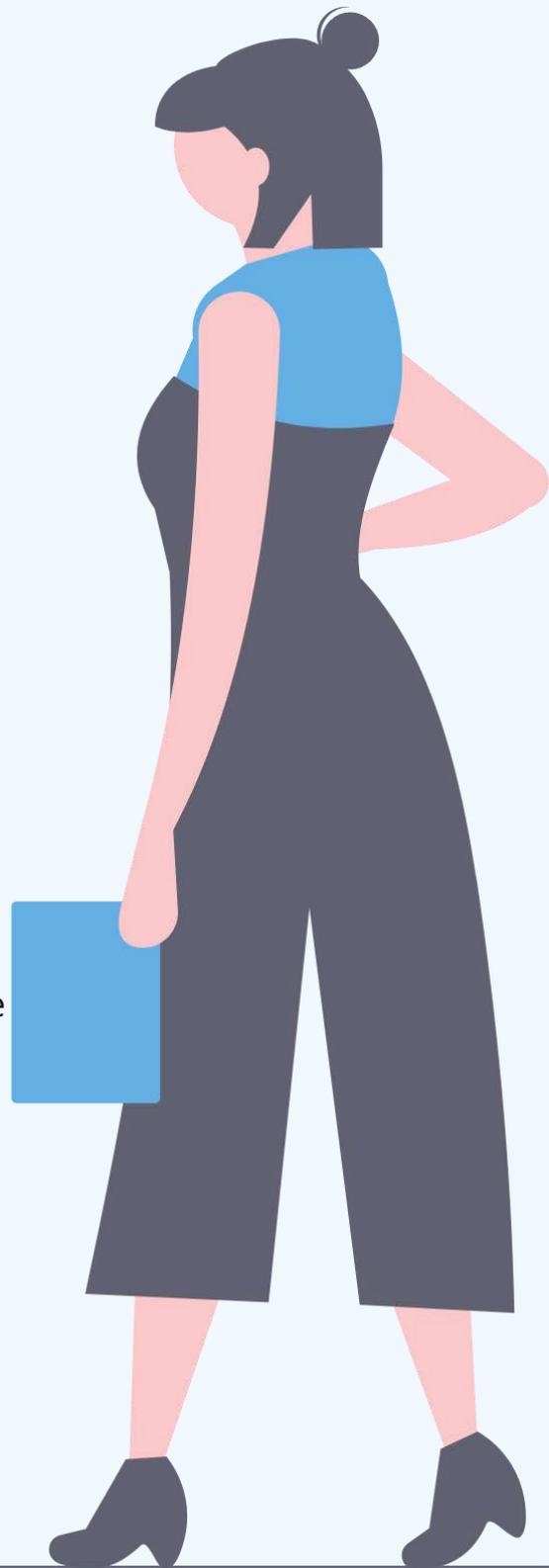
What exactly does it mean to rent out your property?

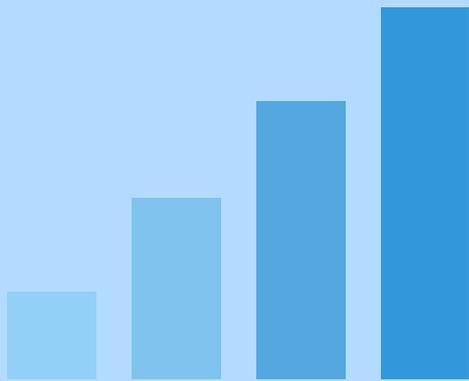
CHAPTER TWO

THE PROCESS OF RENTING OUT YOUR OWN PROPERTY

Before we dive into the specific tactics and tools at your disposal, it might be helpful to first talk about the process of renting out your property. There are definite steps that you can follow, either consciously or subconsciously. This chapter will outline the [six] fundamental steps in the process of renting out your property.

A quick disclaimer upfront. This is a guide and cannot possibly address every situation or be a prescriptive methodology. It is comprehensive enough to provide users with a general framework, but further advice should be sought as required.





STEPS TO FOLLOW

We will go through these in the subsequent pages and chapters.

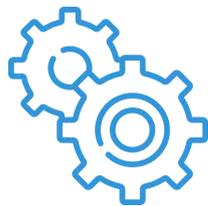


STEP	WHEN TO START?	WHAT TO DO?	WHEN TO END?
Advertise	Prepare 6 weeks prior to vacancy date.	<ul style="list-style-type: none">• Take photos• Draft and publish ad	When tenants are ready to move in.
Select	As prospective tenants enquire.	<ul style="list-style-type: none">• Inspections• Applications• Reference checks	When tenant identified and approved.
Contract	Prepare documents as tenant approved.	<ul style="list-style-type: none">• Guide• Agreement• Bond• Condition report.	After lease documents signed.
Onboard	Once lease documents signed.	<ul style="list-style-type: none">• Exchange keys• Establish payment schedule	After 1-2 rental payment cycles completed.
Manage	At lease commencement.	<ul style="list-style-type: none">• Track rent• Issue receipts• Manage requests.• Insurance	At the end of lease.
Complete	At end of lease.	<ul style="list-style-type: none">• Final inspection• Bond return	Keys returned.



SUMMARY & TAKE-AWAYS

CHAPTER TWO



REMEMBER SIX STEPS

- I. ADVERTISE
- II. SELECT YOUR TENANTS
- III. LEASE
- IV. ONBOARD YOUR TENANT
- V. MANAGE YOUR PROPERTY
- VI. COMPLETE



SET & MANAGE GOALS

Set actionable goals to help you get everything done.

Remember that six step process is a guide, and not prescriptive. You'll have your own way of doing things, and that's great!

But be sure to set goals to make sure you're on track for success!

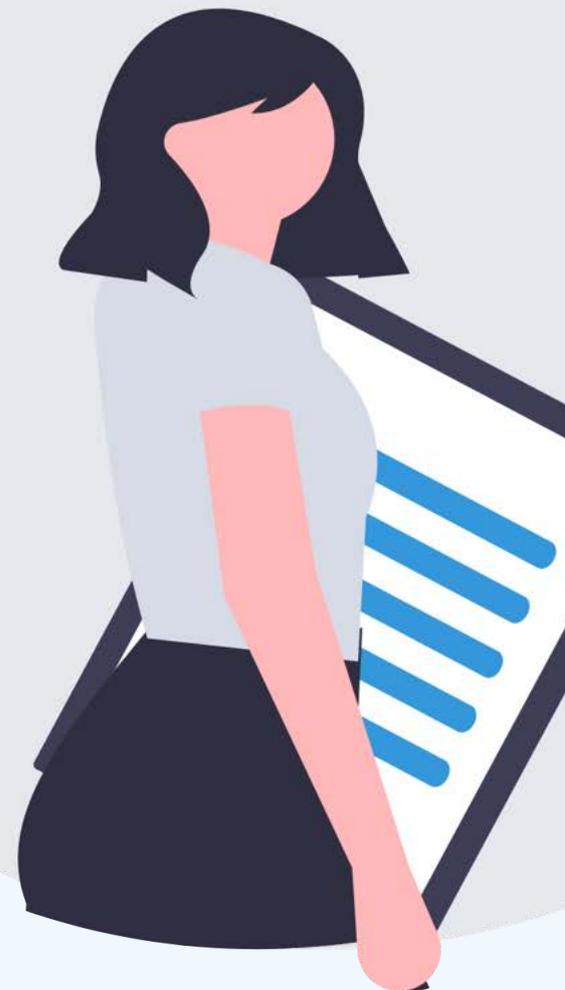
CHAPTER THREE

THE PROFILE OF SOMEONE WHO RENTS OUT THEIR PROPERTY

As this new world of renting out your own property comes to prominence, those who are interested in embarking on this journey will wonder if they have what it takes. As with anything, you get out what you put in and certain kinds of individuals will flourish more than others.

Let's debunk a few myths... But first a quick disclaimer. The data we have used in this next section is from a 2012 Australian Tax Office study. Yes, it's a few years old now, but there has not been another study quite as comprehensive since.

So, in this instance we accept slightly older information for the benefit of detailed insights into Australian property owners..



COMMENCE DEBUNKING...

The two most common myths about property ownership appear to be:

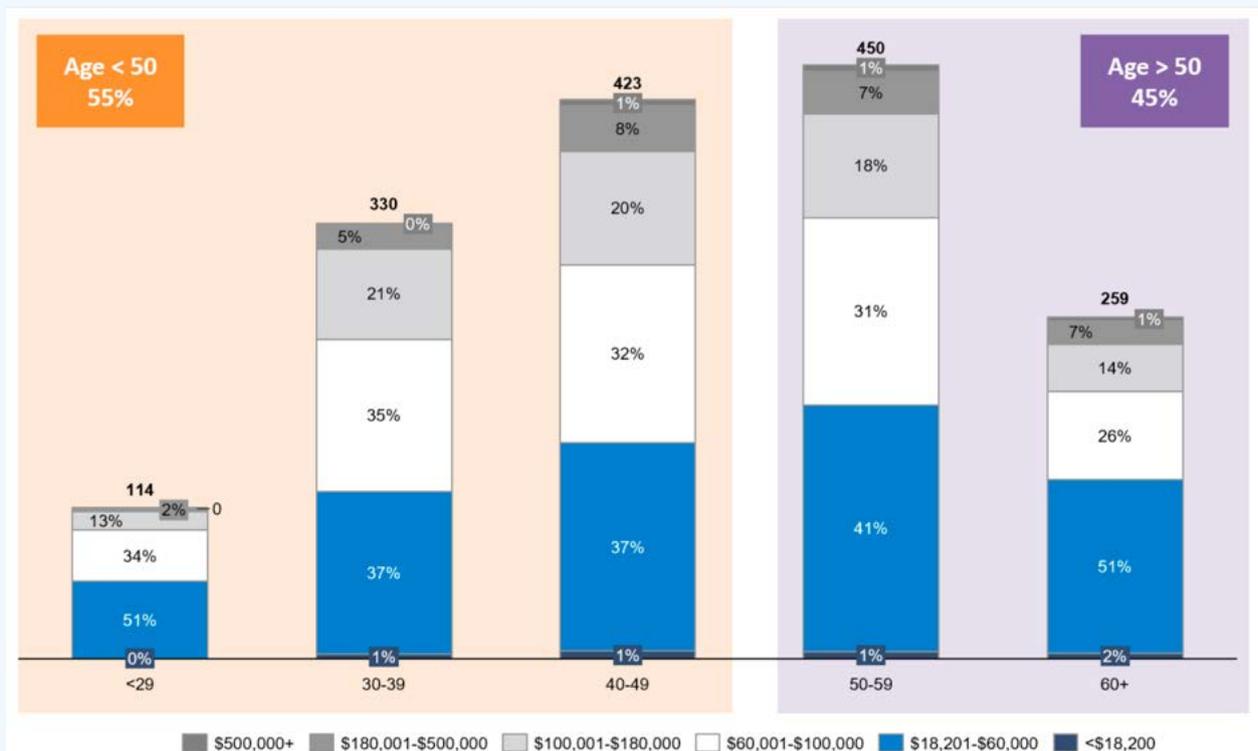
- (i) You have to be old
- (ii) You have to be rich

Let's look at the data to see if it supports this...

This chart is incredibly helpful in dispelling the two myths...

The orange segment on the left shows the percentage of people claiming rental income on their tax who are under age 50. The purple segment on the right shows the percentage of people over the age of 50. Now, it's worth pausing for a moment to consider what age is 'old', but we randomly picked over 50 and under 50, and you can see that 55% of people sit in the under 50 category. I think it's fair to say that the data shows you do not have to be 'old' to own property and receive rental income.

AGE & INCOME DISTRIBUTION CHART



AGE & INCOME DISTRIBUTION CHART

The second thing this chart shows is the income distribution by age bracket.

If you look at the royal blue and the white category which make up those who earn \$18k to \$100k, you can see that fairly consistently across most of the age brackets, they make up about **70% of those claiming rental income.**

There has been a lot of talk about negative gearing recently and

that it is just for rich people.

Where we draw the line at who is considered rich or not is a tricky one, it's fair to say those in the lower earning categories with rental income are something of a surprise.

Again, it's fair to say the data shows you do not have to be 'rich' to own property and receive rental income.



SO, WHO ARE THESE PEOPLE?

In chapter 1 we mentioned the high participation rate in property in Australia. This is reflected in the number and type of people who are then renting out their properties themselves.

So the answer to the two main questions:

(1) **who are the property owners in this country?**

and;

(2) **of those owners, who rents out their property themselves?**

The answer is... wait for it... drum roll.....

It's everyone and anyone who is an owner!

You don't have to be rich, you don't have to be old, or a specific gender or profession. Those who are renting out their properties themselves typically want one of three things:



To **save money and maximise their return** on investment



To have more **control** over their most valuable asset



To **remove the agent** from in between them and their tenant

If one of these sounds like you, let's get started!



SUMMARY & TAKE-AWAYS

CHAPTER THREE



DEBUNKING MYTHS

In Australia, property is owned by a wide variety of people – it's not just for the rich or the old, everyone seems to be involved in property.

~55% of owners are under aged 50 and ~70% earn less than \$100k p.a. according to Taxation statistics 2012/13



SAVE MONEY, GAIN CONTROL

Those who want to save money, have more control or remove agents from the process are likely to do it themselves.

CHAPTER FOUR

SETTING UP YOUR ADS - WHERE AND WHAT TO ADVERTISE

Advertising your property is essentially creating a funnel and a way to guide prospective tenants to your property. The goal is get exposure where people are searching, and then to generate interest.

We'll use this chapter to make it as simple as possible!

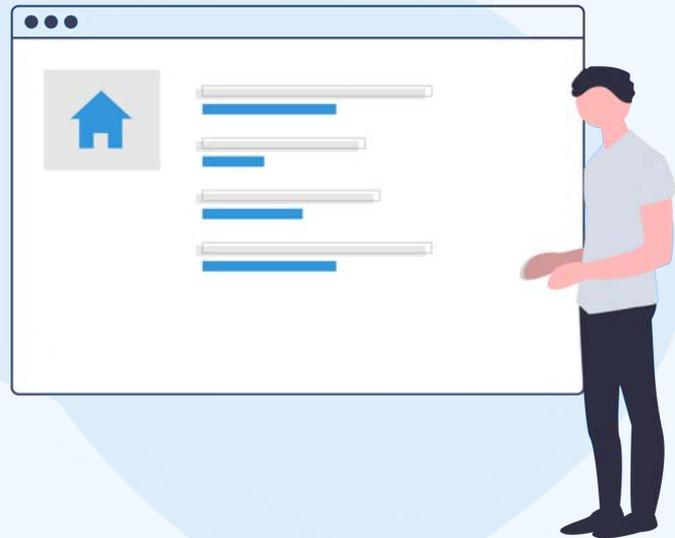
Maximise the size of the funnel

The first step is to maximise exposure for your ad to increase visits, enquiries, then convert those to applicants and tenants.

There is a pretty simple answer for where to advertise to maximise exposure - on **Realestate.com.au** and **Domain.com.au**.

Using these two sites is like '**standing on the shoulders of giants**'. They have done all the hard work of attracting prospective tenants to their sites so you can take advantage of the high volume of traffic.

There are of course other sites, and even some free ones, but our experience is that they offer a low quality of applicant and low volume of traffic, so it ends up being a waste of time rather than adding any value in this process.



UNFORTUNATELY, NO-ONE READS THE DETAIL...

It may seem odd to start an article about writing an ad for your property with this statement but it is a sad truth in today's world that unfortunately most people don't read your ad. Typically users are searching for a particular location (usually by suburb and/or postcode), a specific number of bedrooms, and then the price.

These three factors tend to help prospective tenants narrow in on a specific number of properties to investigate further.

So does this mean the ad copy and the photos are irrelevant?

We are not suggesting they are irrelevant, but let's face it, if you were deciding where to live with your family or a friend, would you choose the property with the better ad copy, or the one that largely met your **location and price criteria**?

So, first things first, PRICE!

If we know price is one of the main driver's of a prospective tenant's decision making process, then it pays to get this right. Having dealt with thousands of property owners we know how hard it is to reset price expectations. One thing we always recommend, is to do a search on realestate.com.au for properties with similar dimensions in your area, so you know your price is competitive. There is no point in asking for a price you think is fair when the person next door with a similar property is half the price.



WHAT TO INCLUDE IN YOUR AD

HEADLINE

A short catchy title for the property which highlights its best features e.g. "North bright facing balcony for entertaining"

DIMENSIONS

Property type, bedrooms, bathrooms, parking etc.

PRICE AND BOND

The weekly rent and amount to be held as bond

IMAGES

Because photos are front and centre of your ad, we have dedicated the following page to tips and hints

INSPECTION TIMES

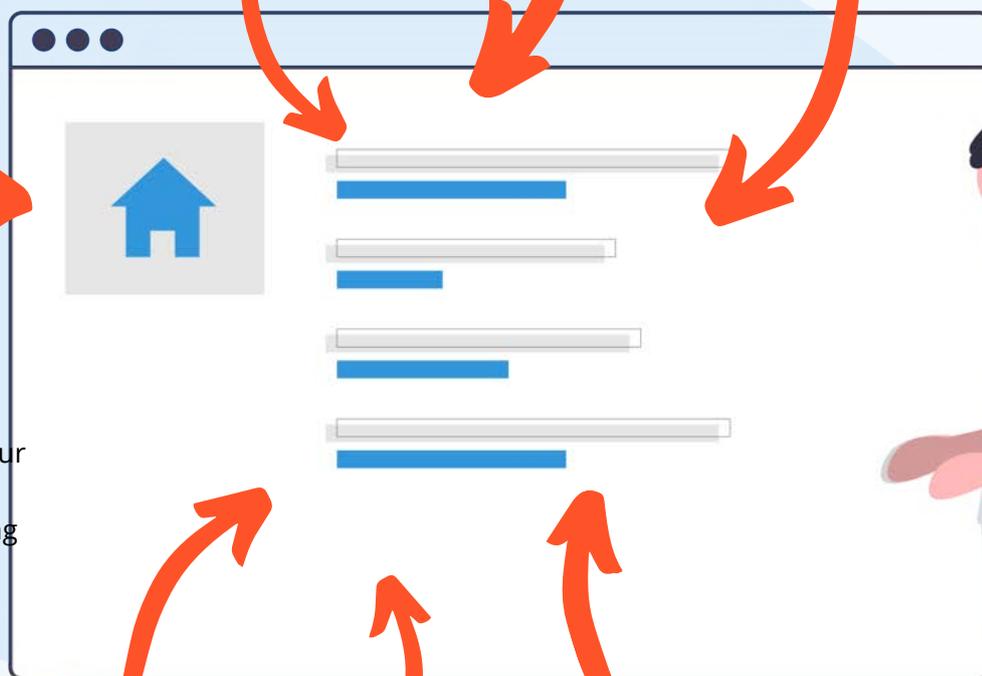
You can set specific times for people to view the Property, or leave this blank if you prefer people contact you.

DATE AVAILABLE

When is the property available?

DESCRIPTION

The main facts you want the prospective tenant to know about the property. It doesn't need to be 'war and peace' and you don't need to go over the top with details





Picture Perfect!

Including photos in your property advertisement is all about giving prospective tenants a glimpse of the property, and **putting your best foot forward** in terms of showing what it has to offer.

You don't need to be the next Annie Leibovitz or Anne Geddes to take great photos yourself, but you do need to have an idea of what you're trying to capture. Use the 7 tips below to get the best outcome. **Remember first impressions count!**

Prepare the space

Remove clutter, personal items and anything that may make the area look messy or unclean. Try to remove any unnecessary furniture, so there are just a few key pieces remaining in the room.

Natural light

Turn off the flash on your camera, open the blinds and the windows and try to let in as much natural light as possible. Do not face the sun or the direction of the light when you take the photo, let the light enter the room from behind you.

Follow the line

Keep horizontal and vertical lines in the photo as straight as possible. For example, ensure the floor or bench tops are horizontal across the image, rather than at an angle. If there are walls, cupboards or room separators, try to ensure they line up vertically with the photo and there are no diagonals. Removing distractions and interference for the viewer is worthwhile.

Aim low

Photos taken from a lower level often create straighter lines and suggest larger spaces. Try crouching down to get the best interior shots.

Cast wide

Start in the corner of the room, or even in a door way so you can show the full width and capture the entire space available.

Release your inner stylist

There is no need to go overboard trying to find the latest styles and accessories for your room, but if there is an opportunity to fill a vase with flowers, or show off your best pillows and decorations, then this is it!

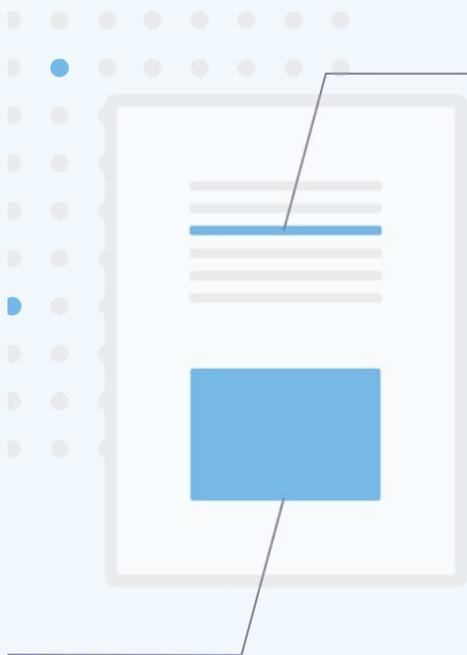
Be selective

Take about 10-15 photos, and select the best photo as your 'hero' and lead exhibit for your ad. Remember, you do not need to show every photo, select carefully.

I DRAFTED MY AD, I AM PRICE COMPETITIVE AND I HAVE GREAT PHOTOS, NOW WHAT?

The next step is actually the easiest part of the process. You now need to publish your ads on **Realestate.com.au** and **Domain.com.au**.

You may find it quite expensive or that you are unable to publish directly onto those sites, and that is where RentBetter can help! We offer a one-off upfront fee for you to list your property ad on those two sites until you have found a tenant.



RENTBETTER CAN HELP

Go to [RentBetter.com.au](https://rentbetter.com.au) and click on the create ad button to get started. You can upload your details and get going in a very short amount of time.

Let's get started....



SUMMARY & TAKE-AWAYS

CHAPTER FOUR



START BY CREATING AD

Think of your ad as a funnel, start with maximum exposure for your ad.

Consider your price and how competitive you are in the market.

Draft a simple ad and attach photos.



HOW WE CAN HELP

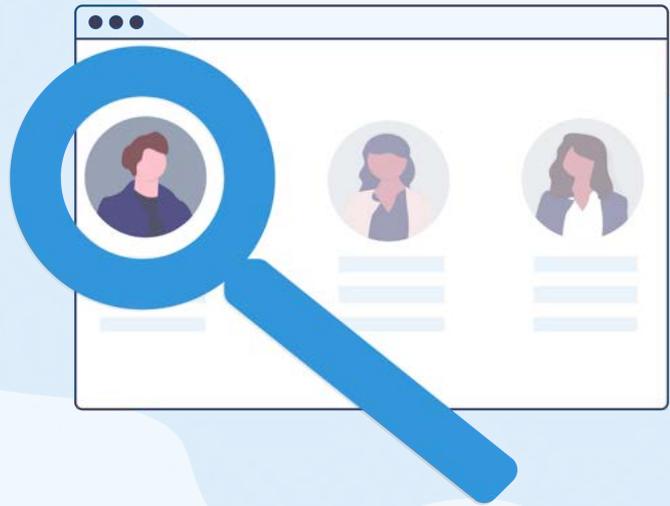
Use RentBetter to advertise on realestate.com.au and Domain.com.au to increase audience.

Go to [RentBetter.com.au](https://rentbetter.com.au) to get started.

CHAPTER FIVE

INSPECTIONS, APPLICATIONS AND THE SELECTION PROCESS

As much as we'd all love prospective tenants to just sign on the dotted line, there are very good reasons for both owners and tenants to go through a thorough process of vetting one another before entering into an agreement.



It all starts with the inspection

Every week there are thousands of property inspections conducted around the country. Depending on the market conditions at the time, a property can be rented after just a single inspection, or in some cases, multiple inspections are required.

Although inspections are a fairly routine process, it helps to have a checklist which you can refer to each time, so that you don't forget or skip over important items.

On the next page you can find a checklist that you may find useful as a reference point prior to inspections. As much as we'd like it to be completely comprehensive for every owner in every situation, we recognise there are always specific items for your unique circumstances.

INSPECTION CHECKLIST

- Publish your ad with inspection times** so people come through in groups rather than single time slots
- Notify your current tenants in writing** (email/sms) at least 7 days before the inspection time
- Arrive at least **15 minutes before** the inspection time and start on time
- Put up a **sign** if the entrance is difficult to find, or **leave instructions** to buzz in an apartment block
- Ask tenants to **take pets/animals out of the property during the inspection**
- Ensure the property is **clean** (ask tenants to help by not showering or leaving a lit cigarette or food in sink just before the inspection begins)
- Open doors, windows and blinds**
- Remove hazards** that can cause people harm (e.g. electrical cords, wet floors, children's toys, sharp objects, uneven steps)
- Ask tenants to **keep valuables out of reach** or out of sight during inspection
- Stand at the front door** to greet those arriving at the inspection
- Be prepared** for the 2-3 questions tenants may have (e.g. start date, weekly rent, noise levels etc.)
- Have application forms**, or the web address for the tenant to complete the form online

FROM INSPECTIONS TO APPLICATIONS

It's likely that a number of people who inspect your property will now want to apply. There are industry standard applications as well as state based templates, but ultimately you should be collecting information that will help you decide who is the right tenant for your property.

HOW TO DECIDE WHO TO SELECT?

There are two questions that every owner should ask themselves about their prospective tenants:

- 1. Can they pay?**
- 2. Will they treat the property with respect?**

While it may seem obvious who the right candidate is based on answering these questions, it's worth considering some scenarios.

SCENARIO ONE:

You are deciding between a single high paid lawyer, or a young professional couple with modest income, both of whom are employed – who do you pick? Most people would say the lawyer, as the high salary can provide you with a higher return on your property. However, it is worth considering that the rent you have requested is likely to be the same in both instances, and should the high paid lawyer lose their job, they will no longer be able to pay. The couple, on the other hand have two sources of income, and in the event that one loses their job, the other can still pay. This will mean you will not incur any inconvenience or loss of rent. Now, this may not be the correct answer in every situation, but it is certainly worth thinking about as you make your decision.

SCENARIO TWO:

Your applicant presents very well on paper. A secure job for several years, a solid bank balance, and has been pleasant to deal with over the phone. However, when you start to dig a little bit deeper into their references and make a phone call to a past landlord, you find out that they were often late to pay their rent and in fact did not get their bond back in their previous rental due to damage to the property. It is worth considering that even when you think you have the right person, a more thorough check may prove that they are in fact not the right person to have in your property.

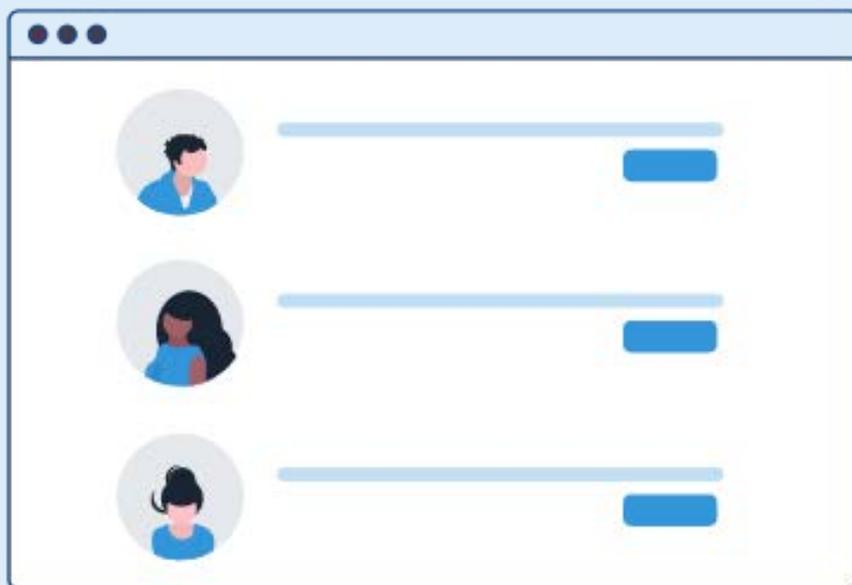
HOW CAN I BE CERTAIN ABOUT MY DECISION?

Unfortunately before the lease begins, it is impossible to guarantee with 100% certainty that you are picking the right person.

We strongly recommend that you take the time to make a few phone calls for reference checks, and also run a tenant check report (RentBetter provides you access to the NTD - National Tenancy Database) to add extra protection.

Considering how important rental income is for most people, it is well worth the effort to find out whether your prospective tenant has been timely with past rent payments and does not have any marks against their name on the tenancy database.

To run an NTD report, head to [RentBetter.com.au](https://rentbetter.com.au)





SUMMARY & TAKE-AWAYS

CHAPTER FIVE



PROPERTY INSPECTIONS

Give current tenants notice of inspections.

Use a simple inspection checklist to ensure you don't forget anything.



SELECTING TENANTS

Select tenants based on ability to pay and willingness to treat property with respect

Always conduct reference checks and run a (NTD) National Tenancy Database report for extra protection.

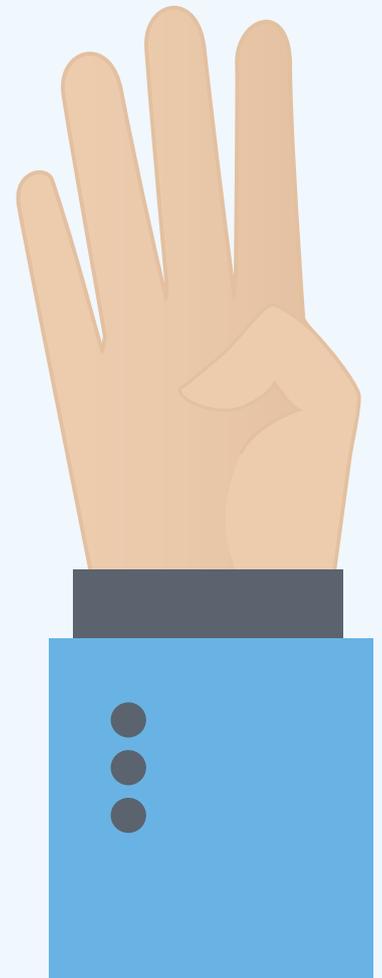
CHAPTER SIX

COMMENCING YOUR LEASE THE 'RIGHT' WAY

The quote 'start as you plan to proceed' rings true when managing your own property. It's certainly not rocket science, and can be an extremely rewarding experience (both financially and personally).

Get the basics right with the big 4

Each state in Australia has their own government agency and regulatory requirements to comply with, but there are consistent themes regarding the approach to renting out your own property. Starting a lease typically consists of 4 key elements, which have slightly different names depending on which state you are in, but ultimately have a similar intent and outcome.



INTRODUCING THE BIG 4



GUIDE

A guide or checklist provides the tenant with what they should know or understand before signing a lease



LEASE

A residential tenancy agreement (or lease) is the legal contract and terms between the owner and the tenant



BOND

A rental bond is a security deposit a tenant pays at the start of a tenancy which is lodged with the state government.



CONDITION REPORT

This report records the general condition of the property, on a room by room basis, and is signed within the first 7 days of the lease by both the owner and tenant.

State-by-state guide for relevant lease information

State	Contact	Relevant Documentation
NSW	Office of Fair Trading 13 32 20	<ol style="list-style-type: none"> Guide (click here) – to be provided to tenants prior to signing a lease Lease – to be completed and witnessed with tenants Bond (click here) – Register with Rental Bonds Online to access bond lodgement capability electronically or to download a paper-based form. Condition report (click here) – to be completed by the tenant within 7 days of moving in
VIC	Consumer Affairs Victoria 1300 558 181	<ol style="list-style-type: none"> Guide (click here) – new tenant checklist and tenancy guide for Victoria Lease (click here) – to be signed and with no cooling off period Bond (click here) – All rental bonds for properties in Victoria must be lodged with the Residential Tenancies Bond Authority Condition report (click here) – to be completed at the start of the tenancy
QLD	Residential Tenancy Authority 1300 366 311	<ol style="list-style-type: none"> Guide (click here) – some of the basic rules of renting in Queensland Lease (click here) – to be signed prior to, or within five days of moving in Bond (click here) – download a paper-based bond lodgement form Condition report (click here) – to be completed at the start of the tenancy
WA	Department of Commerce 1300 304 054	<ol style="list-style-type: none"> Guide (click here) – Landlord and tenant guides for Western Australia Lease (click here) – Residential tenancy agreements Bond (click here) – All rental bonds for properties in WA must be lodged via the BondsOnline system Condition report (click here) – to be completed at the start of the tenancy
SA	Consumer and Business Services 13 18 82	<ol style="list-style-type: none"> Guide (click here) – Landlord and tenant brochure for SA along with landlord information to be provided to the tenant Lease (click here) – Residential tenancy fixed-term agreement Bond (click here) – Register and lodge rental bonds online or using a paper-based form Condition report (click here) – to be completed at the start of the tenancy
ACT	Access Canberra 13 22 81	<ol style="list-style-type: none"> Guide (click here) – The Renting Book outlining tenant and landlord rights and responsibilities in the ACT Lease (click here) – Standard residential tenancy agreement Bond (click here) – Bonds may be lodged via email or mail using a paper-based form Condition report (click here) – to be completed within 2 weeks of moving in.
TAS	Residential Tenancy Authority 1300 366 311	<ol style="list-style-type: none"> Guide (click here) – The Rental Guide for landlord / tenant in Tasmania Lease (click here) – Ask us for a copy of a template residential tenancy agreement Bond (click here) – Bonds may be lodged via MyBond or mail using a paper-based form Condition report (click here) – to be completed at the start of tenancy
NT	Consumer Affairs 1800 019 319	<ol style="list-style-type: none"> Guide (click here) – Guide to renting in Northern Territory Lease (click here) – Ask us for a copy of a template residential tenancy agreement Bond (click here) – Bonds paid to private landlords are held in trust. Condition report (click here) – to be completed within 3 days of the start of the tenancy.

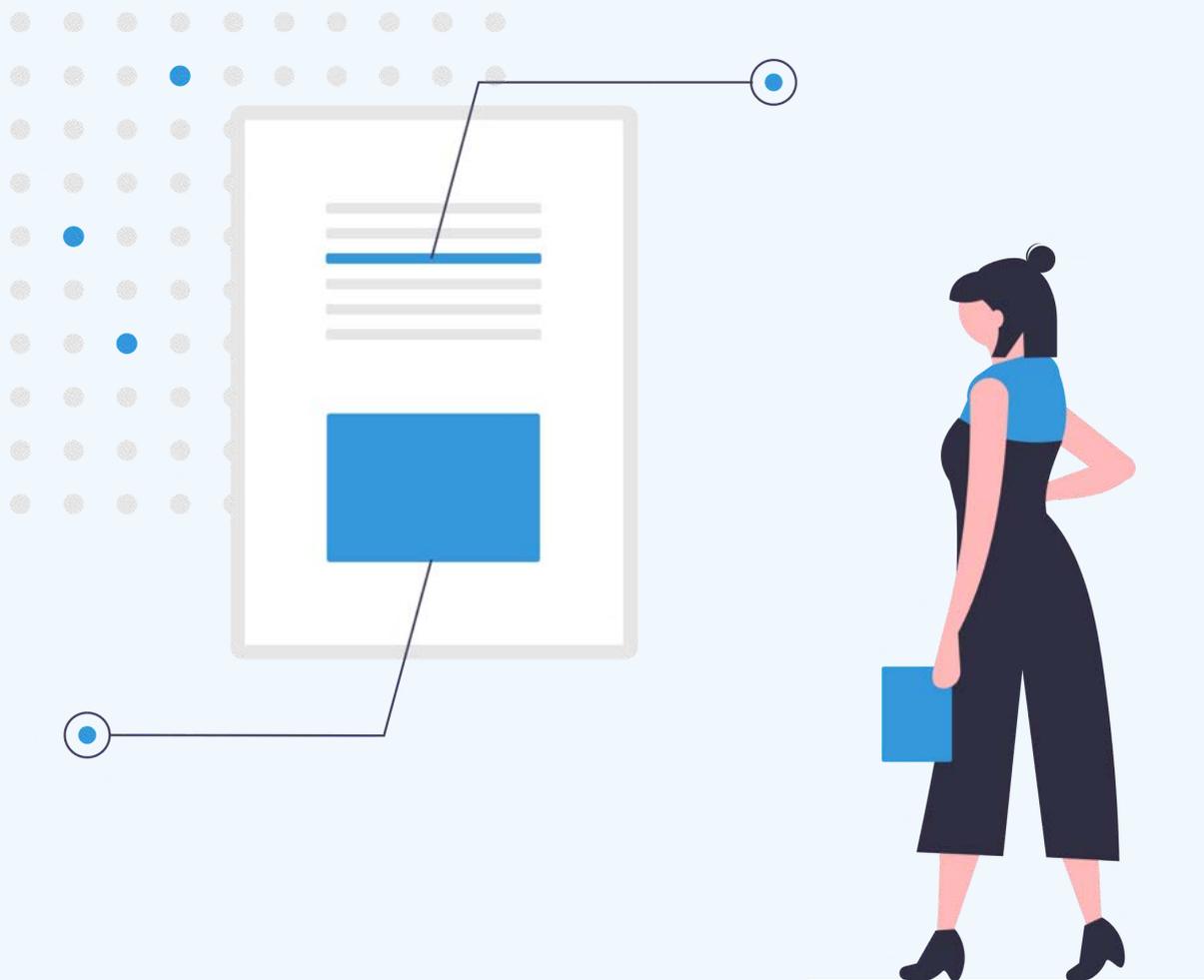
Please see above for the relevant Government office and links to key documents. Please note, we do our best to keep the links up to date, but unfortunately they may move from time to time.

USE THE DOCUMENTS AND RESOURCES AVAILABLE

Almost all the state governments have published compliant documents for you to use, and also provide a support service over the phone for you to ask questions.

After familiarising yourself with the **'Big 4'** documents in your state, if you still have questions, we highly recommend you contact your relevant state government authority. They are there to help remove obstacles and ensure you are meeting your obligations.

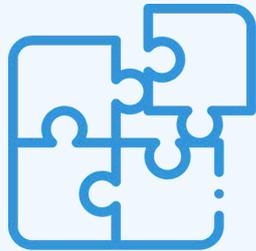
If you need help, don't be shy to call and ask for help!





SUMMARY & TAKE-AWAYS

CHAPTER SIX



THE BIG FOUR

Remember the 'big 4'
are:

- (i) Rent Guide
- (ii) Lease Agreement
- (iii) Bond lodgement
- (iv) Condition Report



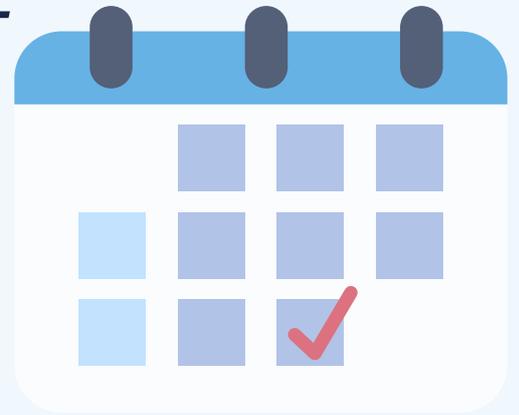
STATE GUIDES

Review the relevant
templates for
your state.

Don't be shy to contact
the relevant
government authority if
you require
further help.

CHAPTER SEVEN

ON-BOARDING YOUR TENANT WITH A RENTAL SCHEDULE



Yes, it is as simple as creating a payments schedule and ensuring the tenant pays on time. But 'what gets measured gets managed' and if you don't manage payments you could find yourself in hot water if something goes wrong. This chapter will help you set-up a transparent payment schedule for you and your tenant.

HOW SHOULD I CALCULATE MY RENT?

We often get asked what the best way to calculate rent is, the best frequency to collect rent, and the best approach to receiving payment. As with most things involving money, the best approach is to keep it simple and transparent.

There is a common approach to calculate a monthly rental amount which supposedly provides a simple monthly number that gives you a smooth rental income 12 months of the year. The formula applied is typically to **divide a weekly rental amount by 7, then times 365 days and then divide this all by 12.**

However, we have found the **opposite**, and that with a majority of our customers and their tenants, this causes a lot of **confusion** and **friction** at both the commencement and end of the lease.

HOW SHOULD I CALCULATE MY RENT

This formula leaves a lot of room for error and confusion, and can make it difficult if the lease is not completed in a perfect monthly 'billing' cycle. We typically recommend keeping it simple by charging a weekly rental amount (after all this is how you advertise a property) and collecting rent more frequently than just once a month or every four weeks.

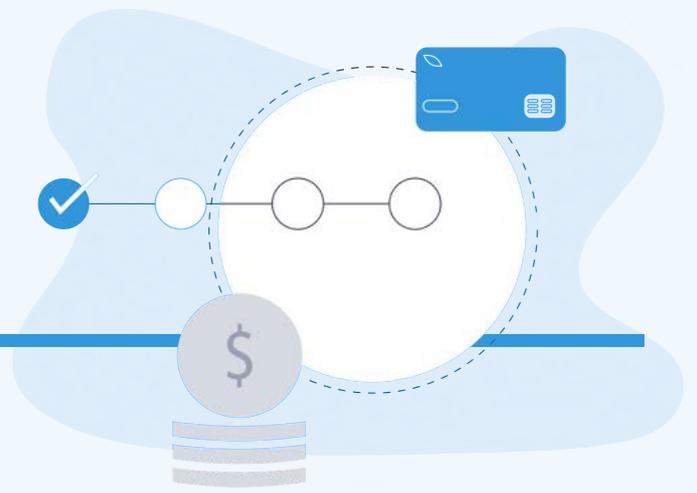
A **weekly rental collection tends to be a bit too frequent** for both tenant and landlord, but fortnightly is 'just right'. It is common for people to be paid at this frequency, and it also ensures there is a regular contact and payment from the tenant rather than waiting longer periods where the risk increase as more time passes.

When collecting rent, most owners will request a direct debit transfer into their bank account, or an automated payment schedule from bank to bank. While this can be very effective, there are two things it **cannot solve**:

1. If the tenant **misses a payment**, or pays an incomplete amount, you will need to be **on top of bank transfers and payments** to be **aware** this has happened.
2. There is **no agreed record of payment** between landlord and tenant including a ledger and receipts for payment



RENTAL LEDGER



You may like to keep track of a rental ledger like in the example below, and issue receipts manually. We do not doubt that this will work as a solution, but it unfortunately still does not notify you of emerging issues with rental payments for your property.

Rental Ledger - [Property Address]						
Weekly Rent Amount						
Payment Frequency						
Owner Name						
Tenant Name						
Week	Period Start Date	Period End Date	Amount Due	Amount Paid	Date Paid	Outstanding



SUMMARY & TAKE-AWAYS

CHAPTER SEVEN



CALCULATING YOUR RENT

Use a weekly rental price, and collect more frequently than just monthly or every 4 weeks – try fortnightly



PAYMENT SCHEDULE & LEDGER

Rental payments should be supported by

- (i) Payment schedule
- (ii) Rental ledger
- (iii) Receipts

Automate as many tasks as you can to keep the process simple and easy

CHAPTER EIGHT

MANAGEMENT, MAINTENANCE, MONEY AND OTHER HINTS

It may seem daunting at first, but one of the most exciting parts of renting out your own property is the ability to control expenses and ultimately the return on your investment. There are a number of other items like insurance, depreciation schedules and tax to consider. This chapter will help you navigate this the first time.

WHAT IS MY MANAGEMENT APPROACH?

When managing a property it is not just the structure of the property that you are managing, but also personal relationships between you and the tenant, trades, as well as some of the government bodies you may engage along the way. With this in mind, it pays to have the right mindset for managing, and here are some golden rules we have found useful over time:



COMMUNICATE

Be clear and concise and specific about dates, times, costs and expectations. No one can read your mind, so if you haven't stated it clearly there is room for misinterpretation.



LISTEN

Be fair and listen. Not every situation is simple, and many tenants and trades are trying to do the right thing. Don't jump to conclusions and try to be fair and listen before judging.



BE OPEN

Encourage your tenants to tell you when there are problems. You want to know as soon as possible, so thank them for reporting them to you.

WHAT DO I DO WHEN SOMETHING BREAKS?

Like most things in life, the first time you deal with something it can be tricky, but the second, third and fourth time it will be **'no big deal'**. *Maintenance for your property is much the same...*

It's most likely that you will not be the one directly fixing the problem, and so identifying the right person to help solve it is the **first step**. Typically an electrician and plumber are able to cover the most critical maintenance tasks, or at least those that are likely to cause an emergency. Once you have found reliable tradies in this area, **it's worth developing a relationship and going back to them for future work so that they are familiar with your property and can solve any problems quickly.**

If you have not been able to find a reliable or trustworthy person, we suggest asking family and friends for recommendations, or alternatively there are a number of online websites like [serviceseeking.com.au](https://www.serviceseeking.com.au) with vetted trades, where you can post a job and receive quotes directly. This can be an effective way to build a network of trusted professionals.

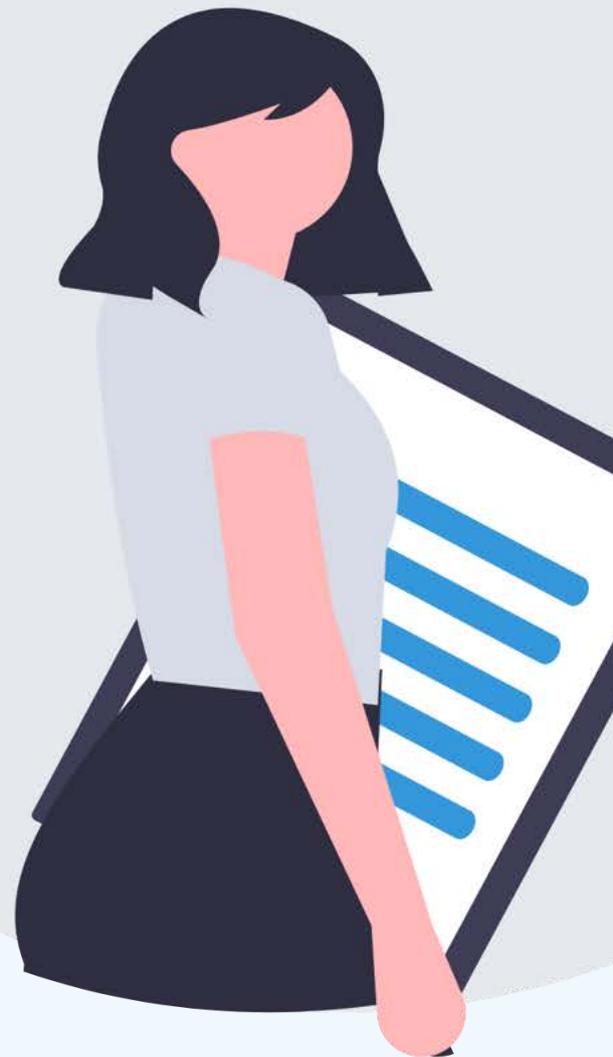
Once you have **direct contact with the right people**, we recommend responding to tenant requests **as quickly as possible** so they immediately see how much you care about their wellbeing and your property. One of the biggest complaints about traditional property managers is that they are slow to react which creates unnecessary friction with tenants for the duration of the lease. Act quickly and you will see the benefits.

HOW DO I KNOW I AM DOING A GOOD JOB?

The **million dollar question** for anyone considering taking on a challenge or task themselves. Traditionally agents manage a property's maintenance and other tasks on behalf of the owner, and as a result there was an incentive for one party to make things sound a lot more difficult and complicated than they perhaps need to be. Taking on the challenge of managing a property yourself can be incredibly rewarding and you'll notice it immediately.

So how do you tell if you're doing it well?

1. Your tenants will respond to you promptly and respectfully.
2. You'll know ahead of time when things need to happen, so there will be fewer surprises. Finally, you'll feel that you're in control.



NEED SOME HELP?

To prevent maintenance requests from creeping up to you, it is important to conduct regular rental inspections of your rental property during the term of a tenancy. Identifying small issues early on can save major headaches later on. It can also be a good opportunity for your tenant to raise any concerns they might have or to show you things that need to be fixed. We have created a [rental inspection checklist and guide for landlord property inspections](#).

Nonetheless, there will be times where the routine inspection won't catch the problem, and you'll be dealing with incoming maintenance requests from tenants. Luckily, **RentBetter have set up a platform to help you manage these requests.**

HOW IT WORKS



UPLOAD REQUEST

When something goes wrong, the tenant will upload a maintenance request through the RentBetter Management Platform.



NOTIFY LANDLORD

Once a request has been lodged by the tenant, you will receive a notification of the maintenance request.



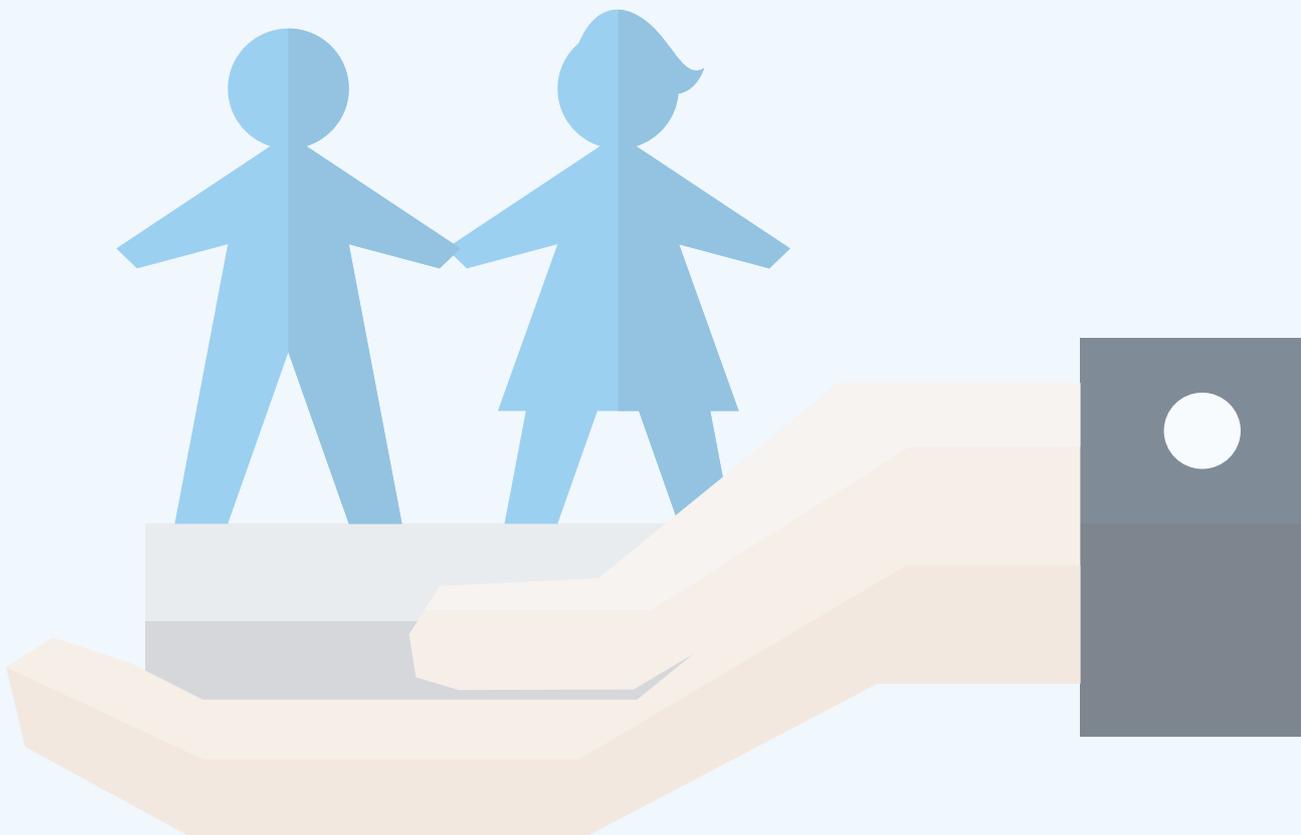
ACTION & RESOLVE

Handle the maintenance request & get the job done! Compile a list of professionals in your area to ensure you can respond to requests ASAP!

GET INSURED!

We'll deal with rental payments in the following chapter, so we thought it would be worth taking a moment to discuss **insurance**. Although for many people this is a boring topic that seems like a cost, we think it's a **critical layer of protection for any property owner**, and you should be excited about the value for money available when you find the right product. It can cover you when the tenants do not pay, or if something happens to your property.

There are a range of different products at **different costs** in the market. You do need to do some research, but one thing we can say for certain, is that you should look into this for both peace of mind, and as a way to reduce risk the with your property.





SUMMARY & TAKE-AWAYS

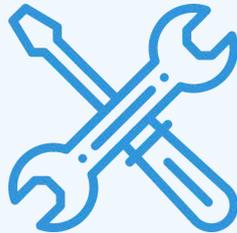
CHAPTER EIGHT



MANAGEMENT TECHNIQUES

Develop your own management approach, but remember to

- I. Communicate.
- II. Be fair and listen.
- III. Be open.



STAY ON TOP OF MAINTENANCE

Find a reliable plumber and electrician, and develop an ongoing relationship with them.



RENTBETTER CAN HELP

RentBetter will help you stay on top of maintenance requests.

Respond and manage requests efficiently.

The tenant will upload the request, you'll be notified and resolve it ASAP!

CHAPTER NINE

BUT WHAT IF MY TENANTS DON'T PAY?

Perhaps the greatest fear of any property owner, is what to do in the event a tenant stops paying. Industry professionals use this as a way to generate fear in landlords who will hopefully hand over the keys to them to take over. Have no fear, there are processes and procedures for how to deal with this situation and this chapter will direct you to the right place for guidance.

FRAMEWORK FOR RESPONDING

Consider the acronym **ORNA**:



OVERDUE

if your tenant is a few days late on rent it is a good idea to send them a reminder as they might have just forgotten payment. However after a set period the unpaid rent is considered to be in "arrears" and legal options should be considered.



RESOLUTION

the first step should always be to try resolve the problem directly with the tenant, with the intention of coming to an agreement for which the rent is repaid in the short term.



NOTIFICATION

If the landlord and tenant are unable to come to an agreement (or after the rent becomes legally arrears), it is essential to issue the tenant with a legal notification outlining the details of the unpaid rent.



APPLY

If rent remains unpaid following the notification, the landlord should consider their legal options. This may involve issuing a Notice to Evict and/or file an application to the local courts or Tribunal.

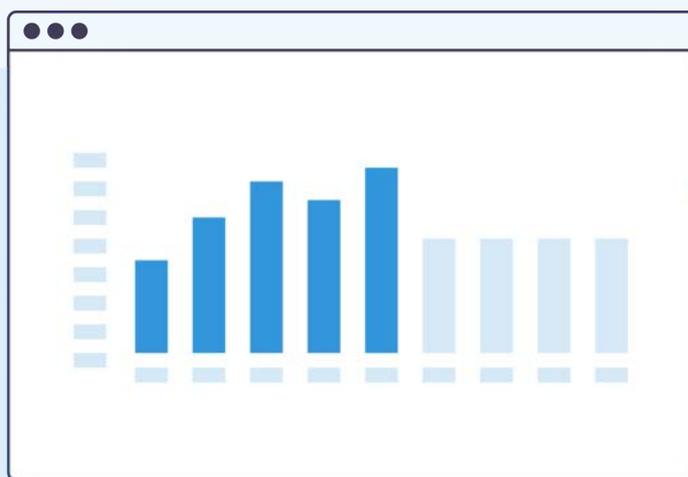
WHAT TO DO IF A TENANT IS LATE TO PAY THEIR RENT?

When dealing with unpaid rent each state has different legislation to protect landlords. We have compiled a high level overview for each state on the following pages. **For more detail and conditions see our blog.**

It is important to remember that at all stages of this process the landlord cannot use physical force to remove the tenant. Law Enforcement can assist in the eviction following an approval in the “Apply” stage

USE RESOURCES & KEEP RECORDS

Almost all the state governments have published compliant documents for you to use, and provide a support service over the phone for you to ask questions. To improve the efficiency of the legal proceedings it is important to follow your state’s rules and keep thorough documentation detailing all unpaid rent, communications and legal fillings between yourself and the tenant.

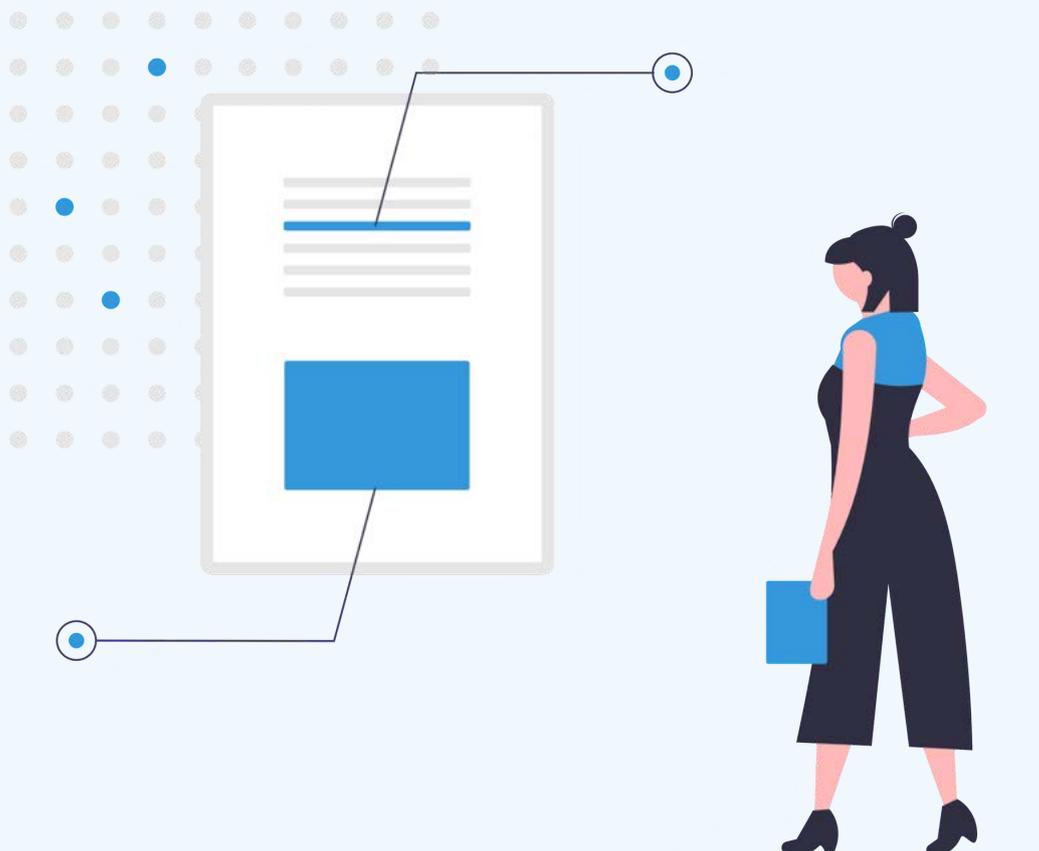


HOW WE CAN HELP

A number of the tasks described on the previous pages are fairly mundane, repetitive and straight forward. While these are often completed by landlords today, the team at RentBetter have worked very hard to automate these tasks and provide you with a better way to find and manage tenants.

With RentBetter, once you onboard your tenant, a payment schedule is created for both owner and tenant where you can see payment dates and a ledger based on the history of payments. If a payment is missed or fails for some reason, notifications and alerts are sent to owners and tenants to take action quickly.

Rent the way it's supposed to be..... **RentBetter.com.au.**





SUMMARY & TAKE-AWAYS

CHAPTER NINE



MANAGE LATE RENTAL PAYMENTS

Use the acronym
ORNA.

Formal notice of unpaid rent should always be given to tenants.



KNOW THE LAW

Don't stress... laws exist to protect landlords in the event of unpaid rent.

Each state's rules are different. Landlords should be familiar with the required action for their state.



RENTBETTER

RENTBETTER CAN HELP

Use RentBetter for an automated, real-time management system for rental payments.

CHAPTER TEN

HOW RENTBETTER CAN HELP

We are changing the face of the Australian property market. Forever!

We help property owners to find and manage tenants without using an agent, and at a fraction of the cost. If you want total control, transparent pricing and the ability to manage your property like a pro with our technology, then sign-up now!

WHAT'S NEXT?

If you made it this far then we have to assume that you are interested in learning ***how to find and manage tenants without using an agent***. So here is some practical guidance on the next steps from here.

Managing is a skill that will improve over time, but the only way to improve, is to practice. Reading this guide is one thing, and we hope we have pointed you in the **right direction**.

However, you will find that using RentBetter to support you through the process is life changing! Some people may say 'managing your own property is just some crazy hype from tech companies that will go away'. Well to those people we say look at the many examples where doing it yourself has taken over – from the taxi industry to hotels, travel, media and selling personal objects – **in all these industries the do it yourself model has changed the way things work in an irreversible way**.



HOW TO SIGN-UP & GET STARTED

Visit [Rentbetter.com.au](https://rentbetter.com.au) to get started.



Click 'Get started' on the blue button on the top right corner of the page.



Enter your contact details to sign up to RentBetter. Select your property type on the Let's Get Started page.



You will have the choice between residential sale, residential rental and commercial rental.



Select 'Find & Manage' to complete the rental process the RentBetter Way.



Follow the given prompts by entering your property details to create your ad.



Proceed to payment.



Manage your property by clicking on 'My Properties' on the left sidebar.

CONCLUSION



CHAPTER ONE: WHAT DOES IT MEAN TO RENT OUT YOUR OWN PROPERTY?

- A lot of Australians own property and interact with agents. The perception of agents has been fairly negative over time. I
- t's unclear why perception has been negative, but perhaps price and value delivered have a part to play?
- This guide is here to help you get started and find and manage tenants without using an agent.



CHAPTER TWO: THE PROCESS OF RENTING OUT YOUR OWN PROPERTY

- A 6 step process can be used to find and manage tenants
- The process is a guide, not prescriptive
- There are 6 steps: (i) Advertise, (ii) Select, (iii) Contract, (iv) Onboard, (v) Manage, and (vi) Complete.
- Set actionable goals and get started today!

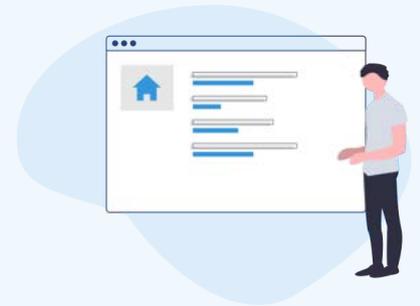


CHAPTER THREE: THE PROFILE OF SOMEONE WHO RENTS OUT THEIR OWN PROPERTY

- In Australia, property is owned by a wide variety of people – it's not just for the rich or the old, everyone seems to be involved in property!
- ~55% of owners are under aged 50 and ~70% earn less than \$100k p.a., according to Taxation statistics 2012–13.
- Those who want to save money, have more control or remove agents from the process are likely to do it themselves.

CHAPTER FOUR: SETTING UP YOUR ADS - WHERE AND WHAT TO ADVERTISE?

- Think of your ad as a funnel, start with maximum exposure for your ad.
- Advertise on realestate.com.au and domain to increase audience
- Consider your price and how competitive you are in the market.
- Draft a simple ad and attach photos.
- Go to RentBetter.com.au to get started!



CHAPTER FIVE: INSPECTIONS, APPLICATIONS AND THE SELECTION PROCESS

- Give current tenants notice of inspections.
- Use a simple inspection checklist to ensure you don't forget anything.
- Select tenants based on ability to pay and willingness to treat property with respect
- Always conduct reference checks and run a National Tenancy Database (NTD) report through.
- RentBetter for extra protection.



CHAPTER SIX: COMMENCING YOUR LEASE THE 'RIGHT' WAY

- Remember the 'big 4' are (i) Rent Guide, (ii) Lease Agreement, (iii) Bond lodgement, (iv) Condition Report
- Review the relevant templates for your state.
- Don't be shy to contact the relevant government authority if you require further help.



CONCLUSION



CHAPTER SEVEN: ON-BOARDING YOUR TENANT WITH A RENTAL SCHEDULE

- Rental payments should be supported by: (i) Payment schedule, (ii) Rental ledger and, (iii) Receipts.
- Use a weekly rental price, and collect more frequently than just monthly or every 4 weeks – try fortnightly
- Automate as many tasks as you can to keep the process simple and easy



CHAPTER EIGHT: MANAGEMENT, MAINTENANCE, MONEY AND OTHER HINTS

- Develop your own management approach, but remember to:
 - Communicate
 - Be fair and listen
 - Be open
- Find a reliable plumber and electrician, and develop an ongoing relationship with them
- Take out landlord insurance – research and find the right product



CHAPTER NINE: BUT WHAT IF MY TENANTS DON'T PAY?

- Don't stress... laws exist to protect landlords in the event of unpaid rent
- Each state's rules are different, landlords should be familiar with the required action for their state
- Formal notice of unpaid rent should always be given to tenants
- Thorough records and documentation are your best friend

A DEFINITIVE GUIDE TO
**ADVERTISING & MANAGING
YOUR RENTAL PROPERTY**

THANK YOU

Get started today
with [RentBetter.com.au](https://rentbetter.com.au)!