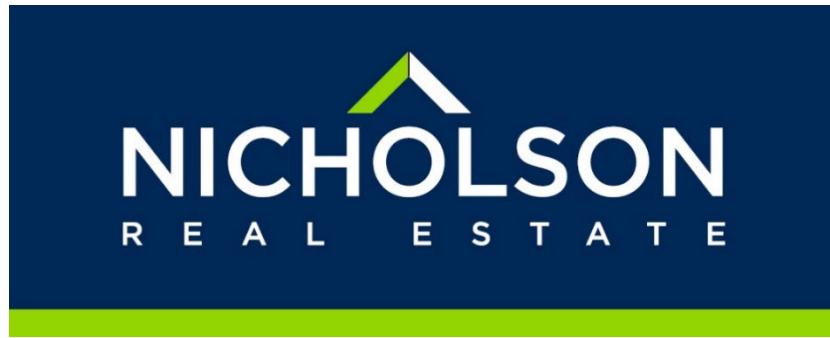


Nicholson Real Estate
Landlord Information Booklet





Offering a blend of 50 years' experience in real estate, at Nicholson Real Estate we treat you like an individual and do not fit you or your property into a standard program. We pride ourselves in tailoring our services to each and every Landlords need. We have designed & systemised our management services to meet and exceed the requirements of Investors, Landlords and Tenants.

Our Property Management Department offers a personalized and professional service in all aspects of Residential & Commercial Leasing. We offer the complete package, from the initial market appraisal, the tenant selection and complete management of your property.

THE NICHOLSON TEAM

Alex Djorgonoski	Director/Auctioneer
Gabriel Mercuri	Licensed Estate Agent
Rose Hellingman	Administration Manager
Jim Pillios	Senior Property Consultant
Tim Donahoo	Licensed Estate Agent
Nick Djorgonoski	Property Manager/Sales Consultant
Manny Tomazos	Property Manager
Claire Spring	Sales Consultant
Alicia De Angelis	Property Manager
Anh Vo	Trust Accountant/Bookkeeper
Mariane Christou	Reception Desk/Administration
Drita Nuka	Reception Desk/Administration
Elroy Lim	Licensed Estate Agent
Annette Cantone	Administration

Nicholson Real Estate

*Unlike some of the larger agencies,
we treat you like an individual.*



SERVICES PROVIDED BY NICHOLSON REAL ESTATE

We believe that marketing to a wide range of the community is important, as it brings your property to the attention of the maximum number of prospective tenants in the shortest possible time. Increasing the potential of finding a suitable tenant can only reduce the amount of time the property is vacant.

MARKETING A RESIDENTIAL PROPERTY

Our Leasing strategy involves:

- Property listing on 4 internet websites:
realestate.com.au domain.com.au propertyview.com.au nicholsonre.com.au
- We maintain a large database of potential tenants who are automatically notified when a property becomes available.
- 'Property of the Month' window display.
- Eye-catching 'FOR LEASE' board.
- We have a strong marketing presence through our network of offices, complemented by quality signage.
- Social Media posts.



CHECKLIST FOR LANDLORDS PRIOR TO LEASING

The following information is provided to help you in preparing your property for occupancy. It is essential that your property retains or increases its value, this can best be achieved by attending to the following items:

External:

- Lawns are trimmed and green waste removed
- All garden beds are neat and tidy
- All weeds are removed
- Garage and carport are clear of rubbish and or furniture
- All gates are safe and secure
- All fencing is secure

Internal:

- All electrical/gas appliances should be clean and in working order
- Exhaust fan in bathroom and kitchen are clean and in working order
- Walls and ceilings in good condition
- Kitchen cupboards and drawers should be clean, open and close properly
- All floor coverings are clean and carpets steam cleaned
- All windows fitted with flyscreens and lock securely
- Fly screens should be clean, free of dust and cobwebs
- All doors close and lock securely

Well-maintained properties ensure that vacancies are kept to a minimum and income to its maximum. We do strongly recommend that no belongings of value, monetary or sentimental to be left at the property. For example: Antique furniture, prize-winning rose bushes.



LEASING A RESIDENTIAL PROPERTY

Selection of Prospective Tenants

Finding the right tenant for your property is extremely important at Nicholson Real Estate. All prospective tenants are carefully screened. Our aim is to get the best possible tenant for your investment property by following strict guidelines in the tenant selection process.

We are members of major tenancy databases so prospective tenants are checked according to industry standard.

Prospective tenants must complete a detailed application form (example enclosed) and we carry out a 100 Point Identity Check before any application processing commences.

Key information we look for:

- Stability in employment
- Proof of income
- A proven history of satisfactory renting
- Parent Guarantor where applicable

We guard our reputation of providing our clients with the most suitable applicants to lease their investment properties.

Once the applicants' suitability as a tenant has been fully established a final decision must be made. To ensure that we have found the right tenant to suit your property, you, the owner, are always involved in this final stage. We will always offer our professional recommendations on any applications for your property & believe that the extra effort at the beginning will assist us to manage the property and people throughout the tenancy.

BOND

Once a suitable tenant for your property has been confirmed, we prepare the necessary documentation and the lodgement of the rental bond in accordance with the Residential Tenancies Act 1997.

The amount of a bond payment has been set by the Residential Tenancies Act, being the equivalent of 1 month's rentable. Bond payments are equivalent to one month's rent; If your weekly rent is \$350 or less, the bond cannot be more than the equivalent of one month's rent. This money is forwarded to the Residential Tenancies Bond Authority who holds the money for the duration of the tenancy.

All prospective tenants are requested to pay the bond amount within 48 hours once approval of their application is given. Only once this payment is made is your property taken off the rental market.

CONDITION REPORTS

Prior to the signing of any Residential Tenancy Agreement, we will carry out a carefully detailed condition report of the property. Copies of the condition report are signed with the tenant and the original kept in our office for future reference as a safeguard against any damage that may be caused.

You may also wish to take photographs of individual rooms for the property. This is useful evidence should any disputes arise as to the condition of the property during the tenancy. We also advise that no belongings of value, monetary or sentimental, be left on the premises.

SIGN UP APPOINTMENTS

On the day of the lease commencement your personal Property Manager will conduct a sign-up appointment. This appointment is made to discuss with the tenants their responsibilities and rights as a tenant. On this day is when the first month's rent is collected.

MANAGING A RESIDENTIAL PROPERTY

RENT COLLECTION

For security purposes our office endeavours not to keep cash on the premises. Rent payments are made hassle free for our tenants by the way of DEFT (Direct Electronic Funds Transfer) Payment Systems. Each tenancy is issued with a registration number which can be used over the phone or the internet with the tenants nominated bank account or credit card. These systems assist the tenants paying their rent and tend to reduce their falling into arrears.

DISBURSEMENT OF RENTAL MONIES

To ensure that rental monies are disbursed with convenience, rental statements are produced once a month. Monies can be deposited directly into a nominated bank account or a cheque can be drawn and posted to you. A rental statement is produced giving you the details of the amount of rent collected and any charges you may have incurred for the month. If a tradesperson has been paid from the rental an invoice outlining the works is also attached to your statement.

In an attempt to keep your administration costs down, rental monies are not disbursed until the full monthly rental has been paid. Statements are produced and forwarded to landlords on the first business day of each month.

MAINTENANCE

Throughout the tenancy, certain maintenance items may be required. It is our policy that all maintenance be reported to us in writing, giving details of each item and availability for tradesmen to attend the property.

Our policy is to report directly to you for repairs. We require a minimum of 3 contact numbers from our Landlords for the reporting of maintenance. If you are unable to be contacted or if urgent repairs are required, due to the tenant's health or safety being affected, we will proceed with repairs at our discretion.

We have a network of trusted tradesmen who look after all properties managed by us. If you have preferred tradesmen that you would like us to use for your property, please forward these details to your property manager.

We monitor repairs very closely and act on all repairs, according to your instructions in the Owner Instruction Sheet. However, should a repair of an urgent nature (as specified in the Residential Tenancy Act 1997) be reported, we need to attend to this as soon as possible as these items are considered essential services.

(Maintenance cont'd)

Urgent Repairs must be attended immediately, and these items include:

- A burst water service
- A blocked or broken lavatory system
- A serious roof leak
- A gas leak
- A dangerous electrical fault
- Flooding or serious flood damage
- Serious storm or fire damage
- A failure or breakdown of the gas, electricity or water supply to the premises
- A failure or breakdown of any essential service on the premises for hot water, cooking, heating or laundering
- Any fault or damage that causes the premises to be unsafe or not secure

Non-Urgent Repairs are required to be attended to within 14 days of notification. Certain maintenance items like gas & electrical repairs require certified tradesmen. Minor works can be carried out by the Landlord.

We maintain a complete record of all maintenance on your property for future reference. By keeping a maintenance report, we are able to save you money by eliminating payment for repairs which may be covered under a warranty period.

(Maintenance cont'd)

Repairs carried out at your property are paid for from monies held in our Trust Account on your behalf.

To achieve the maximum return from your residential investment, each property must be maintained in the best possible manner.

All outgoings including repairs and maintenance are tax deductible

RENT ARREARS

We take particular care and considerable time in our tenant selection process. By adhering to our firm policy of not accepting tenants who do not meet our stringent suitability criteria, we minimise our rental arrears. However, regardless of the care taken, occasionally tenants fall into arrears. Arrears reports are generated every day and formal letters sent weekly.

In the event of the tenants falling into arrears, we endeavour to contact the tenants by telephone or email to discuss any problems they may be experiencing and a date on when the outstanding amount will be paid.

Our arrears reports start at 3 days from the due date, at this stage a rent reminder notice is sent to the tenant. If the rent remains unpaid at 9 – 10 days a second overdue notice is sent.

Under current legislation if the rental falls 14 days in arrears we may issue a 'Notice to Vacate' the property. Once this form is issued the tenants are given 48 hours to pay the outstanding amount directly to our office. If this payment is not made Tribunal Proceedings commence requesting possession of the property.

All tribunal hearings are held at the Victorian Civil and Administration Tribunal. Once a warrant of possession has been ordered, it is forwarded directly to the local police for execution within 14 days.

ROUTINE INSPECTIONS

It is our policy that every rental property under our management is inspected every 6 -12 months. The purpose of the inspection is to:

- Ensure the property is being maintained
- Complete a maintenance checklist
- Review the current rental

To ensure that you enjoy the full market conditions, we regularly assess the property and the rental amount, taking into account such factors as current market rents, the vacancy factor of similar properties in the area, the general condition of the property and the quality of the tenant and the length of their tenancy.

Landlords are welcome to be in attendance for the inspection, if this is your preference please inform your property manager of this so a convenient time can be confirmed with the tenant.

Once the inspection has been carried out Landlords are supplied with

- A report on the general condition of the property
- A report as to whether the tenants are maintaining the property in the manner as provided in the tenancy agreement
- A review of the rent in line with current market conditions
- Any maintenance required
- Our recommendations

LEASE RENEWALS & RENT REVIEWS

When the current fixed term lease agreement is three (3) months from expiry a report is generated for review by the Property Manager. Landlords are advised in writing, with recommendations on the rental amount and the service to offer the tenants another fixed term agreement.

(Lease renewals cont'd)

Only once the Landlords approval is given is an offer of a lease renewal made to the tenants. Every attempt to negotiate a renewal is made but tenants cannot be forced to sign an additional fixed term lease and may prefer to stay on at the property on a periodic basis (month to month). Once the negotiations are completed Lease Renewal Schedules are forwarded to the tenants for signature.

If a rental increase is warranted this will only be done once instructed by the Landlord (preferably in writing) once issued a Rent Increase takes a minimum of 60 days to take effect. A copy of the Rent Increase notice will be provided to you for your records.

END OF TENANCY

Tenants who wish to vacate the property at the end of their tenancy must inform our office in writing giving 28 days' notice. Once this notice is received contact is made with the Landlord to discuss the renewal of the authority to re-lease the property.

A pre-vacating inspection may be carried out to familiarise the Property Manager with the property, to renew any photos for the internet listing and to assess the current condition. If a Pre-vacating inspection is conducted a letter will be forwarded to you with any recommendations, we may have.

On the day of vacating, it is requested that the tenant returns all property keys to our office. A final inspection is carried out within 48 hours of receipt of the keys. Once the inspection is completed the details are reported to the landlord. Any issues that arise from the inspection are dealt with quickly and professionally. Photos are always taken of any damage caused or cleaning that is required. Tenants must always be given one chance to return to the property and rectify any problems. If after the tenants have returned to the property, the property remains damaged or unclean we can start to arrange for professional tradesmen to attend to the required works.

If there is any dispute in the outcome of the condition of the property, we request to have the matter reviewed by a member at the Victorian Civil and Administrative Tribunal.

(End of tenancy cont'd)

Bond monies are not returned to the tenants until both the Landlord and Agent are 100% satisfied with the condition of the property. Once the property is ready for re-leasing to new tenants, our marketing campaign begins again.

We hope this manual assists you with any questions you may have about the leasing and management of your property. Please feel free to contact our office with any further inquiries.

SCHEDULE OF FEES AND EXPENSES

Management Fee	A percentage of the total rent collected
Letting Fee	A fee on each initial letting to interview, secure and place new tenants into a property together with a lease and condition report
Re-letting Fee	A fee for the negotiating of lease renewal terms & preparation of required documents to the current tenants
Internet/Listing	A fee for the listing of full details of property including photography on 4 high traffic websites
Advertising	Advertising incurred following consultation with the client
Tribunal Matters	Serving of notices and warrants through the Victoria Civil Administration Tribunal includes application fees, postage and parking at hearings
Outgoings	As authorised and expended
Statement Fee	A fee to cover the costs related to bank charges, transfers and postage
General Bank Charges	Includes B.A.D.

THE FOLLOWING FEES ARE SUBJECT TO GST

LEASING

Initial Internet Listing	\$165.00
For Lease Board	\$88.00
National Tenancy Check	\$14.00 per applicant (this check is optional, and the price is subject to change as per NTD's notifications)

MANAGEMENT

Commission	5% of the monthly rent
Letting Fee	1-week rent
Statement Fee	\$3.00 for direct bank transfer \$5.00 for cheque payments
Lease Preparation	\$100.00
Re-letting Fee	\$55.00
Tribunal Fees	\$63.70 Application Fee \$111.30 Warrant of Possession (Tribunal fees are subject to change as per Consumer Affairs notifications)

***Above listed fees are tax deductible**