

## The New NSW Residential Tenancies Act - Notable Changes

**Rent payment** - The maximum amount of rent in advance that can be requested from any tenant is two weeks. Tenants can voluntarily pay more if they want to.

**Repairs & Maintenance** - The new law regarding alterations *does not* give tenants the right to make alterations without approval from the landlord. Tenants must *still* get written permission before doing any alterations to the property. Under the new Act, landlords must not unreasonably refuse requests from a tenant to add a fixture or make a minor change to the property.

**Water Usage** - Landlords will need to install water efficiency measures in their rented premises *before* starting a new lease if they want to charge their tenants for water usage.

**Sub-letting** - If a tenant wants a new or replacement co-tenant to move in and sign the lease, the tenant first needs to ask the landlord for permission. Under the new laws, a landlord cannot unreasonably refuse a tenant's request to bring in a new co-tenant or sub-let *part* of the premises. The law says it is reasonable for a landlord to refuse a sub-letting or co-tenancy request - If it would result in overcrowding, if the person was listed on a bad tenant database or if the number of occupants permitted under the lease would be exceeded.

**Rights Of Co-Tenants** - The new laws recognise the rights of co-tenants for the first time, if there is a dispute, a co-tenant can apply to the Tribunal for an order to terminate their own tenancy, the tenancy of another co-tenant, or the tenancy as a whole, which would bring the agreement with the landlord to an end.

**Sale of rented premises** - If rented residential premises are to be sold, the tenants must be told about this at least 14 days before the first inspection is to take place. Under the new laws, the selling agent must try to come to an agreement with the tenant about what days and times the premises will be open for inspection. Two inspection periods each week are allowed and the parties can negotiate if more access is required.

If the tenant and the agent cannot agree the agent or landlord still has the right to show the property to potential buyers. They don't need the tenant's consent but the tenant must be given at least 48 hours notice. No more than twice week. The tenant may ask for a rent reduction during the inspection period to compensate them for being inconvenienced. It is up to the parties to negotiate what the amount of any discount might be.

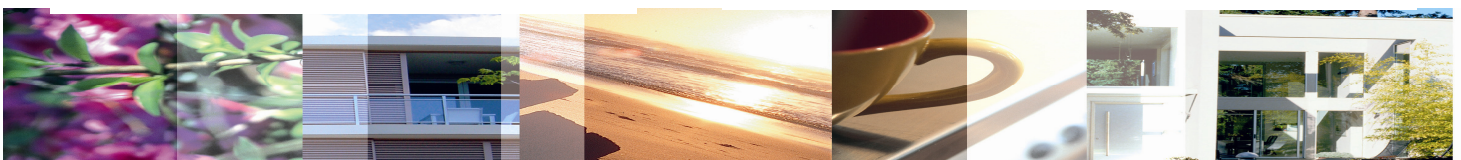
**Termination notices – End of Fixed Term** -Under the new Act, a landlord or agent has to give at least 30 days notice if they want the tenant to move out *when* the fixed term period ends. Under the old laws, this was 14 days notice

**Periodic Tenancy** - Also changing under the new Act is the notice period that applies when the fixed term has *already* ended. The landlord or agent has to give at least 90 days notice if they want the tenant to move out *after* the end of the fixed term. Under the old laws, this was 60 days notice.

The new laws also allow a tenant to leave at any time after receiving notice from the landlord *without* having to give their own notice. In addition, the tenant is only liable to pay rent until they return vacant possession to the landlord, and by that we mean they have moved out and handed the keys back.

### Rental Market

- Properties Leased in March : 34
- Average Days on Market: 12
- Current Vacancy Rate: 0.9%
- Average Length of Lease: 11 months



## Common Mistakes Property Investors Make Indifferent Expectations

When it comes to property management, it is good to have the right understanding and expectation.

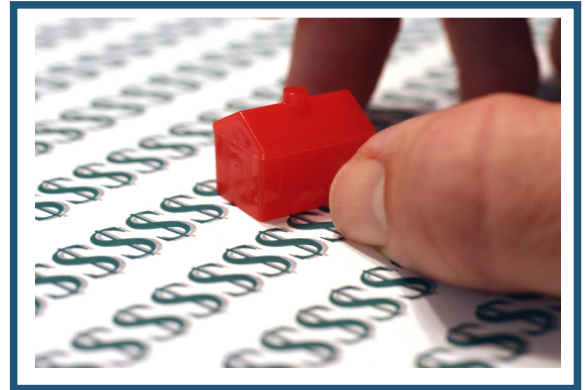
Here are some common areas that can cause conflict and upset with property owners and investors:

**General 'Wear and Tear'**- Understand that every person who rents your property will live differently to you.

'Wear and Tear' is the allowance of some 'bumps and scratches' to paintwork, woodwork and other items however we also must be aware of the lifespan given to a number of key items in the property like **carpets are seen to have a 10 year lifespan being need to be replaced and paintwork is given 5 years etc**, and so if these items are damaged, then their age is taken into account at the time of loss.

**The Rent Arrears Process**- we are a strong believer in the zero tolerance approach!

Tough, early intervention is the key to ensure that rent arrears do not get out of hand. However every now and then, despite all our best efforts a tenant may for whatever reason not pay and the situation is headed for eviction. However as in just about all cases the rent left owing has exhausted the bond, let alone clean-up and re-letting expenses It is crucial not only to understand there will be a substantial financial loss, but also we strongly urge landlords to be covered by quality landlord insurance. (speak to your property manager for more details).



**Repairs and Maintenance**- everything that is provided as part of the tenancy, whether inside or outside, on the grounds or in a shed, has been provided in good working order. If an item breaks down, it must be repaired within a reasonable time frame. If it cannot be repaired, it must be replaced quickly.

Unfortunately with the threat of further action by a tribunal and compensation awarded to a tenant it is far easier and cheaper to quickly allow for repairs or replacement of items to occur.

These factors keep you, the property owner and investor with the right expectations and to enjoy your valuable property investment more!

### We are Part of an Elite Group!

**Leading Property Managers of Australia** is a National Property Management Industry Association that represents the very best in residential property management. Being part of this group means we have agreed to a strict code of conduct and high level of service to qualify for membership, and we receive the best training resources available in Australia.

All to ensure your peace of mind that you receive the very best service available!



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