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HOW MANY PEOPLE CAN LIVE IN YOUR RENTAL PROPERTY?

If you own an investment property, you will probably lease it to tenants so you can minimise the holding costs.

Because of this, one issue that may come up is the number of people who reside in the home.

What are the requirements for resident numbers in a rental property?

Let's say you own a four-bedroom investment property. Generally speaking, it will be accepted that only one individual or couple occupies each room. So you are likely to have a maximum of eight adults.

The exception to this general understanding is children, who may sleep two or three to a room.

Based on this, here are some things to keep in mind:

- **You have a right to know who is living in the home**
As a landlord/rental property owner, you should ask your tenants to sign an agreement confirming the number of residents and their names. If someone does move in without approval, you can refer to the contract and end the lease if you need to.
- **More isn't necessarily better**
If your investment property is big enough to be a share house, you may decide that leasing it to a number of young adult couples will be a good idea because you can earn more money per room. However, consider the wear and tear, which is likely to be higher if you have two people in each bedroom.
- **Be mindful of strata bylaws**
If your investment property is in a strata building, there may be rules around maximum occupancy. Check these before you lease the property, or ask your property manager to do so.
- **Be clear about subletting**
Some tenants may wish to take on the role of 'head tenant' and sublet the property to others in a share house-style

arrangement. Subletting should not take place without your approval and there should be guidelines in place about how it is managed.

- **Think about bedrooms**
Living spaces and offices should not be converted into bedrooms to allow a house to accommodate more residents, especially if this contradicts strata bylaws.
- **Define 'guest'**
It is fine for your tenant to have friends and family to stay for the night but some people blur the lines around who counts as a visitor/guest. Your rental agreement may need to be specific about the number of nights someone can spend in the property before their name is added to the lease.
- **Consider safety issues**
Another thing to keep in mind is safety. If too many people are residing in a home, it can be an issue in the event of a fire.
- **Work with your property manager to keep an eye on resident numbers**
It's not possible to know exactly how many people are living in your rental property unless you visit regularly and this can cause a different set of issues.
If people are living in the home against the rules, they may take steps to avoid being 'caught' during property inspections. If there are concerns about too many tenants or other issues with the property, they can get in touch about the situation.
Working with an experienced and responsible property manager will help you make sure your rental property is not overcrowded. Your property manager will create a rental property contract, ensure it is signed and keep an eye on the property on your behalf.
Want the support of a reliable and experienced property manager? Contact your local Professionals office today.



WHO IS RESPONSIBLE FOR PEST CONTROL IN A RENTAL PROPERTY?

In Australia, rats, cockroaches, termites and other pests are unfortunately a common problem. However, when they show up in a rental property, the landlord and tenant may be confused about who is responsible for getting rid of them.

If you're a tenant, the following information will help you understand the basic guidelines around this situation.

Who is responsible for a pest infestation in a rental property?

The first thing to note is that landlords have a duty to provide and maintain a fit and habitable dwelling. This includes taking steps to prevent pests from infesting the property.

However, tenants also have a role to play in preventing pest infestations, by storing food properly, keeping the premises clean, making sure their pet doesn't have fleas and reporting any pest issues to the landlord promptly.

In New South Wales, Fair Trading explains that the person who is responsible for pest removal depends on:

- Whether or not pests or vermin were already a problem when the tenant moved in
- Whether pests have entered or an infestation has developed because of a problem with the property
- Whether the tenant contributed to the problem

So if the property has pests when the tenants move in or starts to show signs of having pests immediately after, unless the landlord and property manager can prove it is because of something the tenant has done, the landlord must cover the cost of getting rid of them.

However, if the property is clearly pest free when you move in and you leave rubbish lying around or fail to keep the place clean, it will be up to you to pay to get rid of the resulting rats, mice etc.

In Victoria, according to Consumer Affairs, if there is a problem because of something to do with the building structure, the tenant/renter can ask for urgent repair/pest removal. Again, if the landlord/rental property provider can prove the people living in the home have contributed to the infestation, they can request that they sort out the problem at their own expense.

Tenants Queensland quotes the Residential Tenancies and Rooming Accommodation Act 2008 and says the lessor, agent or provider must maintain the premises in good repair and in a state fit for the tenant to live in, while the tenant must keep the place clean and not damage it. If a tenant follows their responsibilities and does not cause a pest problem, then regardless of what is written in your agreement, the lessor, agent or provider will be responsible for pest control.

The rules are similar in Western Australia, South Australia and other states.

In some cases, landlords may be fined for failing to address pest infestations caused by issues with the property, while tenants may be evicted if they breach their lease agreement by failing to maintain the home to the point where creepy crawlies move in.

Use a property manager to avoid pest control issues

If you're planning to lease a property, what's most important is to have things clearly noted in writing before you move in. On the day you move in, take note of the condition of the home and take pictures if you spot holes in the walls or evidence of termite damage.

A quality property manager will have already taken the right steps to make sure the home is pest free. This is why it makes sense to work with a professional rather than leasing directly from someone who may not be aware of the rules around pest control and rental properties.

**Want help to ensure you're renting a home in good condition?
Reach out to your local Professionals representative today.**



HOW TO SELL IN A SLOWER MARKET

After the property price peaks of the pandemic and nine consecutive interest rate rises, it's hardly surprising that Australian property prices have begun to stall.

If you purchased your home prior to the pandemic, it is more than likely you are ahead financially. However, with buyers being nervous because of interest rates and uncertain economic conditions, it may be a little trickier to sell than it was two years ago.

To make sure your home stands out to the buyers who are out there (and there are always buyers out there), the following steps will help:

Price your property correctly

In a slower market, setting the right price is key. Work with your real estate agent to determine the right asking price based on the current market conditions and recent sales of comparable properties. Overpricing your property might cause buyers to overlook it and you risk having your listing go 'stale' to the point where you have to drop the price below the minimum you would have originally accepted.

Make necessary repairs and improvements

In times when building materials and labourers are still in short supply, if you can provide a 'turnkey' home that doesn't need any touch ups, you'll have better chances of a rapid sale. Make sure your property is in good condition and make any necessary repairs or improvements that can enhance its value and appeal. This can include fixing leaky faucets, painting and decluttering.

Pay attention to detail, right down to the state of the front door and entryway. You need people to see the home and think 'wow' as early as possible.

Stage your property

Staging your property by bringing in a stylist to rearrange and add/remove furniture can help potential buyers to picture themselves living there. Hire a professional if you really want to impress, or use simple techniques such as decluttering, rearranging furniture and adding decorative elements that look modern — and put away personal knick-knacks and photographs.

Invest in marketing

High-quality photos and videos can help attract potential buyers by making your home unmissable online. Make sure the marketing highlights the home's best assets and employ a copywriter to help write a compelling description that appeals to the target market.

A good real estate agent will make sure your marketing reaches an international audience and that your listing appears on social media so that people can come across it, even if they're not actively looking.

Be flexible with open home and showings

Purchase-ready buyers who have been shopping for a while and are getting frustrated are often the ones who will make the best offer. They will be in touch with agents and might push to see the home before you feel ready to show it. If you can accommodate this by quickly putting personal belongings out of sight and cleaning the place up, you may be able to negotiate a fast sale. Of course, if you need absolute top dollar, you may discuss a different strategy with your agent.

Work with a Professional

A good local real estate agent has the expertise, experience, and connections to help you sell your property and negotiate the best deal possible. They will be in touch with interested buyers and will work hard to make sure everyone who is interested sees the home.

It's always possible to sell a home, even in the slowest of markets... and while prices may have settled down, there is plenty of interest from investors and buyers who have loan approval.

Contact your local Professionals agent to discuss the sale of your home today.



HOW TO NEGOTIATE AS A BUYER

Buying a home is exciting, but there is always the fear that you are about to pay too much.

Real estate agents expect buyers to negotiate and are open to honest, truthful feedback. Here's how to equip yourself so you can put forward a figure that is lower than the asking price but is still realistic.

Research the market

Before you start negotiating, research the current real estate market to understand the prices of similar homes in the area. This will give you an idea of what is a fair price for the place you are interested in. If you feel the seller is asking for too much given the size, condition and location of the home, don't be afraid to say so, but be prepared to share evidence of why you believe this.

Get pre-approval for a loan and set your limits

Having pre-approval for a mortgage will show the seller that you are a serious and qualified buyer. It can also give you more bargaining power when negotiating the price because you can confirm you're ready to sign a contract.

Come in low (just not too low)

If you offer the asking price, you will never know if you could have secured the home for less. When making an initial offer, it is a good strategy to start with a lower offer than the advertised cost. This leaves room for negotiation and gives the seller the opportunity to counter your offer. Be prepared to hear from the agent as to exactly why the seller wants the price they do; for example, their home may have features that put it above the competition in the area.

Be flexible

Be open to negotiating not just the price but also other terms such as the settlement date, inspection contingencies and repair requests. If you don't mind doing a bit of rubbish removal yourself and the house definitely needs it, you may be able to get away with paying less.

Consider the seller's circumstances

If the seller is motivated to move on quickly, for example, because they are relocating or it is a couple who has separated, you may have more bargaining power. On the other hand, if the seller is not in a hurry, they may be less likely to negotiate.

Ask the real estate agent how urgent the sale is and see what they have to say.

Be prepared to walk away

The rule of buying property is to do so with your head, not your heart. Be prepared to walk away from the negotiation if you cannot reach a mutually acceptable agreement. This shows the seller that you are not desperate and are willing to consider other options. It will also save you from overpaying just because you really like the place.

Be realistic and fair

Nobody wants to deal with a stubborn buyer who puts forward an unreasonably low offer. You might miss out to another buyer, and you might find the agent isn't quick to reach out to you in the future.

If you have done your research and can back up a low offer, do so. However, it's not a good idea to try to pay a very low figure just for the sake of it.

Need help to figure out what a home is really worth? Reach out to your local Professionals agent today.



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