

# Your Guide

to Renting, Buying, Selling, and Investing in Real Estate



# Introduction

**For most of us, real estate is our single biggest investment and main wealth creator. Whether you are selling the much loved family home, experiencing the excitement of buying your very first home, renting while you are saving for your first property or investing in property to build future wealth, the decisions you need to make and the challenges you face require considerable research and planning. To help you in the process LJ Hooker has sponsored this Guide as a helpful starting point for anyone considering undertaking a real estate transaction.**



## Renting Property / page 04

This section contains handy tips for anyone who is considering or currently renting property as their first step on the property wealth ladder – the first step to owning their first home.

## Buying Better / page 06

In this section we cover the research steps required to find the right type of property for your needs, ways of financing your dream, the pitfalls of the home hunt, making an offer, the rules of buying at auction and the ultimate move to your new home.

## Successful Selling / page 12

Here we cover the selling process, from selecting a salesperson, establishing a sale price or auction reserve, presentation of your home for sale and the auction process.

## Intelligent Investing / page 16

For those looking to build wealth by investing in property we look at what makes a solid real estate investment, borrowing for your investment and how to maximise your returns through the services of a professional property manager.

**Throughout the Guide you will find handy tips and checklists plus a Glossary of Terms to help you cut through the terminology.**

**Happy home hunting!**

# Renting Property...

For many people, renting property is their first real estate experience after moving from home, the first step along the road to acquiring property. Renting gives you the time you need to save the deposit for your first home and to get a feel of where you want to live. It is also an ideal time to build a relationship with your local agent regarding help in buying and financing your first property.





## Finding a rental property

- Decide where you'd like to live
- Drive around or walk the area to be sure
- Decide on how much rent you can afford
- Don't forget other costs like water rates and electricity
- Use online search services such as **myljhooker.com**
- Get to the paper early to plan your visits and calls to agents
- Check if pets are allowed
- Check connections such as phone and cable
- Check access to public transport

## Tenant entitlements

- Check details of the lease such as who pays water rates
- Check landlords obligation to make essential repairs regarding plumbing, electricity, water heater, etc
- Check Department of Fair Trading web sites for helpful information
- Make sure your bond is lodged with the appropriate rental bond board and you have a receipt

## Tenants obligations

- You will be required to sign a lease
- Alert the agent in writing of any prior damage to the property before moving in so you will not be held liable
- Pay a rental bond
- Pay the rent on time
- Pay for any agreed outgoings such as water usage
- Keep the property in good order
- Provide access to the managing agent for agreed property inspections
- Conform to local council regulations such as noise, garbage collection, etc

## What to do if there is a problem

- Contact your property manager immediately
- Make sure you have all emergency numbers handy for repairs and assistance
- Know your neighbours as you may need their help



# Better Buying...

**Your home will probably be the most important and expensive purchase you will ever make. In this section we look at how to plan for, find and enjoy the home of your dreams.**





## The right property for you

The two key questions to ask yourself when considering a new home are 'where' and 'what'. Where do you want to live and what type of property do you want to live in? The old real estate adage – 'location, location, location' – is as important a concept today as it has ever been. It is not only more enjoyable to live in a good area, but it will enhance your property's value and appeal when the time comes to sell.

### So what makes a good location?

- Cities, coastal or inner city areas generally out perform other areas such as outlying suburbs or regional areas
- The combination of good urban planning and natural beauty also result in desirable locations
- Consider growth areas with good access to local facilities and avoid environmental problems such as areas with busy roads or noisy factories nearby
- Once you have decided on your location the next question is what to buy. Make a list of what is important to you – number of bedrooms, car access, size of land – but be prepared to compromise on some things

- Consider if you are prepared to renovate; if so, the worst house in the best street could be a good buy
- Look for at least one special feature; maybe it is a view, a large backyard, a designer interior or original historical features
- The Internet is a great place to start your research. Real estate sites such as **ljhooker.com** offer on-line inspections with photos of properties and virtual tours
- Make searching easier by leaving details of what you are looking for on **myljhooker.com** and receive an instant email as soon as suitable properties become available
- If you are looking for something different, visit the **Luxury and Lifestyle** section of the **ljhooker.com** which features properties that embrace idyllic or unique locations, magnificent landscapes, majestic interiors or special surrounds
- Maps and information about facilities and services in specific suburbs and regions is available on **ljhooker.com** – a great help if you are moving to an area you don't know well



## Better Buying

### What to look for in a property

When you're thinking of buying, your requirements will vary depending on your personal circumstances and on the sort of property you wish to buy. You may be looking for a family home, a "sea change" property or a holiday home. Once you have found the property of your dreams, you may want to pause for a while and reflect before making an offer or signing on the dotted line.

#### Consider the following checklist:

- Before you decide on anything do you have your loan approved?
- Will you enjoy living in the neighbourhood?
- Is the house sound? If you have any doubts at all, hire building and pest inspectors to check – this can be arranged by visiting [ljhooker.com](http://ljhooker.com)
- Is it in an area likely to hold resale value or benefit from capital growth?
- Are there any long-term costs or issues such as body corporate fees, jointly owned driveways?
- What type of Title is the property? Is it Torrens Title, Company Title, Strata Title, or some other? Ask your solicitor to advise on the Title
- Does the entire house, including alterations, have the required Council permits?
- Is it built for the climate? Is it insulated? Will it be warm in winter, cool in summer?
- Have you asked your local council about planning issues like the possibility of any big developments planned or construction of new roads nearby?
- If big changes are needed to make the property comfortable, then it's a good idea to know the costs before you make an offer
- Is the house and land suitable for your stage in life – are there too many stairs, is the garden too steep?

#### Then think about the detail:

- Does the house have enough bedrooms?
- Are you happy with the garden – or its potential?
- Will you have good access to the facilities you need such as schools, doctor, medical centres and shops?
- Are there enough bathrooms?
- Is there enough garage space? Is the garage accessible from inside the house?
- Will you have problems with traffic or noise?
- Is the kitchen serviceable?
- Is it safe for your family, eg children, the elderly or disabled?
- Is it suitable for pets?
- Are you happy with the building's security?
- Check under the house – is it dry?
- Is the block well drained?

#### For "sea and tree change" properties or holiday properties:

**Many of these questions will be the same as above but if you are buying in a rural or coastal area, you may wish to consider other practical issues, such as:**

- Is there a good water supply?

- Is there any risk of flooding or erosion?
- How much maintenance work will you need to do – or pay someone else to do?
- Are you likely to be bothered by nearby farming or orchard work?
- Are there any industries in the area that could affect you?
- Will you still have easy access to your family, friends, work and recreation?
- What will be the long term impact of corrosive sea air?

### Tips for buying off the Internet

- ☐ Always confirm property details with the salesperson
- ☐ If you cannot view the property ask a friend to visit it on your behalf and ask the salesperson to send additional photos and details on the property and the neighbourhood
- ☐ Research the local area – transport, shops, schools etc. – check out the Locality Guides on [ljhooker.com](http://ljhooker.com)
- ☐ Ensure you have full pest and building inspections carried out by qualified inspectors – this can be arranged by visiting [ljhooker.com](http://ljhooker.com)
- ☐ If negotiating by email, make sure everyone involved has your email address – you don't want an offer lost in cyberspace!



## Financing your dream

- How much you can afford? As a rule of thumb, mortgage lenders will normally lend about three and a half times your gross taxable income. The figure will vary depending on your living expenses and other debts. However, this figure combined with your deposit will give you a good idea of your safe limit
- Confirm your limit with your loan consultant or a lender before you start looking at properties
- How much deposit will you need? Most lenders will lend up to 80% of the value of a property. If you need to borrow more than this you may be required to take out mortgage insurance, which insures the lender against a borrower defaulting, however, remember the borrower is still liable for all the money owing to the lender plus costs associated with defaulting
- When looking for the loan that will suit you best, it's always wise to seek professional assistance. **LJ Hooker Financial Services** can provide professional advice on the mortgage that best meets your needs...for more information and other helpful advice visit [ljhooker.com](http://ljhooker.com)
- In addition to the deposit you will need funds for legal costs, stamp duty and incidentals such as the costs associated with moving house
- Australia's first online moving service, **LJ Hooker Move**, makes planning, costing and arranging your move easy...it's all there on [ljhooker.com](http://ljhooker.com)
- Arranging connection of essential services such as gas, electricity, telephone and cable...**LJ Hooker Connect** can do all this for you free of charge via [ljhooker.com](http://ljhooker.com)



## Will your mortgage really work for you?

Today, there are hundreds of different mortgages on offer but how do you know which one is best for you – which one best suits your individual circumstances, now and in the future? **LJ Hooker Financial Services** can find the loan that's right for you!

- **LJ Hooker Financial Services** can take you through a wide range of mortgage options and help select the one that's right for you
- If you already have a property loan **LJ Hooker Financial Services** can compare your loan with other lenders to check your existing lender is providing you with the best on offer

- Saves you the inconvenience and confusion of shopping around
- Help with property investment finance
- Help with bridging and low doc loans
- Pre-approved finance and pre-qualification to indicate your borrowing ability
- Professional loan presentation to prospective lenders
- Meet at a time and place convenient for you

**To arrange an obligation free consultation at no cost to you please visit [ljhooker.com](http://ljhooker.com) or contact your local LJ Hooker office.**

## Better Buying

### The home hunt

Now you have set your priorities – you know where you want to buy and you have negotiated your mortgage – now it's time to start the search.

- A good starting place is the local newspaper or main newspaper supplement
- Major Internet sites including **ljhooker.com** (Australia's leading agent web site) and **homehound.com.au** make it easier to find the right property
- Other key sources of information are local real estate agents and it's wise to visit some offices in the areas you have chosen to check out the window displays and talk to the agents
- By checking the newspapers, web sites and agency windows you will determine if the type of property you are looking for in your chosen area is affordable or not in your price range. If prices are too high you may have to lower your expectations or consider another area
- Once you are ready, be prepared to look at a lot of different properties. It may take time to find what you want
- If you are serious about a property make sure you go back a number of times – at different times of the day and night
- When you have found what you want it is time to get expert advice. Have the contracts checked by your solicitor or settlement agent and make sure the pest and building inspections are undertaken (this can be arranged by visiting **ljhooker.com**). If there is a problem these checks will help you make an informed decision about the property
- Once you find your dream home don't wait or you may miss out!

### International Customer Referral Network

LJ Hooker can make it easy to find the right home for you through our International Customer Referral Network of over 700 offices across Australia, New Zealand, Indonesia, China, Papua New Guinea, Fiji and India working harder for you.

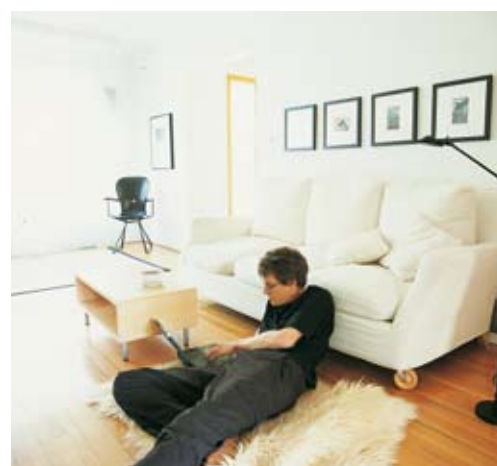
One call can put you in contact with the LJ Hooker office in your chosen area, as well as providing local maps and lots of other helpful information.

Call 1800 621 212.

### Making an offer

**When you have found your dream home and all the checks are complete and acceptable, it is time to make an offer even if the property is going to auction. If you choose to wait until auction day, be aware someone else may make a pre-auction offer that could be accepted.**

- When making an offer you will find dealing through an agent is the easiest approach. It takes much of the emotion out of the transaction for both you and the vendor
- If you have done your research you will know how much you can afford to offer and what is a fair and reasonable price for the property
- You may be tempted to make a very low offer in an attempt to grab a bargain but others may also be making offers and if these are higher you could miss out
- If you really want the property make sure your offer is realistic and in line with current market value



### myljhooker.com

myljhooker.com is designed to save your valuable time. Once you register on myljhooker.com you will receive regular emails of available rental properties or properties for sale matching your criteria as soon as they are placed on our website!

#### How do I join?

All you have to do is visit **ljhooker.com** and click on **myljhooker.com** – we simply ask for your email address and you create your own password. We do the rest.

## Buying at auction

Attending an auction can be daunting experience for first time bidders. A good tip is to attend some local auctions prior to the one you will be bidding at to get a feel for the process.

- An auction may be held in an Auction Room or on site at the property
- In some states when you attend the auction you will need to register with the auctioneer, giving your name, address and telephone number. You will be required to show proof of identity such as a driver's licence, passport or credit card, but be assured your information is protected by privacy laws
- Once you have registered you will be issued with an identification number that you must display when bidding
- Only registered bidders or their representatives will have the opportunity to buy at auction in these States. Legislation in all States in relation to bidding at auction is under review, so if you have any queries you should discuss the process with your agent
- The auctioneer will present each property for sale then invite bids from the audience
- LJ Hooker has adopted a total "People Friendly" Auction process which means all buyers bidding at auctions conducted by an **Accredited LJ Hooker Auctioneer**

can bid, knowing the Auctioneer will only have a maximum of one bid on behalf of the vendor and if used, will be declared as a bid on behalf of the vendor at the time it is made

- Bids may come from people representing buyers who are not present. This is allowed providing the auctioneer has been advised
- Buyers can speed up the tempo of an auction by making big jumps in their bidding – say from \$250,000 to \$280,000 in one bid – or slow down the auction by bidding in small increments
- Steady, firm and unemotional bidding is often the best tactic – set your limit and stick to it
- Once bidding reaches the reserve price and the property is to be sold, the highest bidder will be the buyer
- If you are the highest bidder, you must be ready to pay the 10% deposit and you are then legally bound to buy the property
- If you default you risk losing the 10% deposit
- If the reserve price is not reached there is still an advantage in being the highest bidder, as you will then have first right of negotiation with the vendor

## Moving in

**Once the sale has settled (is complete) it is time to move in and the key with any move is the removalist.**

- When selecting a removalist get at least three quotes and remember the cheapest is not always the best
- Check how many people will be allocated to your move – the more the better
- To ease the stress of moving you can plan, get quotes, cost and arrange it all through **LJ Hooker Move** – Australia's first online moving service at **ljhooker.com**
- Connecting essential services such as electricity, gas, water, phone and cable services can also be arranged via **ljhooker.com** through **LJ Hooker Connect**
- Ensure your move is adequately insured – check if your own insurance policy gives removal coverage and select a removal company with full comprehensive insurance
- When packing, make sure you mark boxes clearly with the rooms they will be going to
- Give the removalists a copy of your new home's floor plan so they are aware of which room is which
- A move is a great opportunity to clear out things you no longer use or need. A garage sale is a good idea, or donate your unwanted possessions to a charity
- On moving day you may consider having your smaller children cared for as the change in routine can be unnerving for them
- It's important to make your young children feel at ease quickly, so set up their rooms first
- Once you have settled in it is a good idea to make yourself known to your neighbours and begin enjoying your new home
- Remember to redirect your mail through Australia Post before you move

## Tips for buying at auction

- ☐ Before bidding at auction make sure you attend two or three other auctions to get a feel for process
- ☐ Set your price range so your heart won't rule your head at bidding time
- ☐ Take some support with you to the auction, preferably someone with a strong head to stop you bidding beyond your range
- ☐ Don't bid for any property unless you have obtained and accepted all legal, pest and building inspection reports
- ☐ Don't be afraid to bid aggressively for the property – you want to eliminate other potential buyers
- ☐ Expect the unexpected – prices at auction can shoot up very quickly

# Successful Selling...

**When you decide to sell your home you will have to deal with a combination of emotion and hard financial decisions. The following information will help you balance both and align them with market reality.**





## Selecting the right agent

- Using a qualified local agent to sell your home is the first step towards obtaining the result you desire...the best price in the shortest possible time
- A professional agent can give you an accurate picture of the state of the market, which will help you price your property realistically. They can advise you on the best way to sell your home and will develop a detailed marketing plan for your property
- Your agent should not only understand the property market, they also need to understand people – as Sir Leslie Hooker always said, *“Real estate is not about houses, it is about people”*
- Ask your agent what they think will most attract a buyer to your property
- Seek their advice on improvements you could make to increase the chances of a successful sale – particularly making your home more environmentally friendly
- Using the right agent means you have a partner in the selling process, someone with the local knowledge and expertise to make the selling experience an easier one for you

## Setting the sale price

**Be careful not to choose your agent based only on the selling price they quote – you may be sorely disappointed.**

- Purchasing a home is very much an emotional decision, hence opinions on price will vary
- A professional agent will use a systematic approach to determining a price, factoring in prices of local homes that have recently sold, houses that are currently for sale, the state of the market and their own knowledge of buyers expectations in the market place
- The question you should ask a prospective agent is not “how much can I get for my house” but “what will you do to get the best price for my property?”

## Your personalised marketing plan

**In today’s competitive market merely placing a sign at the front of your home and a photo in an office window is not enough to ensure the best buyer is found.**

- Professional agents like LJ Hooker offer specialised multi-faceted marketing programs to capture buyer interest from across the road, across the country and across the world
- The most effective marketing plans utilise a combination of proven marketing tools including signage, local advertising, direct mail, Internet listing, and window displays to maximise the opportunity of attracting the right buyer for your property

## Preparing to sell

**Taking a little time to prepare your home for sale can make a significant difference to the sale price. Following are a few tips on preparing your home for sale with many more at [ljhooker.com](http://ljhooker.com).**

- Your first step is to walk outside – how does the outside of your home present? If a buyer drives by will they stop and take a second look?
- Check the roof and guttering and prepare your garden so it will look its best for the first open home
- Clean houses make a tidy sum – you need to remember that once your home is on the market you are living in a showroom
- Ensure it is always immaculately clean for open homes – one unmade bed can unmake a sale
- Your home’s two best selling points – the kitchen and bathroom are the two rooms that buyers look at the most closely. Ensure they look their best

- Make homebuyers’ faces light up – natural light is best, so open curtains to let in the light and the view. Make sure all your electric light bulbs are working
- Clean out and clean up – clean out all your clutter, less clutter gives the impression of more room
- Pets may inhibit buyers – when you have an open home ensure carpets and furnishings are free of pet hair and smells – take your pets for a walk while buyers inspect your home

## Tips for choosing your agent

- ☐ Does the salesperson have a proven track record?
- ☐ Does the salesperson work for a reputable trusted agency?
- ☐ Do you have a good rapport with the salesperson?
- ☐ Does the salesperson have a good knowledge of the local market?
- ☐ Is the written material professionally prepared?
- ☐ Does the salesperson/Agency have the support of a large professional and trusted network?
- ☐ Does the Agency have the ability to present your home to a wide marketplace using an international referral service and a proven web site?
- ☐ Will the salesperson provide on-going communication of the sale’s progress?
- ☐ Do you feel you will be able to work closely with the salesperson and that he/she will do their best for you?
- ☐ Is the salesperson well presented?



## Successful Selling

### Method of sale

Generally speaking there are two most common methods of sale used for residential property; private treaty whereby a property is marketed with a price and sale by auction – marketing without a price (legislation in some states requires the agent to provide a price estimate or range when taking a property to auction).

- Private treaty sales can inhibit competitive forces by only attracting buyers from one specific price range
- With Private Treaty, when a price is quoted it is more often the case that the price is negotiated downwards
- Auctions can often produce a better result in less time because the auction process is designed to source more buyers and identify the most genuine buyers
- At auction sellers can be confident the true market value of their home is established
- The auction method is designed to produce faster results because people who are genuinely interested in the home know they must make their move quickly to buy it, whether at auction or prior
- Auctions negate the frustration of indecision or protracted bargaining
- Auction can achieve the best price for a home as buyers bid up from the opening bid
- The winning bidder must be able to sign the contract and pay the deposit immediately
- Of all the selling methods auction has the shortest settlement time

### Promotion is vital

When you first list your property for sale, your agent will discuss a marketing plan with you. The campaign will target different sections of the market – from the potential buyer in the same street to people on the other side of the world.

- The agent will do their background work including taking quality photos, taking other salespeople to inspect the property, and contacting their database of possible buyers
- Marketing tools can include a sign in front of the property, a sign in the real estate agency's window, newspaper and magazine advertising, and of course promotion through Australia's No.1 agent website – **ljhooker.com**
- When selling by auction, the auction date is usually set three to four weeks ahead and the property will be marketed heavily for those few weeks
- On auction day, all potential buyers gather in one place. If they can't be there in person they're in phone contact with someone representing them
- Check with your agent to ensure all possible potential buyers will be present at the auction so you can be confident of the opportunity to achieve the best possible price for your property

### It's sold! – Now what?

- When you sell at auction there is normally no cooling off period – the contracts are signed and the deposit paid on the day
- A 10% deposit is normally paid by the Buyer/s with the balance due on the agreed settlement date

- The deposit is held on your behalf in the agency's Trust Account
- Prior to settlement the property remains your responsibility, so it is important to ensure you maintain your home insurance during this period
- Once the contract is signed the process of transfer can begin. You may use the services of a solicitor or conveyancing company such as **LJ Hooker Conveyancing** in NSW or a settlement agent such as **LJ Hooker Settlements** in WA to handle the transfer on your behalf – you can contact either through **ljhooker.com**
- As part of the transfer process, arrangements will be made for the balance of the purchase price to be paid as directed by you to your bank account or to any party or account you nominate
- Settlement day is the date when the balance of monies owing less costs are paid, keys are handed over and the property then becomes the responsibility of the purchaser

### Rewards for selling through LJ Hooker

**When you list and sell your property\* exclusively through any LJ Hooker office, you can earn either:**

- ☐ 20,000 Qantas Frequent Flyer points or
- ☐ 20,000 Visa Reward Points or

\*Conditions Apply so talk to your LJ Hooker Agent



## The auctioneer's job

We've all seen the drama of an auction on TV – the auctioneer with his quick-fire speech, waving hands, pointing finger. But what does he actually do?

- Essentially, his role is to control a public negotiation process where potential buyers are all competing to buy a property
- The auctioneer has to make sure the process takes place in an orderly and legal manner
- While there is often an element of showmanship in the role, with humorous asides and jokes, the Auctioneer must always conduct himself professionally
- He will encourage bidders to go higher but at the end of the day, each bidder decides how much they are prepared to pay and the seller decides whether they're prepared to sell at that price
- All bids must be acknowledged and recorded, often by assistants, so there are no misunderstandings over who has bought the property and for how much
- A good auctioneer can read body language and create an atmosphere of fun and entertainment to take the pressure off a very serious process
- They know how to prevent disputes and how to handle any problems that can occasionally occur

# Intelligent Investing...

**A balanced investment portfolio should always include property. Choosing the right investment property gives you the potential for income and future capital gain to increase your person wealth.**



## What makes a solid real estate investment?

- To maximise your return on an investment property, choose wisely
- Give yourself some time to watch market cycles and movements in property values before putting yourself in the hands of the experts
- Most people choose residential property investment ahead of other kinds of property because they are familiar with it and feel comfortable investing in it
- However, it may also be worthwhile considering a commercial or industrial property investment. This is a specialist area and advice should be sought from a specialist commercial agent
- The secret to regular investment income is a property that is highly sought after by tenants so choose an investment property with a view to tenants' wants and needs
- Classic style properties of quality construction generally hold their appeal longer
- Properties with security features such as door and window screens, alarms and lock up garages are very popular
- Off-street car parking is a bonus, particularly in inner city areas
- In hotter climates there is a high demand for air conditioning
- While the aesthetic appeal of a home can affect the rental value and vacancy rate, the location of the property will also affect its profitability
- Homes close to schools, shopping centres, and public transport, or located in fashionable suburbs, tend to be more desirable and may command higher rents
- When buying for investment, view properties with regard to their potential for capital growth and their attractiveness to tenants
- Focus on areas with a good track record of capital growth. Capital growth tends to run hand in hand with good infrastructure
- Look for streetscapes that are architecturally consistent rather than a mix 'n' match of styles

## Borrowing for your investment

**Finding the right loan for your investment is just as important as finding the right property. There are many options open to you. Whether you want an investment for negative gearing, capital growth or retirement income, loans are available to satisfy both your long and short term investment strategies.**

- Your loan may have fixed or variable interest rates, it may be interest only or principal plus interest
- You may include a credit facility to allow you to draw on the money
- If you have equity in your current home you may wish to use this to borrow against for your investment property

- Research is the key and the Internet is a good starting point
- Organisations, such as **LJ Hooker Financial Services** will search the market to find the right loan for you
- Whatever loan you choose, you need to consider the tax implications such as minimising your tax through negative gearing. Where the cost of holding the property, including the interest charges on the loan, exceeds the income it produces is tax deductible against your other assessable income
- Property tax depreciation is available to any property owner who obtains assessable income by way of rent or operates a business from a property. A tax depreciation schedule can be arranged via **ljhooker.com**
- Always discuss your borrowing and potential investment strategies with your accountant or financial advisor before proceeding
- Consider costs associated with loan application fees, mortgage insurance, solicitor or conveyancer fees as well as pre-purchase inspection reports and Stamp Duty

## Rewarding landlords

**Earn 10,000 Qantas Frequent Flyer points\* when you appoint LJ Hooker as your exclusive Property Management Agent.**

\*Conditions do apply so please confirm with your chosen LJ Hooker Agent

## Intelligent Investing

### Professional property management

Once you have invested in a property it is important you maintain both the property and the relationship with your tenant. You may choose to do this yourself or appoint a professional Property Investment Manager who will:

- Advertise the property to prospective tenants in an efficient manner to minimise property vacancy
- Personally interview and reference check all prospective tenants
- Provide effective follow-up of any rental arrears
- Undertake rental reviews and Tenancy Agreement renewals
- Have all Tenancy Agreements in writing, incorporating all the terms and conditions of the Tenancy
- Lodge the rental bond with the appropriate agency
- Have the tenant sign a written report on the condition of the property prior to tenancy
- Provide a monthly statement with rental monies
- Notify you about necessary and preventative maintenance
- Conduct a routine inspection of the premises every six months and provide a written report after 12 months (unless a report is required after the six monthly inspection)
- Have a team of maintenance contractors on immediate notice

- Inspect all major maintenance work authorised, prior to payment
- Pay property accounts and statutory charges as directed, including water rates, council rates, body corporate fees, insurances, caretakers, maintenance contractors, etc
- Prepare applications and serve notice to the Tenant and the Residential Tenancy Tribunal or Small Claims Court in compliance with relevant legislation and/or the Tenancy Agreement
- If necessary, provide representation at the Residential Tenancies Tribunal / Small Claims Court
- Advise you in writing of the approaching end of a lease and vacating tenants
- Inspect the property at the end of each Tenancy and arrange finalisation of the Bond
- Advise you of relevant market and legislation changes
- Advise you on property insurance matters

If you appoint a professional Property Investment Manager such as LJ Hooker you will be asked to enter into an agreement that covers the agency's fees, timing of reporting and inspections, payments, expenditure on maintenance and repairs and rent reviews. With a professional Property Investment Manager like LJ Hooker in place you can confidently hand over many of the worries associated with being a landlord. You can trust them to keep your investment running on a business-like basis to realise the best returns available, with the least hassle.

### Insurance protection

It is essential you have adequate insurance for your investment property that covers contents, public liability, loss of rent and tenant damage. Your LJ Hooker Property Investment Manager can provide advice on all your investment property insurance needs.

### Customer for life

When you appoint LJ Hooker to sell your property you can rest assured your satisfaction is guaranteed because of our commitment to live up to our promise that when it comes to real estate, nobody does it better. With LJ Hooker you are not forgotten after your property is sold because you will become a valued member of our **'Customer for Life'** program which is designed to maintain contact with you on matters relating to real estate, special offers and wealth creation. This is our way of saying 'Thank You' for the trust you have placed with us and another good reason for you to say

**'Thank you Mr Hooker!'**

### Recognising A1 tenants

The **LJ Hooker A1 Tenant Card** Programme is our way of recognizing and keeping quality tenants and is proof that these tenants take good care of rental property and pay their rent on time. It's another way LJ Hooker gives landlords peace of mind knowing their investment is being looked after.



## Glossary of terms

This glossary has been compiled to help explain some of the more common terms used in the real estate industry in Australia. For a complete Glossary of Terms featuring other Industry language, please visit [ljhooker.com](http://ljhooker.com)

**Agent** – A representative of an agency authorised to act on behalf of others in the sale, purchase, letting or management of real property.

**Auction** – A public sale where the property is sold to the highest bidder – on the provision that the reserve price for the property has been met or exceeded.

**Bond** – Upon signing a Tenancy Agreement, a tenant must lodge a bond (usually the equivalent of four weeks rent) with the Rental Bond Board or equivalent legislative body.

**Capital Gain** – The monetary gain you obtain when an asset is sold for a higher price than originally paid for it.

**Certificate of Title** – A document identifying the ownership of land. It shows the dimensions of the land, the owner, and whether there are any mortgages or other encumbrances. It is held by the lender as security for a loan.

**Contract of Sale** – A legal document that sets out all the terms and conditions the seller and purchaser have agreed on.

**Conveyance** – The legal process involved in transferring the ownership of property.

**Company Title** – a title of ownership more commonly associated with older apartment buildings.

**Deposit** – Normally 10% of the purchase price, which is paid by the buyer into the Agent's Trust Account at the time of exchanging contracts.

**Exchange of Contracts** – When signed copies of the Contract of Sale are physically swapped between the seller and purchaser.

**Gazumping** – Where the seller agrees to the sale of the property but before the Contract of Sale is signed the property is sold to another buyer.

**Highest Bidder** – The person who posts the highest bid at an Auction will purchase the property provided the reserve price has been met or passed, or failing that has the first right to negotiate with the Vendor when the property is passed in.

**Interest** – The amount of money charged by a lender on the amount borrowed.

**Investment Property** – Property purchased for the purpose of earning an income and capital gain.

**Lease** – A document that grants a person/s tenancy of a property. A specified period and terms and conditions apply.

**Mortgage** – A legal document containing the terms and conditions of funding the mortgage on the property and secured over the property.

**Mortgagee** – the person or institution lending money on a property.

**Mortgagor** – person or entity liable for borrowing and repaying the money and the interest to the lender.

**Passed In** – A property will be passed in at Auction if it does not meet the set Reserve Price.

**Reserve Price** – The minimum price the seller has specified they will accept at Auction.

**Settlement** – A date is set for completion of the sale. At this point the balance of the purchase price is paid and ownership of the property transfers from the seller to the purchaser.

**Stamp Duty** – A state government tax on financial transactions. In the sale of real estate it is calculated according to the sale value. It also applies to the mortgage value.

**Strata Title** – The system of Title that applies to units, apartments and some town houses. It applies to the subdivision of air space rather than land – you own part of the building, and a share in the land as part of the Body Corporate.

**Torrens Title System** – The system of Title administration that applies to most land in Australia.

**Transfer** – A document registered at the Land Titles Office and noted on the Certificate of Title, which, when registered, verifies change of ownership of a property.

**Vendor** – The party who offers a property for sale.

**Yield** – The income gained from a property. The yield is usually expressed as a percentage of the value or cost of the investment.

## The LJ Hooker difference

- LJ Hooker is Australia's best known, most trusted, most often chosen real estate company<sup>1</sup>
- LJ Hooker sells a property every 3.8 minutes<sup>2</sup>
- LJ Hooker rents a property every 2 minutes<sup>3</sup>
- **ljhooker.com** is Australia's No.1 Agent website<sup>4</sup>
- Over 700 offices across Australia, New Zealand, Indonesia, China, Papua New Guinea, Fiji, India, United Arab Emirates, Vanuatu and Vietnam ready to work harder for you
- Access LJ Hooker's International Referral Service with just one phone call
- LJ Hooker's Customer Service Centre provides all the local information you need
- LJ Hooker's exclusive signboard range guarantees your property high buyer visibility
- Earn Qantas Frequent Flyer points, ANZ Rewards Visa or Business One points when you list and sell through LJ Hooker<sup>4</sup>
- Earn Qantas Frequent Flyer points<sup>4</sup> for each new residential property when you appoint LJ Hooker as your Property Management Agent
- Earn Qantas Frequent Flyer points<sup>4</sup> when you exclusively list and sell, or lease your Commercial or Industrial property with LJ Hooker Commercial
- LJ Hooker Financial Services will find the property loan that's right for you
- LJ Hooker is the National Sponsor of Cystic Fibrosis Australia – raising money to help find a cure for this life threatening genetic condition
- LJ Hooker is actively involved in the communities we serve
- The LJ Hooker After Sales Service programme monitors your level of satisfaction in dealing with LJ Hooker and ensures you become a valued Customer for Life

**These are just some of the reasons why, every day, so many people like you throughout Australia are happy to say... "Thank you Mr. Hooker!"**

<sup>1</sup> Newspoll National Brand Track 1998-2007

<sup>2</sup> Australasian Sales 12 months to end August 2007

<sup>3</sup> Australasian Lettings 12 months to end August 2007

<sup>4</sup> Nielsen Net Ratings

<sup>5</sup> Conditions Apply

## How can we help you?

**Your local LJ Hooker office is committed to looking after you throughout the real estate cycle – from beginning to end and beyond – with a wide range of helpful real estate related services under the banner of ServicePlus which are designed to smooth your selling or buying process.**

- **LJ Hooker Market Estimates** provided to prospective Vendors obligation FREE from any LJ Hooker office
- **LJ Hooker Professional Property Management Services** designed to maximise the return on your investment available through your local LJ Hooker Office
- **LJ Hooker Financial Services** can find the property loan that's right for your needs from the hundreds of loans on offer through their extensive leading lender panel and they can also assist with mortgage protection insurance
- **LJ Hooker Conveyancing (NSW & VIC)** can look after all your conveyancing requirements – exclusive to the service is Settlement Tracker that keeps you updated on the progress of your settlement 24/7 automatically by SMS/email
- **LJ Hooker Settlements (WA)** can look after all your conveyancing requirements – exclusive to the service is Settlement Tracker that lets you access the progress of your settlement 24/7 and automatically keeps you updated by SMS/email throughout the process
- **Home, Contents & Motor Insurance** available through our insurance partners who can protect your valuable assets with a range of specific insurance packages
- **LJ Hooker Connect** is convenient a one call FREE service to arrange the disconnection or connection of essential utilities including water, gas, electricity as well as the Internet and PayTV
- **LJ Hooker Move** is Australia's first FREE online moving solution that makes it easy to compare removal service providers and fully cost and plan your relocation
- **The Property Inspection Brokers** can provide a range of pest and building inspection services through their Australia-wide network of fully licensed and accredited inspectors
- **BMT & ASSOC** is our preferred supplier of Tax Depreciation Schedules for property investors to assist them to claim the maximum tax deductions relating to their property investments

**Please take a moment to consider which of these services would make life easier for you then discuss the service you are interested in with your local LJ Hooker Agent or visit [ljhooker.com](http://ljhooker.com)**

# Your Guide

to Renting, Buying, Selling, and Investing in Real Estate

