

Tenancing

Fact Sheet

The attention paid to how a tenancy is established is an investment. If not conducted appropriately you are more likely to have problems in the long run.

There are significant risks incurred if a letting service is not well resourced, and does not have robust systems, processes and adequate monitoring. Although not exhaustive, these risks include:

- **Days to tenant** – lost rental income for each day that a property is not tenanted.
- **Insurance risk** – if a property is damaged or compromised to the extent that an insurer is involved, they will review what steps were taken in the selection and screening of tenants. There are a number of examples where significant claims have been rejected when the insurer has determined that insufficient care was taken in the process.
- **Tenancy Tribunal** – robust tenancing processes are able to support/avoid Tenancy Tribunal hearings, for example, around tenancy law compliance, and that the correct information and clauses are included in the Tenancy Agreement.
- **Poor tenant selection** – a professional letting service will provide the checks, and mitigate the risk of poor tenant selection and subsequent issues.

The workflow of a professional letting service includes:

1. Production of the advertising script, including quality photography, and attendance at the property to facilitate same.
2. Listing of the vacant property on various portals including Oxygen.co.nz, TradeMe.co.nz, Redcoats.co.nz, Homes.co.nz, Professionals.co.nz.
3. Facebook boosts of properties as required throughout the marketing process.
4. Using Viewing Tracker software to manage property viewings and communicate with interested parties.
5. Physical reception areas in Wellington, Lower Hutt, Upper Hutt, Hastings and Napier for tenant enquiry and meetings.
6. Liaising with existing tenants to schedule viewing times.
7. Attending at various viewing times to show the property to prospective tenants.
8. Providing owners with activity and feedback reports from viewings.
9. Monitoring of enquiries and applications across various application portals including Tenancy Manager, web forms and hard copy.
10. Receipting of multiple applications for property.
11. Initial screening of applications.
12. In-depth tenant screening through background, rental history, credit and reference checks of potentially suitable applicants.
13. Liaising with owners on preferred applicants to confirm selection.
14. Drafting of the Tenancy Agreement with the inclusion of all the required information to ensure that the agreement is legally enforceable and includes any special clauses.
15. Meeting and greeting tenants to sign the Tenancy Agreement.
16. Conducting an initial inspection and recording property condition.
17. Collection of the initial rent and bond.
18. Filing of the bond to the Bond Centre.
19. Allocating the property to a property manager.

We trust that you will appreciate that the costs of providing this service are significant and that you can be confident that Oxygen will continue to provide a level of service that protects your investment.

