

## Why Appoint a Professional Property Manager?

Before engaging the services of a professional, take some time to reflect on your life, your needs, your goals. Think about what you are looking for in a Property Manager and what your expectations are. In our experience, landlords who come to Redex are looking to maximize their returns, minimize the stress in their lives and secure their future. They expect to receive expert advice and opinion and current market knowledge.

## Maximise your returns

Investment properties should make money for you, not work!

New Zealanders are great DIYers. Its strength and, sometimes, a weakness. If you manage your own property - as many people do- it's very hard to know if you're getting the best return on it.

- Do you know for certain what market rents are in your area?
- Are you taking advantage of all the tax breaks available to you?
- When repairs are needed, are you getting the best prices and quality on maintenance work?
- When tenants move out, is your property retenanted (with reliable tenants) as quickly as it could be?

The Redex Property Management team do nothing but manage properties.

So they can help you enjoy maximum returns on your investment, and keep your weekends free for family and fun.

## Minimise your stress

Does your current Property Manager provide you with?

- Intelligent, honest feedback and advice?
- High impact marketing of your property?
- A smooth leasing process?
- Highest quality tenants?
- Highest possible return?
- Comprehensive account management?
- A dedicated single point of contact?
- 24/7 emergency service for you and your tenant?
- Regular market research?
- DVD inspection reports

If not, RedE x Property Management may be just what you are looking for!

## Secure Your Future

You wouldn't just give any company who called themselves a bank, your life savings. Investment property is no different. For many people, it is their life savings - or a major part of it. So the same standards of professionalism and security should apply. Make sure you complete due diligence, before you engage a property manager.

## Market information and advice

Redex has staff with years of experience in the property market. Property Managers and our Realty and Property Investment Specialists are in a position to provide you with valuable advice and opinions. We have personally invested heavily in the property market over the past 20 years, and will continue to do so.

Redex will design a Management Package exclusive to your needs. We can offer:

- Experienced management team
  - Recognised people skills
  - Knowledge and experience of The Residential Tenancies Act, 1986 and commercial lease documents
  - Staff with an eighteen year career in law enforcement, investigation, legislation and 25 years in property management
  - Independent rental appraisals as requested
  - Marketing expertise
  - Thorough selection of tenants - previous landlord references, interview process
  - Credit Checks available
  - Tenancy and bond documentation
  - Rent collection
  - Arrange maintenance and repairs
  - Bond Inspections
  - Payment to nominated bank account before the 5th business day of month
  - Monthly statement complete with monthly 'Rental Review' newsletter via email
  - Tenancy Tribunal Hearings & Mediation
  - Two periodic inspections per year recorded on a DVD and a comprehensive report to owners incorporating a current market rental appraisal, or as required
  - Landlord 'Quality of Service' Survey
  - Vacancy rate generally less than 2%
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## Why Redex?

Redex is a solid, well-established Property Company providing full property management services. We are the only major company specialising in property management, both residential and commercial in the Manawatu.

We have:

- Over \$75,000,000.00 worth of properties under management
- \$3,300,000.00 in rents collected annually
- Hundreds of happy clients
- Qualified and experienced property management staff
- Hundreds of Properties managed throughout the Manawatu
- New tenant enquires each day
- Over \$13,000,000.00 in properties owned and/or syndicated

Members of R.E.I.N.Z. Through our many years' experience we have developed sound, well-documented processes and systems to ensure your property is managed effectively - keeping you and your tenants happy.



## Time

In today's busy world balancing family life, your job and your investment property can be tough.

Having professional Property Management gives you back your life.

## Quality

Finding quality tenants isn't easy.

There are a range of checks that have to be carried out, and even then it's easy to be deceived. Our processes screen out unsuitable tenants and leave you with one, if not, a list of candidates you can feel confident about.

## Customer Service

Tenants are busy people too. They expect to be able to view a home when it suits them. They want as much information as possible before they view.

They want to know they're dealing with professional people of integrity. By choosing Redex, you set a great impression right from the start, and attract the best tenants.

## Money

Enjoy chasing late rent payment? Of course not. We have a zero tolerance policy toward arrears, and have robust systems for chasing them.

## Law

Sadly, mediation and tenancy tribunal hearings come with the territory in investment property. Having a Property Manager means we attend these hearings for you if the need arises, until the outcome, at no cost.



## Knowledge

Ever had a property sit vacant for four weeks despite your best efforts? Is it because the rent is too high, the advertising is in the wrong publication, the location is unappealing, or the wallpaper is out of date? The experience and in depth market knowledge of the Redex Property Management team can help you answer those questions and ensure your property enjoys maximum occupancy at the best possible rent.

## Maintenance

Property is a major investment and must be properly maintained. At Redex, we provide regular inspection reports and give you access to top trades people at competitive rates. Of course you can do your own maintenance work too if you want.

## Insurance

Properties that are professionally managed enjoy access to insurance that other properties don't, including malicious tenant damage, absconded tenants and loss or damage to your building and contents. Enquiries welcome for these products.

E-mail

We can and will email all your statements and other info.

## Text

Being the only property company using this extensively, allows us to be #1 in rental collection.

## Understanding your Redex statement

This explains where to look for important information and outlines some of the features of your bill. Please call us if you have any other issues regarding your statement. (For a larger image, click on the image below)

**Landlord Name**  
Address  
159 Broadway  
Palmerston North

**TAX INVOICE**  
Landlord# 6010

GST Reg No 87-546-578  
Period 01/01/06 to 31/01/06

			From	To	Rent Paid	Debits	Credits
<b>Rental Income</b>							
11 Bond Street	White		11/01/06	08/02/06	1320.00 280.00		1600.00
14 Oxford Street	Smart		02/01/06	06/02/06	1550.00		1550.00
					Total Credits		3150.00
<b>Disbursements</b>							
31/01/06	DC	Dunlop- Landlord Payment				2808.46	
31/01/06	DC	Total Property Services Inv 7143 Lawnmowing					45.00
					GST	263.59 32.95	
					Total Credits		
					Debits	3150.00	
							3150.00
					Balance		0.00

**Callout Boxes:**

- Your reference number
- Dates your tenant is paying from and to. It is important to take notice of these as they show if your tenant is paying ahead or behind.
- The amount of rental collected from your tenant. If you receive an 'other payment' it means rates, insurance etc.
- Tenant Name, Address, Rent. If we are collecting debt from ex-tenants, their details and debts will also be listed.
- This tenant has made a part payment towards the next weeks rent. As soon as the extra \$50 is received the paid date will update by one week.
- Commission GST totals on rents collected.
- Total received from tenant
- Payments made on your behalf from your landlord account.
- End of month payment to the landlord

## Rental Properties: Tax Advice for Landlords

For most clients with a simple rental property and a wage or salary, the 31 March signals the start of the race to round up the years' worth of information and quickly prepare or have their accountant prepare the Statement of Rental Income and Tax Returns in the hope that their highly geared property produces a substantial tax refund.

Here are a few pointers to consider when preparing your Statement or providing information to your accountant.

Rent Received is accounted for on a cash basis. If a client pays rent in advance, you declare the income when you receive it. For example, if on 29 March 2006 you receive rent for the fortnight ended 10 April 2006, this will be declared in the 31 March 2006 year.

## Doing The Bookwork

Attending to the record keeping, accurately and regularly is the secret to either making your own job or your accountant's job much easier at tax return time.

There is no right or wrong way to keep records, but a simple manual cashbook or a simple Excel worksheet makes the job a lot easier. Using a separate bank account for your rental property or each rental property in your portfolio, while not a legal requirement, also simplifies things.

You must keep your records for seven years, even after you sell your rental property or properties. The following records are required to be kept:

- Details of all receipts and payments (the manual cashbook or Excel worksheet).
- Bank statements, cheque butts and deposit books (this is why the separate bank account from your personal account is recommended).
- All Invoices for payments.
- Working papers justifying your calculations for figures included on your tax return.
- A schedule of the Assets included in your rental property and a schedule of the Depreciation claimed each year.

If the rental property is owned by a partnership (as opposed to jointly by two people), a trust or a company, further complications arise.

If a company owns the rental property, it is more than likely a Qualifying Company and Loss Attributing Qualifying Company (LAQC). This means the loss is attributed to you, the shareholders, much like it would be if it were owned jointly.

If a Trust owns the rental property, consideration must be given to whether this is best, as usually the rental loss will not give you the tax refund you may be expecting.

## What can't I claim?

You can't claim capital expenditure or private expenditure against your rental income. The following items are non-deductible for tax purposes:

- The purchase price of the rental property.
- The Principle portion of your mortgage repayments.
- The cost of repairs that increase the property's value.

- Real Estate Agents fees and Legal fees paid as part of buying or selling the property.
- The cost of additions to the property.
- If you buy a rundown property and spend money on substantial improvements prior to renting it out, this must be added to the cost of the property, not expenses for tax purposes.

## What can I claim?

When you earn income from a rental property, you will incur expenses in earning that income and maintaining the property so it is tenantable. The following briefly lists the expenses you can claim against income for tax purposes.

## Rental Properties: Tax Advice for Landlords

### Interest

If you've borrowed money to finance your rental property, you can claim the interest you pay on this mortgage. However if you have a mortgage that covers both the house you live in and rental property, you can only claim the portion of interest that relates to the portion of the mortgage that is for the rental property.

### Agent's fees and commissions

If you use Redex or any other firm to collect the rent and/or maintain the property you can deduct these costs for tax purposes. Commissions paid to any agent to find tenants for the property are also deductible.

### Repairs and maintenance

The cost of any repairs and maintenance that you do (or pay someone else to do) on the property are normally deductible. E.g.; replacing a broken tap, fixing a broken window, replacing a blown element in the oven or hot water cylinder, redecorating the property to **return it to the state it was in** when you bought the property to use as a rental property.

### Property Inspection

Traveling to your property to do an inspection, carry out repairs or other reasons in the course of renting out your property can be deductible vehicle running costs. The easiest method is to keep track of these kilometres for each April to March year, and claim 62 cents per kilometre at year end. Conditions apply.

## Legal fees

You can deduct any fees incurred in arranging finance and drawing up a tenancy agreement. Legal Fees incurred in buying or selling the rental property are not deductible.

## Other expenses

Valuation Fees and Loan Fees are usually deductible expenses also.

## Accounting fees

If you use an accountant to prepare your Statement of Rental Income you can deduct the cost of those fees. Accountant's Fees incurred in studying the viability of buying the rental property are not deductible.



## Depreciation

You can claim Depreciation on the Rental Property and any furniture or fittings in it which belong to you. Depreciation is an allowance for wear and tear or part of the allocation of the cost of the property over the period of its useful life. You must claim depreciation each year, unless you have chosen not to, by making an election at the Inland Revenue Department. If you do not make this election, you will have been deemed to have claimed it and could have Deprecation Recovered tax issues at sale time. Note: Land is not depreciated for tax purposes.

## Use of home

It is important to remember to make a claim for your home office. You should calculate the percentage of your house that the home office takes up and apportion your household expenditure e.g.: Mortgage interest, electricity, rates, insurances etc.

*Thanks to David Collis of Bennett Currie,  
Chartered Accountants, Palmerston North  
for this information. Ph. 06 3565511  
[www.bennettcurrie.co.nz](http://www.bennettcurrie.co.nz)*

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## Marketing your property

Finding the right tenant for your property is one of the most important things we do. We use a range of marketing tools and channels to give your property maximum exposure.

## Website advertising

At any given moment, our site at [www.redex.co.nz](http://www.redex.co.nz) has a range of properties available to rent, all new properties are added daily. So potential tenants keep coming back. In fact:

- More than half of our tenants come to us via the website.
- Over three quarters of visitors enter our URL - [www.redex.co.nz](http://www.redex.co.nz), directly. This indicates that the website is widely known.
- Individual properties listed on our website receive extensive exposure.
- We advertise on Trade Me.

We get a lot of positive feedback on our site due to the fact that it is updated daily with what is currently available. We have staff that are responsible for updating the site immediately a property's status changes. Redex will answer email enquiries regarding our properties the same day or within 24 hours.

## Print advertising

We continue to advertise selected properties once a week in the Manawatu Standard, but find that our website and distinctive 'For Rent' signs generate the majority of our tenant enquiry.

## Your place

We produce a daily printed listing of available properties and place it inside and outside the Redex Office. This is very popular with potential tenants many of whom are placed after reading this.



## 'For rent' sign

This service provides your property with additional road exposure. Many of our tenants come to Redex after seeing the 'For Rent' sign outside an available property.

## Referrals

We have a fantastic reputation in the market & many of our tenants have been referred to Redex, by friends, family, colleagues, real estate sales consultants or are existing tenants.

## Redex brand

We continue to invest in brand advertising on vehicles, outdoor media, print and merchandising with our bold distinctive and identifiable logo.

## Our services

The level of our involvement with your property is up to you. We can take care of everything or just the jobs you prefer not to do.

- Rent appraisal
- Tenant selection
- Letting service
- Credit checks

- Bond lodgements
- Rent collection
- Regular payments
- Routine inspections
- Repairs and maintenance Mediation and Tribunal representation

## Auditing

As a safeguard for you, our tenants and the company, we are independently audited by qualified auditors every six months.

## A team effort

At Redex we have a team of experts working towards maximizing the return on your investment.

Our team screens all potential tenants to ensure we choose the best tenant to suit your requirements. Once we have found you a tenant your Property Manager will handle the day-to-day management of your property.

Your Property Manager is backed by a team dealing with all aspects of Property Management, from bodies corporate to dealing with landlord/tenants disputes.

Accounting and administrative functions are maintained to the highest possible standard.



## Property Care

We offer a planned inspection program and use qualified trades people to carry out maintenance and repairs. We can also arrange house cleaning, lawn care, general repairs, gardening, gutter clearance, installation of smoke alarms and so on.

## Accounting

Our system is programmed to provide landlords with calendar monthly payments. Rents collected are deposited electronically into landlord's bank account before the 5th working day of each month. The monthly statements emailed to the landlords clearly show income and expenditure, making it easier to accommodate tax requirements and general accounting.

## Our Service Guarantee

### Property Outgoings and Landlord Statements

- All agreed property outgoings will be paid on your behalf before the due day (subject to availability of funds).
- Your Landlord Statement will be sent to you within 5 working days of our monthly close off date.

## General Communication

- Our office hours are 9.00am to 5.00pm Monday to Friday.
- We will endeavour to respond to telephone messages within 1 working day, email within 1 working day, fax within 1 working day, mail within 2 working days.
- We will promptly advise you of anything that affects your property or the tenancy.

## Rental Guarantee

Under our exclusive guarantee, we will pay you 10% of our market assessed rent if your property is vacant. No questions. This will not affect our competitive fee of 8.5% or our standard 3 months Free of management fees starter package. Please ask for more information.

## Free Lawyer Service

Impossible, free Lawyer??

Only at Redex will you get free help with legal matters while setting up our management services.

## Personal Information

All updates and corrections advised to us will be recorded in our system within 1 working day.

## Vacating

On receipt of a notice to vacate, we will:

- Confirm the details in writing to both you and the tenant.
- List the property on our website and put the agreed advertising plan in effect within 2 working days.
- Prepare all necessary End of tenancy documentation.
- Arrange access for viewings by prospective tenants.
- A vacating inspection will be carried out to ensure your property is maintained to the same standard as when the tenant took on the property excluding reasonable wear and tear.
- After the tenant vacates the property we will process the tenant's bond within 4 working days AND if possible make deduction from the bond if necessary.

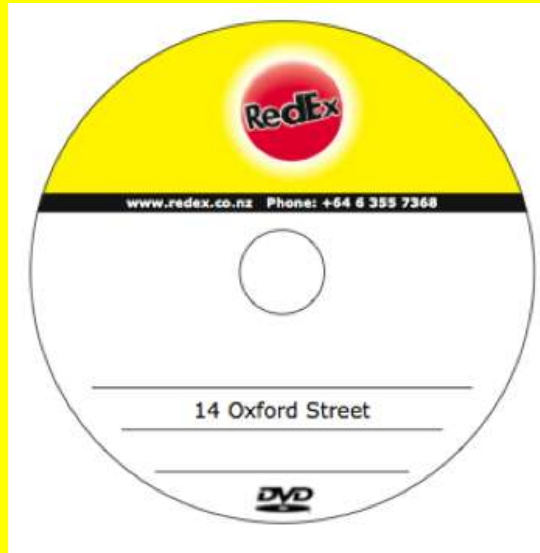


## Complaints

Tenant complaints received in writing (fax, letter, and email) will be acknowledged within 1 working day. All complaints will be formally recorded and responded to within 2 working days.

## Periodic Inspections

Each year we will carry out at least 2 periodic inspections of your property as per your Management Authority Agreement, and provide you with a detailed report of each visit. (An additional fee will apply). Routine inspections consist of a detailed written report and/or filmed and recorded on DVD. This initiative has proved a success and of particular value to absent owners and a first in the area.



## Our Service Guarantee

### Our Values

- At all times we will conduct ourselves in a dignified and responsible manner.
- We will carry out our duties with integrity, objectivity and impartiality.
- We will respect the confidentiality of all information acquired during the course of our work and will not disclose information to a third party without authority or a legal duty to do so.
- Our staff will not undertake work that they are not competent to complete.

## Marketing Your Property for Lease

- We will erect a 'For Rent' sign on your property within 3 working days of listing.
- We will place a listing for your property on the Redex website and Trade Me.
- Your property will be accurately described and advertised (as mutually agreed between us).
- We will conduct an unlimited number of private viewings of your property until the property is leased (subject to access provided to us by any current occupant).
- All property viewings will be arranged by one of our leasing consultants.
- If required, we will update you on the status of your available property and provide you with regular communication until the property is leased.

## Leasing Your Property

- All information and references provided by tenancy applicants will be auctioned by us within 1 working day of receipt.
- If you require, all potentially suitable tenancy applications will be referred to you for a decision.

- We will lease your property for the rent agreed between us (or higher if market justifies it) and the property will not be leased for a lower amount without your approval.
- Subject to the tenancy commencement date and the tenant's availability, we will prepare the tenancy documentation within 2 working days of tenancy approval.

## Rent Collection

- We have a zero tolerance rent arrears policy.
- We will follow up all rent payments in accordance with: Our fully documented arrears process, and the requirements of the Residential Tenancies Act, or where applicable, the lease agreement.
- Should termination of the tenancy be necessary, we will keep you informed throughout the process.

## Rent monies

All monies received by us, less fees and disbursements, will be banked into your nominated bank account by the 5th working day after the end of each month.

## Repairs and Maintenance

- All non-urgent repair requests from tenants will be actioned within 2 working days of receipt.
- We will not arrange any repairs to your property without your knowledge and approval for all maintenance greater than your pre-approved disbursement level (unless the repair is defined as 'urgent' under the Residential Tenancies Act).
- We will attend to any 'urgent' repair requests within 4 hours of receipt.
- All reasonable steps will be taken to obtain the best pricing for your repairs and maintenance.
- We will only use appropriate qualified trades people for any repairs or maintenance work to your property.

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## Things you should know?

### Specialists

We are specialists in our field; our focus is on managing properties and looking after your investment. We provide our landlords with a 'hands on' personalised management service.

Redex provide managers to manage a landlord's investment portfolio, whatever the geographical spread may be.

## Payment

Payment of rent from the previous month is paid to you by Redex on the 5th working day of the following month.

## Systems

Our robust property management system enables us to keep all areas of managing your investment current and workable. We are also able to provide professional records that can be presented, and are acceptable to Accountants, Inland Revenue and if needs be, the Tenancy Tribunal.

## Statements

Redex can provide you with an End of Year Financial Statement.

## Arrears

Redex receive electronic bank statements daily, which enables us to act on arrears or missed payments immediately.

## Eviction

Under the Residential Tenancies Act, tenants can be evicted if their rent payments are 21 days or more in arrears. However, to evict a tenant we need to apply to the Tenancy Tribunal for an order. This can sometimes take 2-3 weeks. Mediation is also an option that we will explore, and use regularly.

## Pool Care

If your property has a pool, we recommend you appoint a professional pool maintenance company. Tenants often fail to keep the pool in good condition and are not obliged to do so.



## Gardens

Under the Residential Tenancies Act, gardens and lawns are to be kept in a 'reasonable condition' by the tenants. Pruning trees and hedges, spraying and vine removal are the landlord's responsibility. We encourage landlords to let Redex manage this on your behalf.

## Mould

Mould is endemic in New Zealand. It is the owner's responsibility to rid properties of mould. Properties should include security catches on windows so the house can be aired. Fans should be installed in bathrooms to provide adequate ventilation.

## Insurance

We encourage landlords to insure chattels such as carpet, drapes, stove and other white ware available for a tenant's use. Also to maintain a current insurance certificate if your property has a chimney. Remember to tell the insurance company that the property is tenanted. Some policies are designed specifically to cover landlords for malicious damage by tenants. Ask your Property Manager for more information.

## Rent Reviews

Rent increases are governed by the current rental market. We can provide you with advice on current market rates. Redex reviews your rental return regularly and adjusts accordingly, taking all aspects into consideration.

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## Quality Assurance

### Property Values

We recognise that one of our responsibilities to our landlords is ensuring increases in property values. Irrespective of a property's location, we maintain that the control of the following factors is critical to succeed in property management:

- Selection of suitable calibre of tenant
- Regular property inspections
- Regular monitoring of income
- Regular monitoring of expenditure (to a pre-determined budget)

## Money Well Spent

Our aim is for our fee to have a mutual effect on the combined property value and net income. How? We believe we can add to both, in greater portions than the fee we charge. Plus your time and peace of mind, as some would say, is priceless!

## Performance Inspections

At Redex we take our responsibility of quality assurance very seriously. As professionals we measure our performance against benchmarks and review these month-on-month, year-on-year. Our objective, clearly to get better as each month goes by. If we are not performing to meet the benchmarks we have set ourselves, we work out why and fix the problem. We measure our vacancy rates, the number of properties let each month, the number inspections completed, tenant arrears and new managements.



## Our Service Guarantee

### Guarantee

If we fail to meet any of these standards the next 3 month's management of your property will be provided free of charge. This guarantee does not apply when:

- We are requested to carry out non-standard duties.
- Matters are outside our control. For example, a natural disaster or accident.

## Professional Standards

The highest standards of honesty, integrity and professional practice will be conducted in compliance with the Code of Ethics of the Real Estate Institute of New Zealand. All auditing procedures are adhered to 100%.

