

# Rental Appraisal Procedure

## Purpose of the Procedure

To ensure that all properties appraised are done so, within an accurate rental range.

## Notes

In this procedure, reference is made to the use of a “database”. This database could take the form of:

- Computer software such as Microsoft Access, ACT, Microsoft Outlook or
- A paper based recording system.

Which one the Agency uses is dependent on the final resources available to the Agency and the level of computer literacy possessed by the relevant team members.

This procedure is based on access to the following:

- Property Management software that has a computerised diary facility attached to the properties under management. If no computerised diary facility is available, action steps and conversations should be recorded in the relevant paper based files.
- The timing of the various action steps in this procedure is based on QLD Residential Tenancy legislation.
- There are references in this procedure to specific staff members in relation to specific activities. In some agencies, these roles may be performed by another member of staff or the title may be different.

## Rental Appraisal Policies

1. A Comparative Market Analysis must be completed to show the Lessor Client how the price was determined.
2. Email, is the preferred form of communication (unless specifically instructed otherwise).
3. Where there is a reference made to the use of a particular letter to a Lessor Client or Tenant in the following procedure, it is possible to be replaced or used in conjunction with a phone call or email. Providing the date, contents of the call/email and the Lessor Client or Tenant's responses are clearly recorded in either the "Lessor Client" or "Tenant" section on the computer (whichever is appropriate).
4. All documentation sent or received in relation to a managed property is to be dated (received or sent) and filed appropriately (soft copy preferred).
5. All actions and/or communications in relation to a managed or prospective management property are to be recorded in the appropriate section of the computer. The date, details and people involved are to be recorded.
6. QLD legislative and Management Agency Agreement requirements must be met at all times.
7. All Agency partners must act in the best interests of the Lessor Client at all times.
8. Any variation that is required to the approved Agency Policies and Procedures must be approved by the Department Manager.
9. Standard Agency checklists, database, letters and forms are to be used and updated at all times.

## Documents used in this Procedure

### Forms

Residential Rental Listing Form (Manual Version)	<a href="#">Form10</a>
Comparative Rental Analysis	<a href="#">Form19</a>
Rental Appraisal Checklist	<a href="#">Form 66</a>

### Letters

Rental Appraisal - General	<a href="#">LL81</a>
Rental Appraisal – Sales Department	<a href="#">LG6</a>

## Procedure Steps

### Step 1. Rental Appraisal Required

Performed By: Property Manager

#### Task Details

- 1.1 The need for the property to be appraised/rental estimate obtained is determined:
- New Management opportunity
  - New Tenancy available
  - Review of current Tenancy
  - Sales Valuation
  - Sales Appraisal.

### Step 2. Arrange Property Inspection

Performed By: Property Manager

#### Task Details

Forms and Letters used in this step: [Form66](#)

- 2.1 Where the property is occupied:
- Arrange for access, as per the Agency Policy and Procedure.
- 2.2 Where the property is vacant:
- Arrange for access with the Owner/Agent in possession of the property.

### Step 3. Property Inspected

Performed By: Property Manager

#### Task Details

Forms and Letters used in this step: [Form10](#)

- 3.1 The property is inspected within 24 hours of the initial request (unless the property is unavailable).
- 3.2 View property.
- 3.3 Take photos for marketing purposes (if applicable). Ensure that photos do not show any tenant belongings unless written consent has been obtained.
- 3.4 Complete the Residential Rental Listing Form in full including:
- Inclusions (if any)

- Special conditions
- Any cleaning or maintenance required.

## **Step 4. Comparative Rental Analysis**

Performed By: Property Manager

### **Task Details**

**Forms and Letters used in this step:** [Form19](#) and Letters [LL81](#), [LG6](#)

- 4.1 List the features/benefits of other rental properties that are:
- Currently For Lease
  - Recently Leased.
- 4.2 Determine the rental range for the property being appraised, by comparing it to the properties reviewed in Step 4.1
- Benefits
  - Features
  - Location
  - Rental price
  - Condition of the property
  - Lease term offered
  - Special terms.

**Note** Properties recently leased:

- Are the best comparison, as someone has agreed to the rent and lease requested

Properties currently for lease:

- Will only give you an indication of rental range, as no one has actually agreed to the rent and lease request and the agreed terms may be very different to what is being asked.

- 4.3 Median Rental Data available from the RTA may assist in determining comparative rental value.
- 4.4 Always provide a rental range rather than a specific price.

## Audit Check List - Rental Appraisal Procedure

Date of Audit:

Person conducting Audit:

Reason for Audit:

The following Documents where checked as part of this Audit:

Document Name	Number	Comments

The following other materials/aspects of this Procedure were checked as part of this Audit:

Details	Comments

Step	Result
1 - Property Appraisal Required	<input type="checkbox"/>
2 - Arrange Property Inspection	<input type="checkbox"/>
3 - Property Inspected	<input type="checkbox"/>
4 - Comparative Rental Analysis	<input type="checkbox"/>