

COMPREHENSIVE GUIDE TO CONDUCT RENTAL PROPERTY INSPECTIONS FOR PROPERTIES



ABSTRACT

As a property manager, you're probably familiar with move-out inspections, but do you conduct the other three kinds of inspections for rental properties? Carrying out regular inspections throughout the rental cycle is the best way to help you track the property's condition and avoid expensive surprises. We'll walk you through the four types of rental property inspections and share five best practices to make them easy and effective.

INTRODUCTION

A rental property inspection (sometimes called a rental inspection or property inspection) is a process where a landlord or property manager visits a rental property to assess its condition and ensure that it is being properly maintained by the tenant.

Rental inspections are typically conducted periodically, such as every few months or at the end of a lease.

I. Rental Property Inspection

What is a Rental Property Inspection?

The purpose of a rental inspection is to identify any issues that need to be addressed, such as repairs or cleaning, and to ensure that the tenant is complying with the terms of the lease agreement.



During the inspection, the landlord or property manager will typically take note of the condition of the property, including the cleanliness, condition of the appliances and fixtures, and any damage. The tenant is usually given notice and expected to be present during the inspection, and they may also be provided with a report detailing the findings of the inspection.

II. 10 Reasons You Shouldn't Skip a Home Inspection

1. It Provides an "Out"

A quality home inspection can reveal critical information about the condition of a home and its systems. This makes the buyer aware of what costs, repairs and maintenance the home may require immediately, and over time. If a buyer isn't comfortable with the findings of the home inspection, it usually presents one last opportunity to back out of the offer to buy.

2. Safety

A home inspection can detect safety issues like radon, carbon monoxide, and mold, which all homes should be tested for. Make sure that your home-buying contract states that should such hazards be detected, you have the option to cancel the offer to buy.

3. Reveal Illegal Additions or Installations

A home inspection can reveal whether rooms, altered garages or basements were completed without a proper permit, or did not follow code, according to Chantay Bridges of Clear Choice Realty & Associates. "If a house has illegal room additions that are un-permitted, it affects the insurance, taxes, usability and most of all the overall value. In essence, a buyer is purchasing something that legally does not exist," she explains. Even new homes with systems that were not installed to code will become the new homeowners' financial "problem" to fix (and finance).

4. Protection

Home inspections are even more critical if you are buying an "as-is" foreclosed property or short sale. Dwellings that have been boarded often develop hazardous mold problems, which are costly to remedy and pose health concerns. Greg Haskett, Director of Operations at TrueBlue Total House Care says it's common for home inspectors to find that copper plumbing lines and outdoor compressors have been removed from foreclosed properties by people trying to sell copper to recyclers for money.



5. Negotiating Tool

Realtor Jennifer De Vivo, owner of Orlando-based Lotus Door Realty says the home inspection report presents an opportunity to ask for repairs and/or request a price reduction or credit from the seller. Work with your realtor to understand what requests can and should be made to negotiate a better deal.

6. Forecast Future Costs

A home inspector can approximate the installation age of major systems in the home like plumbing, heating and cooling, and critical equipment like water heaters. They can diagnose the current condition of the structure itself, and tell you how long finishes have been in the home.

All components in the home have a "shelf-life." Understanding when they require replacement can help you make important budgeting decisions, and it will determine what type of home insurance coverage or warranties you should consider.

7. Determine "Deal-Breakers"

De Vivo suggests that home inspections can help buyers identify how much additional money or effort they are willing and able to spend to take the home to a condition that is personally acceptable. If you are unwilling to repair issues like faulty

gutters, cracked walls, or ceilings, perhaps you are not ready to end your home buying search.

8. Learn to Protect Your Investment

The home inspector is a valuable educational resource. They can suggest specific tips on how to maintain the home, and ultimately save you thousands of dollars in the long term, according to De Vivo.

9. Reveal the Big Picture

Haskett advises that people use home inspection to understand the nuances of what may be the biggest purchase they ever make. "People fall in love with a piece of property based on the color of the walls, the location of the home, or something else; they are completely blind to the issues that can make that dream home a nightmare," he says.

10. Insurance

Some insurance companies will not insure a home if certain conditions are found, or without the presence of certifications like Wind Mitigation and four-point inspections, according to Haskett. "Qualified home inspectors can do these things at the same time as their other services and save the home buyer time and money in the long run."



It is your responsibility to understand as many details as you can about the property you may soon call home. Home inspections reveal the inner workings of the property, allowing you to be informed of all the perks and pitfalls the home has to offer.

III. Rental providers' (landlords') entry rights and responsibilities

Rental providers (landlords) and their agents have the right to enter a property. But there are rules about the reasons they can enter and when they can enter. There are also rules about what they can and can't do when they are on the property.

Renters must let rental providers and agents enter if they are legally allowed and have given proper notice to the renter. The rental provider must compensate the renters where the house is being sold and they are entering the property to hold an open inspection or show the house to a prospective buyer or lender.

Entering the property means coming onto the property as a whole. This can include the garden or outside of the property, not just the inside.

Reasons a rental provider (landlord) or agent can enter the property

A rental provider or their agent can only enter the property for one of the following reasons.

- General (or routine) inspection – inspecting the property to make sure it's in good condition.
- Repairs or other legal responsibilities – making repairs or doing something else the law says the rental provider must do.
- Showing the property to renters, buyers or lenders – showing the property to people who might want to rent or buy it in the future or to people who might lend the owner money based on the property's value.
- Having the property valued – showing the property to a professional valuer or real estate agent.
- Taking photos or videos – taking photos or making videos to advertise the property.
- Renter has not met their obligations – having reasonable grounds to believe the renter has broken their legal obligations under the Residential Tenancies Act or their rental agreement. For example, the renter has damaged the property.
- Family violence proceedings in VCAT – inspecting the property for VCAT proceedings if a renter has applied to end or change the rental agreement because of family violence.

There are rules about how much notice a renter must be given for each of these reasons. There are also specific rules about what must happen during entry for some of these reasons.



Telling a renter about a plan to enter the property

The rental provider or their agent must give the renter notice that they will enter the property.

How much notice a rental provider must give depends on the reason they're entering the property.

Delivering a notice

The notice must be delivered in one of the following ways:

- by post, allowing enough time for delivery
- personally to the renter between 8am and 6pm.

If posting, allow for mail delivery times, which depend on:

- your delivery method
- where you're mailing your notice from.

It is important to allow enough time for mail to be delivered if you are posting the notice. The Australia Post website can help calculate delivery times. If you think you might need proof that you've sent the notice you can use registered post.

When a rental provider (landlord) can enter a property

The rental provider or their agent can only enter the property between 8am and 6pm on any day except a public holiday. Entry outside these times is only possible if the renter agrees. This agreement must be made no more than 7 days before the rental provider wants to enter the property.

Renters' rights to refuse entry

A renter can refuse entry for one or more of these reasons:

- the visit isn't between 8am and 6pm, or it's a public holiday
- they haven't been given written notice
- the notice wasn't given to them properly (for example they weren't told far enough in advance)
- the rental provider wants to show the property to prospective renters and has given the renter a notice to vacate, but it's before the last 21 days of the rental agreement
- the rental provider wants to enter to do a general inspection, but one has already been done in the last 6 months.

Rules when the rental provider (landlord) has entered the property

The rental provider must act reasonably

The rental provider is allowed to enter the property as long as they act within the law. However, they must not:

- exercise their right to enter in an unreasonable manner
- stay or let other people stay any longer than necessary for the purpose of the entry, unless it is with the renter's permission.

Unreasonable means behaving in a way that most people would think isn't fair. For example, it might be unreasonable to come by once a week to make small repairs that aren't really needed. Or it might be unreasonable for an agent to ask for a renter's agreement for them to enter when they are at the property without having given notice.

If a renter thinks the rental provider is acting unreasonably, they can apply to VCAT. VCAT can make a compensation or a prohibition order if the rental provider has breached their duties. If the rental provider hasn't complied with the law, the renter can apply to VCAT to stop the rental provider and their agent from entering the property for a set period of time.



The renter does not have to be home

The rental provider can enter if the renter is not home, if:

- valid written notice has been given, or
- the rental provider and renter have agreed this can happen.

However, a renter being home during a visit may help avoid disputes.

Renters can not usually be required to leave the property

Rental providers sometimes ask renters to be absent during a general inspection or when they're showing the property to prospective tenants or buyers, but the renter is not required to leave. However, a renter who has been excluded from the property because of family violence must not be there at any time.

Other people entering the property

The rental provider's right to enter the property also includes anyone who needs to be there to achieve the purpose of the visit.

For example, if the reason for entry is to have the property valued, the valuer is allowed to enter too. If the reason is to have the property photographed, the photographer is allowed to enter too.

Rules for general inspections (routine inspections)

The rental provider or their agent can inspect all of the property during a general inspection.

A general inspection may only be made after the first 3 months of the rental agreement. They can be done every 6 months at the most.

Rules for showing the property to renters

The rental provider or their agent can enter the property to show it to people who might rent it in either of these cases:

- the renter has told the rental provider they are going to leave (given a notice of intention to vacate)
- the rental provider has told the renter they want them to leave (given a notice to vacate).

The rental provider or their agent can show the property to one group of renters at a time, or hold an open inspection.

The open inspection must happen no more than 21 days before the end of the rental agreement. The end date will be specified in the notice to vacate or notice of intention to vacate.

The rental provider or their agent must not show the property to prospective renters more than twice a week, or for longer than one hour each time. This applies unless the current renter agrees to different arrangements.

If someone who lives at the property is a 'protected person' under family violence or personal safety law, they may require that property is only shown to prospective renters by appointment, rather than through open inspections. A protected person is anyone who has applied for or been given:

- a family violence intervention order
- a family violence safety notice
- a non-local DVO, or
- a personal safety intervention order.

Rules for showing the property to buyers or lenders

The rental provider or their agent can enter the property to show it to people who might buy it if the property is going to be sold, or who might lend the rental provider money based on its value.



If they are showing the property to potential buyers, they can only do this if the renter has been told the owner is going to sell the property at least 14 days before they want to enter. They must use the Notice of intention to sell the property form.

The rental provider or their agent must make all reasonable efforts to agree with the renter on the days and the times that the property will be available for inspection. Reasonable means behaving in a way that most people would think is fair.

The rental provider or their agent may show the property to prospective renters no more than twice a week, and for no longer than one hour each time. However, they can ask the current renter to agree to different arrangements.

Rental providers must compensate renters for each sales inspection. The compensation is either half a day's rent or \$30, whichever is greater. For example, if a property has a weekly rent of \$250, then the compensation would be \$30 per inspection because half a day's rent is only about \$18. However, if the property has a weekly rent of \$900, then the compensation would be \$64 per inspection.

If someone who lives at the property is a 'protected person' under family violence or personal safety law, they may require that property is only shown to prospective buyers by appointment, rather than through open inspections. A protected person is anyone who has applied for or been given a family violence intervention order, a family violence safety notice, a non-local DVO, or a personal safety intervention order.

Rules for taking photos or making videos for advertising

The renter may object in writing if they are worried photos or video for advertising will show anything belonging to them that:

- has the potential to directly identify them or reveal sensitive information about them or someone else living at the property
- is valuable and would increase the risk of theft at the property
- is unreasonable for them to remove or hide
- could identify someone living at the property who is at risk of family violence or personal violence.

If the renter objects, the rental provider or their agent must not take photos or make videos that do any of these things.

If the renter has asked the rental provider not to include any identifiable or high value possessions in the advertising material, they may ask to look at it before it's used. If so, the rental provider or their agent must not use the photos or videos before the renter has seen them and agreed in writing for them to be used.

If a photo or video wasn't originally produced for advertising, the rental provider or their agent can only use it for advertising if the renter agrees in writing.

Rules for entry because of proceedings regarding family violence

The rental provider or their agent is allowed to enter the property for an inspection to check the condition of the property because VCAT has ordered that the rental agreement should change due to family violence. The rental provider must provide at least 24 hours' notice before entering for this reason.

If there is a renter who has been excluded from the property because of the family violence, they can nominate someone to represent them at the inspection. They must provide the name and contact details of their representative before the inspection. These should be included on the notice of entry that is given to the renter still living in the property.

IV. 10 Tips To Prepare For Your Property Inspection



In such a hot real estate market as we're experiencing today, many buyers are passing on property inspections, attempting to win the bidding wars incited by the current inventory crisis. But the inspection is still one of the most critical stages in the process of buying and selling property. Let's be realistic: Properties deteriorate over time. Professional property inspections dig deep into the features of a building and can often lead to unexpected results.

Sellers can and should protect themselves so that during the inspection there are fewer surprises on the back end. With some basic knowledge of dealing with

inspections and property maintenance, you can easily maneuver your way through the inspection and ultimately maximize your property's returns.

1. Check for major issues in the property before inspection

The first thing you should focus on is finding if the property has any major issues. These might include structural issues, problems with electrical or sewer systems, or mold or termite infestations. Each factor can drastically reduce the price of your property, or worse, kill a deal. Ensure that you know the ins and outs of your property before you put it on the market to ensure a profitable sale.

2. Get professional help from your real estate agent

If you are not experienced in property sales and inspections, get help from your trusted real estate broker to assess the true condition of your property. Remember that real estate agents have experience selling properties and can ensure a level of experience that will be of value to you.

3. Make a checklist of different property features and their condition

It is always helpful to make a checklist of the various features of your property that might be of interest to the inspector. Some of these features include grounds, structure, roof, exterior, windows, doors, the kitchen, bathrooms, plumbing and electrical. Write them down and mention their condition. Also, write down the repairs required. It will help you get things done in an organized manner and save you money in the long run.

4. Don't ignore the minor issues

While most of the time minor issues can easily be addressed, do not ignore them before your inspection. Minor issues can include HVAC units, garage doors, doors, lights, walls with cracked or flaked paint, minor exterior maintenance, outdated appliances and worn subtleties.



These are not deal-breakers, but it helps significantly to update your minor issues before selling your property. While they don't usually result in a major devaluation of the property, it is always better to be prepared for the worst. Some buyers get so stuck on small things that they cannot see the bigger picture. Avoid that problem before it presents itself.

5. Clean the property before inspection

Cleaning your property before an inspection is a must. The inspectors will be looking beyond the superficial sparkle of a clean property, but a clean building is easier to sell at a more favorable price than a dirty one.

6. De-clutter the property before inspection

It's important to de-clutter your property before an inspection. Make sure that the inspectors have easy access to attics, basements and electrical panels. Make sure all systems are turned on to ensure a seamless inspection.

7. Make sure the property is in 100% operational condition

Make sure that all the utilities including gas, water and electricity are turned on. You should also provide the inspector with remote controls for different equipment including lights, fans and HVAC systems.

8. Allow the property inspector and buyer the necessary time for inspection

It can take anywhere between one to four hours for the complete inspection of your property, depending upon its size. Allow the property inspector and potential buyer the necessary time for inspection. Don't try to rush them.

9. Leave the property

It's a good idea to leave the property during the inspection. This gives the inspector and the buyer the privacy they need to look at things from their perspective. While you might think that your presence will ease things, it can prove to be a hindrance to the inspector. Think of it as if you were buying the property: Wouldn't you like the luxury of interrupted access during your inspection? Your buyer would too. It goes a long way.



10. Don't try to hide any issues

This is simple: Do not *ever* try to hide issues. They will be found — if not by the inspector, then by the buyer. When you fill out your seller property disclosure form, you must disclose all known issues. When you sign the document, this becomes your liability. It is always in your favor to do the right thing. When you do the right thing, you always win.

The reality of the situation is that property inspectors are experienced professionals who have been through the motions before. Chances are if you behave suspiciously, they will know. You will also lose valuable trust with your inspector and buyer.

Property inspections can be quite nerve-wracking, especially for inexperienced sellers. If you follow the tips mentioned above, you can get through the entire process with ease.

V. What Should A Thorough Rental Property Condition Report Include?

Rental properties are leased for a short period and vacated as per the agreement terms. Since different families occupy these Melbourne homes, they are subjected to consistent wear and tear. The landlords ensure to keep them well-maintained and structurally strong to attract lessees.

However, there could be some problems that are not rectified before the entry of the new tenant. The lessee must identify these issues and inform the landlord to avoid paying for them at the end of the tenancy.

A landlord has the right to deduct the amount for property damage caused by the tenant from their deposit. Therefore, tenants should carefully assess the residential property to save themselves from paying for the damage they did not cause. This is where the rental property condition report comes into the picture, which helps to keep the bond protected from wrongful deductions.



In addition, professional end of lease cleaning Melbourne ensures safe bond retrieval. **Here is a list of what should be included in a rental property condition report.** It will help avoid missing out on the important details.

Follow The Condition Report Template

Tenants must understand that they should follow the template offered by Consumer Affairs Victoria to ensure they cover everything. The document must have a detailed record of the condition of the house at the beginning of the tenancy or the lease agreement. The report should have a room-by-room account of the house and mention dirty or damaged spaces. It must include walls, doors, floors, ceilings, windows, carpets, plumbing and electrical fixtures and fittings in the house.

It should also have information about the outside area, such as the garden, patio and garage. The report can be a digital or paper-based document and is prepared by the landlord. The tenant must thoroughly review it and make changes if required. Once satisfied with the description, the renter can sign the report, send one copy to the landlord, and keep another safe for future reference. It must be returned within five days of receiving the document.

Do Not Forget About Safety Features

Many tenants forget to check the safety fixtures on the property and include them in the property condition report. However, if they malfunction, it can lead to safety

hazards and property destruction. If there is a fire in the house that damages the tenant's possessions, the landlord will not be responsible for paying for the damage.

Thus, it makes sense to ask the landlord to provide the last date of the test conducted for the smoke alarm, gas safety check, hot water system check, electrical safety check, and pool barrier compliance check. The landlord must have these records and provide them to the tenant within a week when requested in writing.

In addition, look for mould and pests on the property to include it in the report to get it removed. These can threaten the safety of your furniture and the health of your loved ones.

Customise The Condition Report

Sometimes, the landlord may fail to include every part of the property in the condition report. For example, they may not have mentioned a dirty garage or a garden. However, the cleanliness of these areas can pose a challenge while moving into the house. Usually, the outgoing tenant hires expert end of lease cleaning Melbourne companies to clean the property. However, some spaces can become dirty if the vacancy period has been long.



Thus, the renter has the right to add new sections to include details of missing areas with supporting evidence if they are dirty or damaged. It is ideal to inform the landlord about the new section and make them realise its omission from the report. If

the tenant and the landlord agree to continue the tenancy after the end of the lease term, they do not need to create a new entry condition report. The document prepared at the time of the first tenancy can be used for the next.

Take Pictures Of The Property

One of the most important tasks to complete when preparing the property condition report is to take pictures of damaged areas. It will help to have proof of the problems that existed before the tenant moved into the house. Thus, the property owner cannot refute the claim when the evidence is before them.

These photos must be attached to the condition report and the date to retain their value as evidence. The digital copies of the pictures must be kept safely if the hard copies are lost or torn. If the property damage is significant, the landlord must be notified to get the repair done. If they fail to restore the property, the renter must apply to the Victorian Civil Administrative Tribunal to issue an order for the repair work.

Complete The Exit Condition Report

The property condition report has an exit condition section that is filled out at the end of the tenancy. The exit report must be completed in the presence of the tenant to ensure that the property is rightly inspected and documented. Usually, tenants rely on professional end of lease cleaning Melbourne to ensure the house is spotless at the end of the tenancy.

The landlord can claim the bond if the property is unclean or there is fresh damage, which is beyond the fair wear and tear. They can also withhold the bond if the fixtures or fittings are missing from the property. So, the renter must leave the property in the same condition in which it was rented.

Managing Disputes During Tenancy

Disputes over damage can be prevented by maintaining the property during the tenancy. The repair and restoration responsibilities are mentioned in the rental agreement and should be followed by both parties. Tenants and landlords should get the repair work done for issues that fall under their control to prevent disputes.

In addition, the renters must get the property cleaned by the best end of lease cleaners Melbourne at the end of the tenancy. It will ensure that it is returned in its original condition, which the condition report can verify. Thus, the landlord will not have any reason to claim the bond.

Rental properties are leased to several tenants to generate income. However, the constant moving in and out can take a toll on the property. It is ideal for the new renter to inspect the house thoroughly and create a detailed entry condition report to keep the rental bond safe.

CONCLUSION

In summary, regularly scheduled rental property inspections are an essential part of responsible property management.

They help landlords and property managers maintain the value of their investment, identify and address maintenance issues early, and document the condition of the rental.

Lastly, by understanding the different types of inspections, adhering to all relevant laws and notice requirements, and following a thorough inspection checklist, property owners can ensure their rentals are being properly cared for, and their tenants are upholding their lease obligations.

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