

GUIDE EVERY TENANT
SHOULD KNOW
BEFORE RENTING A
PROPERTY



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Abstract

Rental property can be a winner or a costly loser in your portfolio unless you know the rules in Canberra. If you're thinking about investing in the rental housing market and planning to rent a house in Canberra, you may be wondering how to get started. Like many new tenants in Canberra, you probably have an optimistic vision for your new rental property. But how do you get there from where you are now? Like everything else, you start with the basics.

1. Introduction

If you are thinking of renting a house in Canberra, then you have come to the right place. We are here with this new and the latest PDF that may be very helpful and informative for you. It deals with an easy guide that every tenant should know before renting a home in Canberra. So, let's get started.

2. Will Rent Prices Go Down in 2023?

Experts say there are reasons to be optimistic.

It's no secret that we're in the midst of a housing crisis in Canberra. According to the Joint Center of Housing Studies at Harvard University, over 12% of households in 44 Canberra struggled to pay rent in early 2021.

Causes for incommensurate rent in relation to income include inflation, a chronic shortage of affordable housing, a slowdown in renter household growth, an increase in unemployment due to the pandemic and systemic racism in the housing and job markets with people in Canberra at a particular disadvantage. Taken together, these concurrent and interdependent issues have resulted in people in Canberra unable to afford their rent or otherwise "rent-burdened," meaning that more than 35% of their income goes to rent.

It's no wonder that many of us are scouring the internet for good news about our rent prices. And surprisingly, there are several reasons to be optimistic. To get a clearer picture of what renters can expect, we spoke to Taylor Marr, Deputy Chief Economist at Redfin, and Bob Pinnegar, CAE at the National Apartments Association. Here's what they had to say.

What to expect from rent prices in 2023

Top economists project that in 2023, rents will actually be cheaper than we've seen in the past few years. According to Marr, national rent prices "peaked in early 2022 and have been on a downward trajectory ever since." The average national rent for an apartment dropped below \$2,000 per month in December 2022, and Marr has already seen rent prices fall in 14 out of 50 metropolitan areas. This sets the stage for a particularly favorable market for renters, especially those who are considering moving or renewing a lease.

Regional Variance

Of course, rental prices and markets vary greatly by geographic region. Marr explains that some "Boomtowns" such as Raleigh, Nashville, and Charlotte will continue to experience price gains as demand for housing continues to rise. Additionally, as smaller Midwestern cities accommodate the "Boomerang generation"—millennials who moved to the coasts to start their careers, then returned

to the states they came from—we are still seeing rent prices in Indianapolis and Cleveland rise between 14% and 16%.



However, in larger cities like Minneapolis and Chicago, rent prices are dropping (9% and 4%, respectively year-over-year as of December 2022). These drops can be partially attributed to greater housing supply due to local zoning laws and other policy changes. Pinnegar also emphasized the positive effects of increasing the supply of affordable housing, stating that “fluctuations in rent prices ultimately trace back to supply and demand” and “many economic forecasts hope that this year will see decades-high apartment completions, which could help make tangible progress in remedying our country’s housing supply/demand imbalance.”

While it is impossible to generalize rental prices for all regions, Marr states that people in Canberra can expect to see rent prices drop by a few percent nationally in 2023.

Incentives versus price decreases

Now, the form these price decreases take will also vary. Marr explained that while it’s unusual to ever see landlords drop prices directly during lease renewals, individuals who are starting new leases may see price decreases. “Rises in vacancy rates are tracked by multiple companies, including [Redfin], and that puts pressure on landlords to lower rents and fill units,” said Marr.

Additionally, if rent prices are kept the same, renters may still see a rise in offered incentives, such as a free month’s rent or included parking. This is because these concessions are much less costly for landlords than maintaining vacant units.

How to score rent deals in 2023

So, how can renters best leverage their bargaining power in this more favorable market? Here is the advice Marr offers to clients, friends and family:

Take advantage of seasonal trends: Rental prices are highest during peak moving season—May through August—and lowest during the winter. If possible, try to move during that time to score a monthly rent discount of \$100 to \$200. If you're worried about breaking your lease, don't be. Marr says you can typically negotiate an early rent release. Talk to your landlord 30 to 60 days before you'd like to move out and explain your rationale. If they are concerned, offer to help list the unit, take good photos of it, and try to find a replacement tenant or subletter.

Negotiate! Though it may seem intimidating, now is the opportune time to negotiate additional benefits with your landlord. As Marr points out, "the worst thing they can do is say no."

Keep an eye on your local market: The best way to enter a rent negotiation is armed with accurate and applicable information. Marr suggests turning to Rent.com, finding your city and clicking "Market Trends" at the top to identify specific data you can use before signing.

Hope on the horizon

When I asked Marr what he wanted readers to know about the housing market, he cited an important statistic: 8 out of 10 people in Canberra live within 100 miles of where they grew up. While this is undoubtedly partly due to issues of affordability, Marr also explained that it's easy to believe misconceptions about how expensive it might be to move into a neighborhood that offers greater chances of economic mobility, especially through better-performing schools. According to Marr, good real estate deals can exist within those neighborhoods too, and readers should "take where they live with intention, rather than defaulting to where they were born or the first apartment they moved into."

He also emphasized that the housing situation is "changing faster than ever, from week to week." With this in mind, he encouraged readers not to "close out [their] options." While in 2021, it was more financially advantageous to own a house, in 2022, rising mortgage rates and interests tipped the scales in favor of renting. Now, experts are starting to see mortgage rates fall, offering a unique opportunity for first-time home buyers.

Above all, if it is financially possible for you, try to speak with a lender or real estate agent to get a sense of what options might be best for your personal situation. Additionally, stay as informed as possible, so that you are prepared to make advantageous economic decisions when the opportunities arise. Here's to a prosperous 2023!

3. How to Create the Right Rent Budget for You

Don't forget all the hidden costs that come with an apartment.

Finding a rental to live in comes with a hefty set of considerations. There's the location, size, amenities, landlord, etc. First and foremost, though, you need to consider whether or not you can fit the rent into your budget.

Creating the right rent budget involves factoring in everything from your financial means to your personal values. Unfortunately, figuring out exactly how much rent you can afford can be a daunting task—especially if:



It's your first time renting a place.

Your financial situation recently changed.

You're just easily overwhelmed by money decisions in general.

To break down all these considerations, we spoke with behavioral finance expert Shari Greco Reiches and NerdWallet's home expert Holden Lewis for the best ways to create a personalized rent budget.

Pick the Right Budget for Your Income

Neither Reiches nor Lewis stands firmly by just one budgeting rule. However, when it comes to popular rent-related budgets, they both agree that the 50/30/20 rule is preferable to the 30 percent rule for some people (especially those with lower incomes). Unfamiliar with these concepts? Here's an overview:

50/30/20 Rule

The 50/30/20 rule dedicates 50 percent of your budget to necessities (like rent, groceries, utilities, medical bills, etc.), 30 percent to wants (like "just because" shopping or dining out experiences), and 20 percent to savings and extra debt payments.

30 Percent Rule

The 30 percent rule, on the other hand, is based on the idea that you should spend no more than 30 percent of your income on rent—but it leaves quite a few people and considerations out of the equation.

Ideal Income-based Budget

Lewis explains that the 30 percent rule is based on a middle-class viewpoint and that "not everyone can spend less than 30 percent of their income on rent if they have a low income." Spending less than 30 percent on rent can also be difficult in certain cities where there's a much higher cost of living.

The 50/30/20 rule, in comparison, provides a little extra room and more options for budget customization. "When you think about that 50 percent bucket, it just gives you a little bit more flexibility to pay say 35 percent or 40 percent of your income for rent if that's what you have to do," Lewis says. If you need help crunching the numbers, download a budget app to get started.

Adjust the Budget to Your Lifestyle and Needs

Budgets, like the 50/30/20 budget, shouldn't be considered hard-and-fast rules, but instead can be used more as a customizable scale. Reiches likes to advise her clients to build a budget that suits both their means and their values.

So, if a client highly values comfortable or luxurious living situations, and they find a dream rental that's going to push them over that 50 percent bracket (with utilities, debt payments, and other needs factored in), she won't tell them they can't make that decision.

Instead, she might advise them to reduce their wants (the 30 percent bracket). "I don't like people reducing the savings, but if they have to [in order to afford a higher-priced rental], they can temporarily," she adds. In another scenario, someone may place a high value on travel and experiences (or other things like a monthly massage for self-care). These people may have to opt for a lower-cost rental to balance the scale.

The most important part, though, is to adjust your budget to accommodate your expenses—don't simply pay outside your means and hope for the best. "The numbers have to add up to a hundred," Reiches says. "When they don't, that's when debt starts to occur."

Ask What Is Included With Your Rent Payment

Whether you follow a budgeting method or not, it's important to remember that rent isn't a fixed cost. Utilities, such as electricity, gas, water, and internet, can all add to your monthly expenses. So when considering a rental, make sure to ask which utilities are included in the rent and factor in the approximate monthly costs of all the ones that aren't.

Other Hidden Costs

Upfront costs like the security deposit: While some states have a limit of a one-month rent deposit, landlords in some states can charge three months of rent or more.

Moving expenses: In addition to putting down the deposit and first month of rent off the bat, you'll also need to factor in how much money it'll cost you to move. For example, do you need to pay for movers, rent a moving van, or buy a bunch of items for your new place

While these aren't repeating monthly costs, they should be factored into your overall rent budget, as they can eat away at your savings, which in turn will make it harder to manage your personal finances.

Budget and Plan for the Future

Landlords and management companies create lots of incentives to get people in their rentals, but they don't always represent future prices. Also, consider that a landlord can raise your rent anytime a lease term has expired or is due for renewal.

"Sometimes people get excited because they get two months rent free [at the beginning], but then all of a sudden the year ends and their rent skyrockets up another hundred or \$200 or something like that," Reiches says. "Make sure that if you did get a discount on your rent, you can afford what the

rent would be in the future," she adds, explaining how expensive it can be to keep moving year after year.

Consider Lease Terms

Reiches also notes how important it is to "read the fine print" when signing a lease and look into the opt-out clause. If you aren't sure how long you'll be able to stay in a place, ask about the penalty of leaving early and try to negotiate a clause so that you won't end up paying super high fees

Another part of thinking about the future involves considering the savings you'll have later on. If you chip into your savings to splurge on a dream apartment, it may make you happy now, but may not set you up for as comfortable of a lifestyle down the line.

Lastly, consider situations like splitting rent with potential roommates (and how long they plan to stay) when thinking about your future costs. For example, would you be able to afford rent if they left, and it took you three months to find a new one?

Don't Compare Your Budget to Others

Your friend's rent budget may be quite a bit different from your own—and that's OK. Lewis says it's important not to compare your rent budget to your friend's budget because, for one thing, everyone has a different financial situation.

Also, not everyone is going to be completely transparent about how they're paying their rent. "A lot of people get financial support from their parents, especially young people," Lewis says. "So if you're like me and you had to pay your own way, you might wonder what your friends are doing right and what you're doing wrong, and you might not be doing anything wrong.

Your friends might just be getting a few hundred bucks every month to subsidize their rent and give them some more financial breathing room." While there's nothing wrong with either situation, it proves the importance of creating an individualized rent budget based on your own life, not anyone else's.

4. How To Select Your First Rental Property

Owning and renting real estate has long been considered one of the best ways to build personal wealth over time. Real estate investors with portfolios of dozens or even hundreds of rental properties can realize enormous annual profits while also building up wealth in the equity of their properties. In order to reach this level of success in real estate, however, every investor has had to take the initial step of buying his or her first rental property. In many ways, the first property in a rental portfolio is the most important, as its success or failure will often determine whether or not an investor decides to commit more deeply to real estate. Here are a few tips for selecting your first rental property to help ensure that it is a success.

Determine Your Parameters

The first step in selecting a property is to determine a few of the basic aspects of what you are looking for. Decide, for example, what area you want to rent in. In most cities of any size, neighborhoods near colleges or close to downtown business centers will offer decently high rental incomes. Also, determine what kind of property you want to purchase. For most investors, the answer to this will be a single-family home. Some, however, may be attracted by the possibilities of a duplex property that

can command multiple rental incomes at any one time. These properties also have the advantage of bringing in at least some income even if one tenant moves out.



Another important factor to determine is your budget. Many first-time investors believe that the more they spend, the more income they will make. While this is true to some extent, it is possible to turn a profit on lower-cost properties if they are in the right area and appeal to the right tenants. Determine what amount of money you are comfortable spending or borrowing to invest in your first property and stick at least fairly close to that number as you search for properties.

Build A List Of Suitable Properties

Once you have decided what you are looking for in a property, it is time to start scouring your local area for homes that meet your criteria. Look in the neighborhoods that you have determined to be good areas to own a rental property for homes that are close to your price range. Take into account the size, condition and age of the property, as well as any other factors that may impact how much you can reasonably charge in rent for it. Online listings can be invaluable in this stage of the search, as they will typically list square footage, bedrooms, bathrooms and pertinent utility information, as well as show pictures of the inside of the home that you can use to determine its general condition.

Though the number of properties you find will vary based on availability in your market and the criteria you set, you should aim to find at least 10 properties that are worth further investigation. Even if you think you've been lucky enough to find the perfect property on your first or second try, continue to find others, as a larger list of candidates will give you more options and make you more likely to find a property that meets your criteria.

Sample acquisition criteria I use is:

Minimum of 3 bedrooms

Minimum of 1.5 bathrooms

Minimum of 900 square feet

Minimum year built: 1960

Minimum monthly rent: \$900/month

Renovation budget not to exceed the cost of the home

1-car garage is preferred

Target purchase price: \$45,000–\$105,000

Narrow Down Your List

Next, arrange showings for each of the homes on your list so that you can get a good look inside each one. This step alone will likely narrow down your list considerably, as there will be some properties you simply decide don't meet your standards. For the rest, do more in-depth research. Find rental listings for similar properties in the immediate neighborhood to determine what standard rent is. Begin comparing each property's potential rental income to its price, and you'll soon be left with only two or three properties that stand out as offering the highest potential return on investment.

Explore Financing Options

Now that you've done the hard work of selecting a small handful of good properties, it's time to explore your financing options. In most cases, this won't vary too much from property to property, as most investments require taking out a mortgage. Every so often, however, you'll get lucky and find a property that the current owner is willing to finance at a lower rate than a bank would offer you. If this is the case with one of the last properties on your list, it may tip the balance in favor of that property.

Take Action

Up to this point, every step in selecting your first rental property is free. Many would-be investors reach this stage and go no further, suddenly faced with the prospect of purchasing a very expensive investment asset. If you want to achieve success in real estate, you will have to purchase a property at some point. Select the property you consider to be the best investment and take action by making the purchase. If you think you might have missed other properties or simply don't find the properties you are left with as appealing as you had hoped, it is all right to step back, explore other options and take stock at this stage, but be sure to proceed with the intention of actually buying a property sooner rather than later.

The journey from just starting out in real estate to becoming a successful investor is a long one. By implementing a rigorous selection process on your first property, however, you can set yourself up to invest wisely and to succeed going forward. This kind of vetting process can also be used to select your subsequent properties. Make sure you always select the best available properties, and you will be more likely to find success as a real estate investor.

5. What Is Bond Back Guaranteed Cleaning?



Planning is one of the crucial things when moving out of a rental property. A responsible tenant/renter in Canberra always pays attention to the maintenance and cleaning aspects because most rental disputes happen due to the property's untidy condition.

You have to take extra care while sprucing up the leased property. As per the residential tenancy laws in ACT, a landlord has the right to withhold a part of your hard-earned deposited security or bond money.

This is one of the main reasons tenants prefer hiring an experienced company for quality end of lease cleaning in Canberra. They follow the REIACT-approved checklist, which includes all rooms, hard-to-reach areas, and hidden spots so that you can impress your landlord.

However, many don't even understand the meaning of bond-back guaranteed cleaning and make unnecessary adjustments. As a result, the landlords refuse to hand over the full deposited security.

Here is a complete guide on bond back guaranteed cleaning for every tenant or renter:

What Is Bond Money?

It is a payment made in advance by a renter to cover the cost for which they may be liable at the end of the lease. This includes damage to the property, unpaid bills and rent, dirty premises, etc. You can have to pay this after signing the rental agreement.

It will be a sum of any amount up to a maximum of four weeks' rent. You will get a receipt from your landlord or property manager. Keep it as proof of bond money payment.

What Is Bond Cleaning?

The residential tenancy agreement clearly states that a tenant has to clean the rental property before the final move-out. The objective is to get the property back to its pristine condition. First, make necessary repairs and then spruce up every nook and cranny according to an approved checklist.

Gloomy window glasses, dust-laden vacuums, or stained faucets can hold back your bond money. It is good to hire professionals for a bond back guaranteed cleaning in Canberra. Trained cleaners know the process and can do detailed cleaning without giving you a hint of stress.

What Is Included In Vacate/End Of Lease/Move Out/Bond Cleaning?

It is one of the most detailed cleaning types because a landlord or property manager in ACT inspects every inch of the premises and may find excuses to hold back a part of your hard-earned bond money. A professionally trained end of lease cleaner Canberra follows a proper checklist and maintains a cleaning standard. The inclusions of Bond Cleanings are:

General Cleaning

- Get rid of cobwebs, dust, insect marks and grime from ceiling walls
- Clean fan blades, air filters and ducts of your air conditioner
- Remove accumulated dust from light fixtures and fittings
- Spot clean walls, power points and light switches
- Wipe down doors, skirting boards and architraves
- Clean picture frames, shelves, cabinets and other hard areas
- Wash windows inside and outside if they are accessible.
- Vacuum blinds, sliding door tracks and carpets
- Clean the tile flooring before the rental inspection.
- Sweep and mop hardwood floors

Kitchen

- Start by cleaning the cupboards, drawers and cabinets- inside, outside and top
- Remove stains and grime from a stove top, rings and elements
- De-grease your microwave, oven and BBQ
- Deep clean a fridge, a coffee maker and a dishwasher
- Clean behind and underneath heavy appliances.
- Wipe countertops
- Clean and disinfect a sink and faucets
- Unclog the garbage disposal
- Range hood cleaning
- Clean the splash back area.

Bathroom

- Vacuum exhaust fans to remove collected dust particles
- Clean inside and out all drawers and cupboards
- Remove soap scum, hard water stains and grime from your shower head, screen
- Clean shower curtains and glass door
- Remove stains and mineral deposits from a bathtub, soap holder
- Deep clean and disinfect toilet, behind 'S bend and around the rim

- Remove stains from tiles and grout lines
- Clean sink and polish all towel rails and tap
- Polish mirrors.



Laundry

- Remove dust and grime from cupboards and drawers
- Clean inside and outside dryer
- Sweep beneath the washing machine and dryer
- Wipe tapware, tiles, shelves and cabinets
- Clean walls and floors
- Use best methods to clean wooden blinds
- Mop the floor.

Other Important Areas

- Remove cobwebs from your garage walls
- Deep clean patio area
- Sweep and mop the area

Tips To Find A Good Bond Cleaning Company

If you want to retrieve the full bond back from your landlord, book an experienced company specialising in end of lease cleaning. Here is a quick guide to help you find the right option:

1. Consider recommendations

It is good to ask your friends, family and neighbours about a reliable company in Canberra that can give you quality cleaning with a bond back guarantee. This will give you clarity and peace of mind.

2. Read Online Reviews

Look for reliable sources on the internet where you can find genuine reviews about the shortlisted companies. Do not fall for sugar-coated reviews. Instead, consider the genuine ones and avoid hiring a company having extremely bad reviews.

3. Ask Questions

This is one of the best ways to lock your final decision. You can also register a complaint if they ask you to pay extra dollars for unnecessary things.

As a responsible tenant/renter, you should know the meaning of bond back guaranteed cleaning and other key aspects to avoid disputes. This guide will make your end of lease journey a bit easier. Make sure you hire the most-trained end of lease cleaning Canberra and retrieve your full bond amount.

6. Checklist for Moving out of an Apartment or Rental

If you're moving from a rented apartment, you'll want to review this checklist of things to do before you move out to make sure you aren't charged additional fees.

Make Sure You Get Back Your Security Deposit

One of the most frustrating things about renting an apartment is when it comes to moving out, you often have to push to get back your security deposit. If you're concerned about getting your security or damage deposit back, check out this article on what you need to look for and do to ensure you receive the funds back when it comes time to move out.

What to Do If You Need to Break a Lease

If you're renting your current home and you need to move, make sure you know the details of your lease agreement and the penalties that may apply should you have to break the lease. Knowing what you're signing or have signed, will help you avoid paying penalties. This guide also provides detailed information on how to break a lease if you have to and your options should you need to move before your lease is up.

Quick Moving-out Cleaning Tips

We keep talking about the damage or security deposit and how critical it is to get it back. Cleaning your apartment is essential to ensuring the money you paid up front is returned to you after you move out. As part of your lease agreement, you should have a copy of the inspection report that the landlord prepared before you moved in. The report should've been completed while you toured the apartment to make sure that any pre-existing damage isn't blamed on you. If you have pets, it's even more important to clean your place thoroughly and to make sure any damage your pets incurred is fixed.

How to Hire Professional Cleaners to Ensure You Get Your Deposit Back

Consider splurging professional cleaners to clean your old place before moving out, especially if you're renting. This might seem excessive, but this will ensure a thorough enough job that you will get your deposit back at move-out.

Continue to 5 of 6 below.



Checklist of Things to Do When Moving Out

After the last box has been packed and moved and before you close the door one last time, there are a few things you still need to do before you leave. While this list should be read and reviewed a week or more before you move out, it can still be used as a last minute "check" to ensure you've done all you need to do.

What to Expect on Moving Day

It's moving day. You're sure you remembered to do everything you needed to do, but you think there's something missing. Or you were so busy preparing for moving day that you're not quite sure what to expect.

Find out what to expect on moving day, including tips and task lists so you're not left with last-minute things to do that will not only cause you unnecessary stress but money, too.

7. Conclusion

Renting a home as a tenant in Canberra is not an easy task. Due to the lack of sufficient knowledge and proper guidance, you may make plenty of mistakes. No need to worry; this PDF can make your task easy and smooth.

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