

# POLICY



**Date adopted:** 26/08/2020  
**File no:** 128734-1  
**Minute number:** 92/2020

**Policy title:** RENTAL OF RESIDENTIAL PROPERTIES OWNED BY COUNCIL

**Directorate:** ORGANISATIONAL SERVICES

**Branch:** CORPORATE PROPERTY

**Policy objective:** To outline how Council's residential property portfolio will be managed.

**Policy scope:**

This policy applies to all residential properties owned by Council which are to be offered for rental.

**Definitions:**

Residential properties	A Council owned property which includes a dwelling which is suitable for residential occupation by a household, but specifically excluding the pensioner units owned by Council in Nerida Street, Rochedale South.
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**Policy statement:**

1. Residential properties owned by Council may, having regard to their future intended use, state of condition and repair and likely ongoing maintenance costs, be offered for rent.
2. Management of Council's residential property portfolio will be outsourced to an appropriately qualified residential property manager who will be appointed through a request for quotation process consistent with the requirements of the *Local Government Regulation 2012* (Qld).
3. The residential property manager will be required to provide services to Council including the following:
  - (a) quarterly routine inspections of each property to ensure compliance with tenancy obligations;
  - (b) management of maintenance and repair for the properties, under strict financial controls to ensure compliance with Council's governance and procurement requirements;
  - (c) the provision of timely advice regarding any changes to Council's obligations as landlord, including statutory requirements;
  - (d) quarterly written reports to Council outlining:

- (i) the current position with respect to payment of rent and other charges;
  - (ii) the outcome of property inspections;
  - (iii) future maintenance and repair requirements including associated costs; and
  - (iv) other relevant matters for Council’s consideration;
  - (e) an annual report to assist in the Council budgeting process, to be delivered no later than the end of December each year providing:
    - (i) the proposed market rent for the next financial year; and
    - (ii) an estimate of costs to be incurred by Council in respect of each property for the next financial year (e.g. maintenance, statutory obligations).
4. All tenancies of residential properties owned by Council will be:
- (a) offered to the market by the residential property manager;
  - (b) on the basis of a General Tenancy Agreement under the *Residential Tenancies and Rooming Accommodation Act 2008* (Qld) with minimum terms and conditions as follows:

Rent	To be determined by the market. Council will be informed as to market rent by the residential property manager.
Termination Right	Agreement may be terminated by Council on no less than 60 days' notice in writing in the event that the property: <ul style="list-style-type: none"> <li>• is required for the purpose for which it was initially purchased; or</li> <li>• reaches a condition where it is no longer fit for a tenant to live in.</li> </ul>
Repairs and Maintenance	<ul style="list-style-type: none"> <li>• Council will be responsible for:                             <ul style="list-style-type: none"> <li>○ repairs and maintenance of property as required of the lessor by the General Tenancy Agreement; and</li> <li>○ annual pest control and termite inspections.</li> </ul> </li> <li>• The tenant is to be responsible for repairs and maintenance of the property, as required of the tenant by the General Tenancy Agreement.</li> </ul>
Insurances	Council will insure the building.  The tenant is to be responsible for any insurance in respect of contents of the property.

5. During any residential tenancy of a property owned by Council:
- (a) the branch for who the property was acquired will:
    - (i) hold the land and any improvements on the financial asset register;

- (ii) be responsible for all decision-making as to whether the property remains tenanted or is to be made available for its future intended use;
- (b) the Corporate Property Branch (Corporate Property Program) will:
  - (i) be responsible for management of the relationship with the residential property manager;
  - (ii) coordinate and provide advice to the branch for who the property was acquired to obtain instructions regarding renewal or termination of the tenancies;
- (c) the income received from each property will be allocated toward payment of:
  - (i) maintenance and repair costs;
  - (ii) capital replacement costs;
  - (iii) the residential property manager;
  - (iv) internal rates, water and waste charges;
  - (v) depreciation;
  - (vi) legal and valuation costs (if required); and
  - (vii) any other costs directly related to the ownership of those properties,

with any surplus funds to be transferred to the income reserve from which the property was purchased, to contribute to future unplanned costs associated with residential properties.

**Related policies/legislation/other documents:**

DOC ID	DOCUMENT TYPE	DOCUMENT NAME
-	Legislation	<i>Residential Tenancies and Rooming Accommodation Act 2008</i>