



Selecting the Right Tenant

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Selecting the Right Tenant



Almost on a daily basis, someone is raising the issue of fraud, whether it relates to cyber criminals, trust account fraud or even the provision of information from prospective tenants.

In relation to tenants, the most common question that is posed is how to screen potential tenants and protect your agency and your landlords from application fraud.

Whilst there is importance in using your standard reference checking system, it is not foolproof as applicants may provide fraudulent information. Many agents have also started thinking 'outside the box' and conducting google and Facebook searches to check the character of a prospective tenant. I hear you ask yourself - Is this my job though? Should I look into the personal lives of an applicant? What could I find that would indicate that they would not be a good tenant?

A tenancy database is a list able to be used by real estate agents to assist with screening prospective tenants during their application for tenancy. There are many providers that you can choose from. We do not have one that we would suggest as being better than another. However, we can provide you with a list of the more well-known companies that provide this service:

- TICA
- TRA – Trading reference Australia
- Equifax

A tenant's details should only be listed on a tenancy database providing the agent has met the legislative requirements as per the Residential Tenancies Act 2010 NSW, and those details can be listed for up to three years or until they become out of date, i.e. the database cannot say the tenant owes money to the landlord if the tenant has subsequently paid the money outstanding. The database entry must be amended to state that the money has been paid.

There are strict rules around when a tenant can and cannot be listed on a tenancy database.

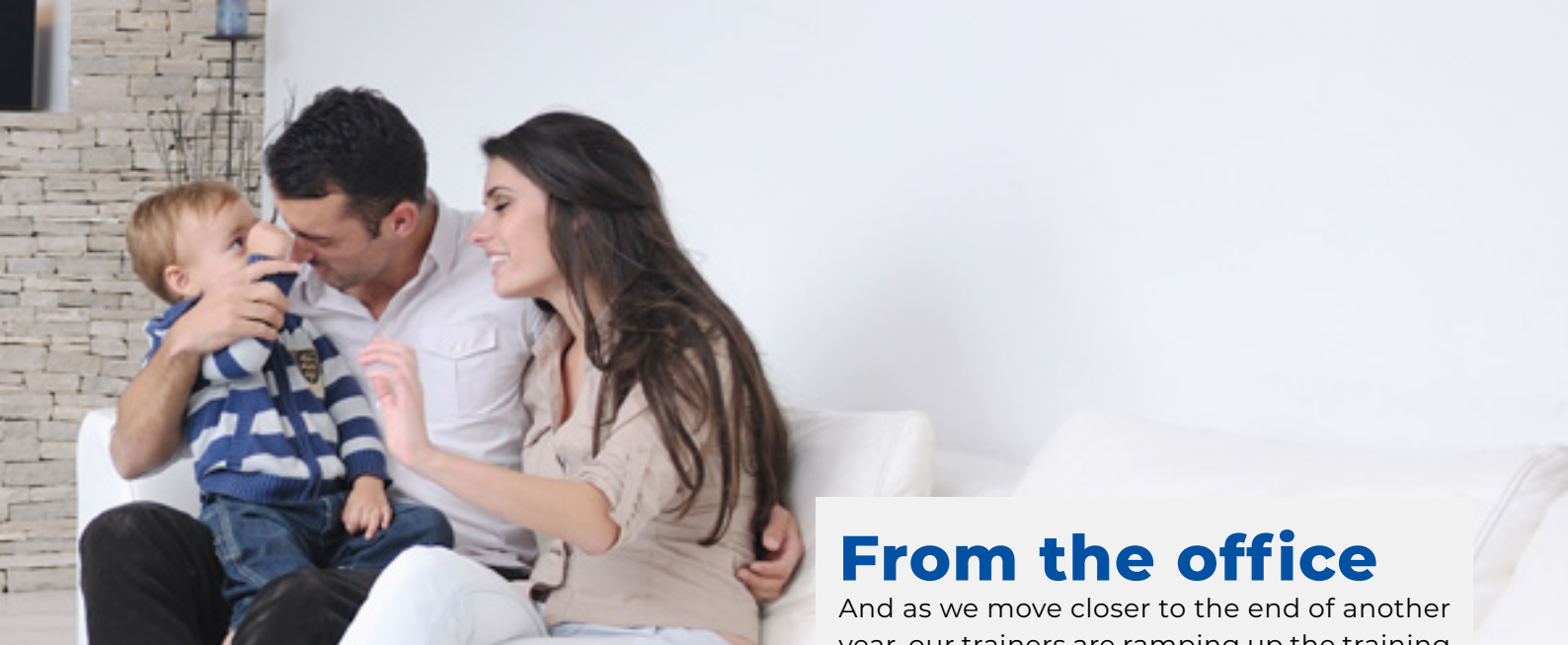
A tenant can be listed if:

- the person/s were named on the tenancy agreement that has terminated, and
- the person/s owes an amount more than the bond for the tenancy agreement, or the NCAT has made a termination order, and
- the information identifies the nature of the breach and is accurate, complete and unambiguous.

A tenant cannot be listed if they:

- fall behind with the rent, or
- are served with a termination notice, or
- ended their tenancy in circumstances of domestic violence.

The one major downside to the database checking system is that not all agents use the database for "Blacklisting" tenants, and those that do, have the choice of a number of databases. Furthermore, these databases are not all linked with each other because they are all run by private companies. Essentially, you



From the office

And as we move closer to the end of another year, our trainers are ramping up the training and most definitely their travel miles – with training happening in Boolaroo (Lake Macquarie), Newcastle, Nowra and then lots of metropolitan courses for specific agencies in Bringelly, Neutral Bay, Olympic Park, Parramatta, Crows Nest and Annandale. In addition to CPD classes now being very popular due to the fact that all agents need this completed by 22 March 2023 (3 ½ months to go), we have also been running licensing programs for Stock & Station agents, strata managers, trust accounting and specialist sales skills courses for all agents. It's certainly been a busy fortnight. And to finish the fortnight, Greg Jemmeson, Jemmeson Fisher lawyers and our College Principal Rosy, conducted another of their Business Owner's seminars – this time in our head office training rooms in Sydney CBD.

We have a few of the team on holidays at the moment and we wish them well on their various trips – Anthony on a cruise and Olivia to a music festival. And then there's Chanelle – we wish her a super speedy recovery from her spinal surgery earlier this week – everyone is missing her brilliant smile and always beaming demeanour.

It's still our birthday month and we have our weekly winners with their \$250 gift cards and then we will have the November winner of the \$2,000 gift card selected from all students who have either enrolled, attended a session, or completed an assessment during November. Now that would be just lovely prior to Christmas. WATCH THIS SPACE and our socials, for a huge announcement about birthday specials coming in the next few days.

could be looking up a potential tenant on one database, find that they are not listed on that search but they could be found on another database. It could potentially cost your agency a lot of money to subscribe to every database to check the suitability of one tenant.

A free way to check if a potential tenant has had previous rental defaults is to conduct a search via the NSW Civil and Administrative Tribunal (NCAT) website. This can provide you with Tribunal transcripts of any tenant dispute that has been reported before the Tribunal. To conduct a search you should follow the steps below:

1. Go to www.caselaw.nsw.gov.au
2. Click on FILTER
3. Under the 'Tribunals' heading, select "Civil and Administrative Tribunal (Consumer and Commercial Division)" and click OK at the bottom of the page
4. Now use the search bar (top right of page) and enter the applicants full name and select search.

You will only receive results that have been heard before the Tribunal. Matters that were resolved through conciliation will not appear. We recommend that this process of "protecting your landlords" should be used as well as the tenancy databases, not instead of. Whilst it is certainly not foolproof, it is certainly an additional step (and an easy one), that demonstrates that you are acting in the best possible interest of your landlords.

Rosy Sullivan
Director | College Principal

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