

CPPDSM4016A Monitor and manage lease or tenancy agreement

Unit descriptor	<p>This unit of competency specifies the outcomes required to manage properties during the term of leases or tenancy agreements. It includes implementing the conditions of leases and tenancy agreements, responding to requests from tenants and landlords and managing the renewal and termination of leases and tenancy agreements.</p> <p>The unit may form part of the licensing requirements for persons engaged in real estate activities in those States and Territories where these are regulated activities.</p>
Employability skills	<p>The required outcomes described in this unit of competency contain applicable facets of employability skills. The Employability Skills Summary of the qualification in which this unit of competency is packaged, will assist in identifying employability skills requirements.</p>
Prerequisite units	<p>Nil</p>
Application of the unit	<p>This unit of competency supports the work of licensed real estate agents and real estate representatives involved in monitoring and managing leases or tenancy agreements.</p>
Competency field	<p>Real estate</p>
Unit sector	<p>Property development, sales and management</p>

ELEMENT

Elements describe the essential outcomes of a unit of competency.

PERFORMANCE CRITERIA

Performance criteria describe the required performance needed to demonstrate achievement of the element. Where ***bold italicised*** text is used, further information is detailed in the required skills and knowledge and/or the range statement. Assessment of performance is to be consistent with the evidence guide.

1 Implement conditions of lease or tenancy agreement.

- 1.1 ***Rights and duties of tenants and landlords or agents*** during the lease or tenancy agreement are identified in line with ethical standards, ***legislative requirements*** and agency practice.
- 1.2 Inspections of managed properties are conducted and condition reports are prepared in line with lease or tenancy agreement, landlord instructions, legislative requirements and agency practice.
- 1.3 Rental moneys are collected and processed in line with lease or tenancy agreement, legislative requirements and agency practice.

ELEMENT

PERFORMANCE CRITERIA

- 1.4 Reports are accurately prepared and routinely communicated to landlord on rental moneys collected or in arrears.
- 1.5 *Strategies for collection of rental arrears* are discussed with and agreed to by landlord prior to implementation of collection process.
- 1.6 Procedures for collection of rental arrears are implemented in line with landlord instructions, legislative requirements and agency practice.
- 1.7 Tenants in arrears are routinely followed up to obtain payment or vacant possession in line with landlord instructions, legislative requirements and agency practice.
- 1.8 Where necessary, claims against rental bonds are prepared and forwarded to the appropriate authority within specified timeframe of the outgoing property inspection.
- 1.9 *Rent increases and reviews* are conducted in line with lease or tenancy agreement, legislative requirements and agency practice.
- 2 **Respond to enquiries from tenants and landlords.**
 - 2.1 *Enquiries from tenants and landlords* regarding managed property are handled promptly to enable high quality service delivery in line with agency requirements.
 - 2.2 *Appropriate rapport* is established with tenants and landlords.
 - 2.3 Appropriate interpersonal communication skills are used to clarify enquiries from tenants and landlords.
 - 2.4 Enquiries from tenants and landlords are resolved in terms of lease, tenancy agreement or management agreement or are referred to *appropriate people* in line with agency practice.
- 3 **Plan for renewal of leases and tenancy agreements.**
 - 3.1 *Agency renewal patterns for leases and tenancy agreements* are assessed and strategies developed to maximise benefits for agency and landlords.
 - 3.2 *Lease and tenancy agreement expiries are scheduled* to ensure renewals are obtained prior to expiry dates.

ELEMENT	PERFORMANCE CRITERIA
<p>4 Manage renewals of leases and tenancy agreements.</p>	<p>4.1 Property is inspected and an accurate report is produced on property conditions and maintenance requirements in line with legislative requirements and agency practice.</p> <p>4.2 Property condition reports and rental details are provided to tenants prior to renewal of lease or tenancy agreement.</p> <p>4.3 Conditions of lease or tenancy agreement renewal are negotiated and agreed with all <i>parties</i>.</p> <p>4.4 Lease or tenancy agreement renewal documentation is prepared and provided to tenant and finalised in line with legislative requirements and agency practice.</p>
<p>5 Manage termination of lease or tenancy agreement on behalf of landlord.</p>	<p>5.1 Documentation required to terminate a lease or tenancy agreement on behalf of landlord is prepared in line with landlord instructions, legislative requirements and agency practice.</p> <p>5.2 Notice is given to tenant according to client instructions, legislative requirements and agency practice.</p> <p>5.3 Rights of tenant with regard to terminating a lease or tenancy agreement are observed in line with legislative requirements and agency practice.</p> <p>5.4 Property inspections are conducted in line with client instructions, legislative requirements and agency practice.</p> <p>5.5 <i>Effective interpersonal communication techniques</i> and <i>negotiation skills</i> are used with the landlord and tenant to obtain satisfactory conclusion to tenancy.</p> <p>5.6 Relevant procedures are implemented on behalf of landlord to claim an <i>entitlement to retain part or all of security deposit or bond money</i>, if required, in line with landlord instructions, legislative requirements and agency practice.</p> <p>5.7 Effective interpersonal communication techniques and negotiation skills are used to clarify issues and resolve disputes with landlords and tenants emanating from the termination of leases and tenancy agreements.</p>

ELEMENT	PERFORMANCE CRITERIA
	5.8 Regular reports are provided to landlord on termination process and outcomes in line with agency practice.
6 Respond to termination of lease or tenancy agreement initiated by tenant.	6.1 Rights of tenant to terminate lease or tenancy agreement are observed in line with legislative requirements and agency practice.
	6.2 Tenant intention to terminate lease or tenancy agreement is communicated to landlord and instructions are taken from landlord in line with agency practice.
	6.3 Property inspections are conducted in line with landlord instructions, legislative requirements and agency practice.
	6.4 Effective interpersonal communication techniques and negotiation skills are used with the landlord and tenant to obtain satisfactory conclusion to tenancy.
	6.5 Relevant procedures are implemented on behalf of landlord to claim an entitlement to retain part or all of the security deposit or bond money, if required, in line with landlord instructions, legislative requirements and agency practice.
	6.6 Effective interpersonal communication techniques and negotiation skills are used to clarify issues and resolve disputes with landlords and tenants emanating from the termination of leases and tenancy agreements.
	6.7 Regular reports are provided to landlord on termination process and outcomes in line with agency practice.

REQUIRED SKILLS AND KNOWLEDGE

This section describes the essential skills and knowledge and their level, required for this unit.

Required skills:

- ability to communicate with and relate to a range of people from diverse social, economic and cultural backgrounds and with varying physical and mental abilities
- analytical skills to interpret documents such as agency and statutory forms associated with leases, tenancy agreements and management agreements
- application of risk management strategies associated with the rights of landlords and tenants during the terms of leases or tenancy agreements

REQUIRED SKILLS AND KNOWLEDGE

- computing skills to access agency databases, send and receive emails and complete standard forms online
- numeracy skills to calculate and interpret data, such as rents and rent arrears
- decision making and problem solving skills to analyse situations associated with implementing the terms of leases or tenancy agreements and making decisions consistent with legislative and ethical requirements
- literacy skills to access and interpret a variety of texts, including legislation, regulations, leases and tenancy agreements; prepare general information, papers, and formal and informal letters; and complete standard and statutory forms
- negotiation skills to reach agreement with landlords and tenants on terms of leases and tenancy agreements
- planning, organising and scheduling skills to perform tasks associated with monitoring the renewal and termination of leases and tenancy agreements
- research skills to identify and locate documents and information relating to the conditions of leases and tenancy agreements.

Required knowledge and understanding:

- access to tenanted retail properties
- consumer protection, including:
 - consumer protection principles relevant to leases and tenancy agreements
 - effect of consumer protection legislation on contracts
 - penalties and remedies available for breaches of consumer protection legislation
 - protection offered to consumers under consumer protection legislation in relation to leases or tenancy agreements
 - rights and obligations of estate agents under consumer protection legislation in relation to the lease of property
- contracts
- ethical practices associated with leases and tenancy agreements
- inspecting tenanted premises
- insurance for managed properties
- rights and obligations of a landlord, agent and tenant during lease or tenancy agreement
- relevant federal, and state or territory legislation and local government regulations relating to:
 - anti-discrimination and equal employment opportunity

REQUIRED SKILLS AND KNOWLEDGE

- . anti-money laundering
- . consumer protection, fair trading and trade practices
- . employment and industrial relations
- . financial services
- . leasing
- . OHS
- . privacy
- . property management
- rent, including:
 - . payment
 - . receipting, banking and recording
 - . rent arrears
 - . rent increases
 - . rent reviews
- renewal of leases and tenancy agreements, including:
 - . benefits of tenancy renewal
 - . renewal strategies relevant to different types of property, such as residential, commercial, industrial and rural
 - . scheduling tenancy renewals
 - . strategies for gaining tenancy renewals
 - . tenancy lease and renewal patterns
- risks associated with renewing and terminating leases and tenancy agreements for managed properties
- leases and tenancy agreements, including:
 - . condition report and disclosure statements
 - . fixed and periodic
 - . format of agreements
 - . key features of the different types of leases and tenancy agreements
 - . legal obligations of agent, landlord and tenant
 - . rents, security deposits and bond moneys

REQUIRED SKILLS AND KNOWLEDGE

- termination of leases and tenancy agreements, including:
 - relevant documentation
 - rents, security deposits and bond moneys
 - rights of landlords and tenants
 - trust accounts.

RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. ***Bold italicised*** wording in the performance criteria is detailed below. Add any essential operating conditions that may be present with training and assessment depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts.

Rights and duties of tenants and landlords or agents may include:

- access to retail premises
- assigning or subletting premises
- condition of premises
- entry to premises by landlord or agent of rented premises
- inspections
- rent, including:
 - payment
 - receipting, banking and recording
 - tenant withholding rent
- quiet enjoyment
- running expenses
- urgent and non-urgent repairs.

Legislative requirements may include:

- relevant federal, and state or territory legislation and local government regulations relating to:
 - anti-discrimination and equal employment opportunity
 - anti-money laundering
 - consumer protection, fair trading and trade practices
 - employment and industrial relations
 - financial services

- leasing
- OHS
- privacy
- property management.

Strategies for collection of rental arrears may include:

- contact the tenant promptly when rental arrear first occurs
- contain any escalation of the debt
- debt collection agencies
- regular checking of rental arrears
- warning letters.

Rent increases and reviews may include:

- residential tenancies
- retail tenancies.

Enquiries from tenants and landlords may be received through:

- email
- inspections
- office
- open houses
- referral
- telephone
- website.

Appropriate rapport relates to use of techniques that:

- establish and build confidence and trust in the agency and its representatives
- make the landlord or tenant feel valued
- promote and maintain an effective relationship with the landlord or tenant.

Appropriate people may include:

- agency principal
- landlord
- licensed real estate agent.

Agency renewal patterns for leases and tenancy agreements may include:

- duration, frequency and number of leases and tenancy agreements
- proportion of leases and tenancy agreements renewed
- reasons for renewal and non-renewal of leases or tenancy agreements
- relationship with key events, such as start of school or university year, holiday seasons and financial year commencement
- levels of rents in renewed leases and tenancy agreements
- timing of renewals.

Lease and tenancy agreement expiries are scheduled may refer to:

- expiry date of lease
- landlord's plans
- tenant's plans.

Parties may include:

- agency principal
- landlord
- licensed real estate agent
- property manager
- real estate representative
- tenant.

Effective interpersonal communication techniques may include:

- active listening
- providing an opportunity for landlords or tenants to clarify their understanding of the process
- soft questioning and seeking feedback from landlords or tenants to confirm own understanding of their needs and expectations
- summarising and paraphrasing to check understanding of landlord or tenant message
- using appropriate body language.

Negotiation skills may include:

- analytical skills
- listening techniques
- non-verbal communication skills
- personal attributes
- presentation techniques

Entitlement to retain part or all of security deposit or bond money may include:

- questioning techniques
- speaking skills.
- damage caused by tenants or visitors
- loss of the landlord's goods
- tenant abandoning the premises
- tenant leaving the landlord to pay bills that the tenant should have paid
- tenant not keeping premises reasonably clean
- unpaid rent.

EVIDENCE GUIDE

The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, the range statement and the Assessment Guidelines for this Training Package.

Overview of assessment

This unit of competency could be assessed through case studies and practical demonstration of monitoring and managing a lease or tenancy agreement, including the renewal and termination of a lease or tenancy agreement. Targeted written (including alternative formats where necessary) or verbal questioning to assess the candidate's underpinning knowledge would provide additional supporting evidence of competence. The demonstration and questioning would include collecting evidence of the candidate's knowledge and application of ethical standards and relevant federal, and state or territory legislation and regulations. This assessment may be carried out in a simulated or workplace environment.

Critical aspects for assessment and evidence required to demonstrate competency in this unit

A person who demonstrates competency in this unit must be able to provide evidence of:

- implementing the conditions of leases and tenancy agreements, including conducting inspections, preparing condition reports, collecting rents, monitoring rent arrears and implementing rent reviews and increases, in line with agency practice, ethical standards and legislative requirements
- knowledge of agency practice, ethical standards and legislative requirements associated with monitoring and managing properties during the term of a lease or tenancy agreement and the renewal or termination of leases and tenancy agreements

- knowledge of rights and duties of tenants and landlords or agents with regard to the termination of leases and tenancy agreements
- knowledge of the rights and duties of landlords and tenants with regard to the renewal of leases and tenancy agreements
- managing the termination of leases and tenancy agreements on behalf of landlords
- planning and managing the renewal of leases and tenancy agreements
- responding to requests from tenants and landlords
- responding to the termination of leases or tenancy agreements initiated by tenant.

Context of and specific resources for assessment

Resource implications for assessment include:

- access to suitable simulated or real opportunities and resources to demonstrate competence
- assessment instruments that may include personal planner and assessment record book
- access to a registered provider of assessment services.

Where applicable, physical resources should include equipment modified for people with disabilities.

Access must be provided to appropriate learning and/or assessment support when required.

Assessment processes and techniques must be culturally appropriate, and appropriate to the language and literacy capacity of the candidate and the work being performed.

Validity and sufficiency of evidence require that:

- competency will need to be demonstrated over a period of time reflecting the scope of the role and the practical requirements of the workplace
- where the assessment is part of a structured learning experience the evidence collected must relate to a number of performances assessed at different points in time and separated by further learning and practice with a decision of competence only taken at the point when the assessor has complete confidence in the person's competence
- all assessment that is part of a structured learning experience must include a combination of direct, indirect and supplementary evidence

- where assessment is for the purpose of recognition (RCC/RPL), the evidence provided will need to be current and show that it represents competency demonstrated over a period of time
- assessment can be through simulated project-based activity and must include evidence relating to each of the elements in this unit.

In all cases where practical assessment is used it will be combined with targeted questioning to assess the underpinning knowledge. Questioning will be undertaken in such a manner as is appropriate to the language and literacy levels of the candidate and any cultural issues that may affect responses to the questions, and will reflect the requirements of the competency and the work being performed.