



# A Checklist for Moving Into a Rental Property

## **Abstract**

Moving into a rental property can be an exciting yet overwhelming experience. To ensure a smooth transition, it's essential to follow a checklist that covers all the necessary steps. This checklist will guide you through key tasks such as inspecting the property for any damages, understanding your lease agreement, setting up utilities, and ensuring the property is clean and ready for occupancy.

It also emphasizes the importance of documenting the property's condition to avoid disputes with the landlord in the future. By being thorough with these steps, you can start your rental experience on the right foot, avoid surprises, and ensure that your new home is comfortable and well-maintained. With this checklist, you can confidently move in, knowing that you've covered all the essential aspects of the process.

## **Getting Started**

Getting started with moving into a rental property requires careful planning and attention to detail. Begin by reviewing your lease agreement to understand your rights and responsibilities as a tenant. Make sure you're clear on the rental terms, payment schedules, and any property-specific rules. Next, inspect the property thoroughly for any pre-existing damages and document them to avoid disputes later. Set up utilities like electricity, water, and internet services ahead of time to ensure everything is ready when you arrive. Cleaning the property is essential for a fresh start, so make sure it's in good condition before unpacking. Finally, keep records of all communication with the landlord or property manager.

Following this checklist ensures a smooth, stress-free move-in experience, allowing you to settle into your new home with ease.

## **1. Understanding Rental Property**

### **What Is Residential Rental Property?**

Residential rental property refers to homes that are purchased by an investor and inhabited by tenants on a lease or other type of rental agreement. Residential property is property zoned specifically for living or dwelling for individuals or households; it may include standalone single-family dwellings to large, multi-unit apartment buildings.

Residential rental property may be contrasted with commercial rental property, which is instead leased out to businesses in properties zoned explicitly for profit generation.

## How Residential Rental Property Works



Residential real estate can be single-family homes, condominium units, apartments, townhouses, duplexes, and so on. The term residential rental property distinguishes this class of rental real estate investment from commercial properties where the tenant will generally be a corporate entity rather than a person or family, as well as hotels and motels where a tenant does not live in the property long term.

Residential rental property can be an attractive investment. Unlike stocks, futures, and other financial investments, many people have firsthand experience with both the rental market as tenants and the residential real estate market as homeowners. This familiarity with the process and the investment makes residential rental properties less intimidating than other investments. On top of the familiarity factor, residential rental properties can offer monthly cash flow, long-term appreciation, leverage using borrowed money, and the aforementioned tax advantages on the income the investment produces.

Owning a residential rental property can come with tax advantages that other, more indirect real estate investments like a real estate investment trust (REIT) do not confer to the holder. Of course, direct ownership of residential rental property also comes with the responsibility to act as a landlord or engage a property management company along with the risks involved from vacant units to tenant disputes.

## **The Risks of Residential Rental Property**

Of course, there are some corresponding downsides to residential rental property. The key one is that residential rental property is not a very liquid investment. Cash flow and appreciation are great, but if a property stops delivering one or both due to mismanagement or market conditions, actually cutting losses and getting out of it can be difficult. To sell a struggling rental property you need to find a buyer to find value in the investment that you no longer see or simply is not there.

There are also considerable headaches that come with acting as a landlord, although engaging a property management company can help, and that cost eats further into the profit margin of the investment. Finally, there is the risk created by changing tax codes. The tax treatment of residential rental property can change, erasing some of the attractiveness of the investment.

## **Tax Treatment of Residential Rental Property**

In the United States, the IRS considers residential real estate to be a property that derives more than 80% of its revenue from dwelling units. Residential rental property uses the 27.5-year modified accelerated cost recovery system (MACRS) schedule for depreciation. Income from residential property is treated as passive income, so there are rules around how losses are treated based on the active participation of the owner. The IRS Publication 527 Residential Rental Property provides an overview of the tax rules and is updated when rules or provisions change.

## **2. What Should I Check in My Lease Agreement Before Signing?**

When considering renting a house, it's crucial not to sign the agreement hastily. Although a rental agreement includes various details, both parties must be vigilant about specific points. Before finalizing the deal, be sure to double-check the following points.

### **1. Exact rent**

All discussions about renting a property begin with determining the amount to be paid, and all rental contracts outline the specific amount, the due date, and the consequences of late payment. Ensuring that the amount stated in the contract matches what was verbally agreed upon is essential. Along with specifying the rent amount, contracts should clearly outline what is included or excluded. For instance, it's necessary to discuss and agree on who will cover expenses such as society maintenance fees and parking charges.

### **2. Rent escalation clause**

This section addresses the amount to rent that can be increased and the timeframe for this adjustment. Typically, this adjustment occurs annually for long-term agreements lasting three to four years and at the end of the term for short-term contracts, such as renewable 11-month

lease and license agreements. Many first-time renters may not be informed about this section, and its presence in the agreement can be an unpleasant surprise. Discussing this matter with the broker or landlord when searching for rental properties is advisable..

### 3. Notice/lock-in period

Even though rental agreements have fixed terms, such as 11 months or three years, there might be situations in which either the landlord or tenant needs to end the agreement early. The agreement should clearly outline the circumstances under which either party can terminate the contract prematurely and the penalties for violating these conditions. Two important terms to pay attention to are the [notice period](#) and [lock-in period](#). The notice period, similar to job contracts, allows the tenant or landlord to request the other party to vacate the property after giving a reasonable amount of time. Typically, the notice period is around a month and applies to both parties.

The lock-in period is when the tenant is not allowed to vacate the premises, and the landlord cannot ask the tenant to leave. Typically, lock-in periods last around three months for 11-month agreements and 6-9 months for three-year contracts. Failure to comply with this provision can result in harsh penalties, such as forfeiture of the deposit by the tenant or the landlord being required to return double the deposit.



### 4. Restrictions alert

Be mindful that subletting rental property is limited by law. However, tenants should exercise caution as landlords may impose other limitations such as prohibiting pets or parking in society parking lots. It is important to thoroughly discuss all restrictions beforehand and ensure that only

the agreed-upon limits are included in the final agreement. Tenants also have the right to object to unreasonable restrictions imposed by landlords, such as not allowing tenants to apply passports while renting.

## **5. Annexure**

Given that most rental agreements are for fully furnished or semi-furnished properties, it is crucial to document the furniture and fittings. A comprehensive inventory of furniture, fixtures, and fittings, along with repair costs in the event of damage, is typically provided as an annexure. It is important to thoroughly read and verify these details to prevent any potential issues in the future.

## **3. How Do I Inspect a Rental Property Properly?**

Inspecting a rental property properly is one of the most important tasks when moving into a new home. It ensures that you understand the condition of the property before signing a lease and prevents future disputes with the landlord or property manager. Here's a comprehensive guide on how to inspect a rental property properly:

### **1. Schedule the Inspection at the Right Time**

Before inspecting a property, it's essential to schedule the inspection during daylight hours. This allows you to have adequate lighting and makes it easier to spot any issues. Additionally, try to arrange the inspection when the property is unoccupied so you can thoroughly evaluate the space without distractions.

### **2. Bring a Checklist**

A checklist is a useful tool when inspecting a rental property. It ensures that you don't miss any crucial details. Prepare a checklist that includes the most common areas of concern, such as the structure, appliances, plumbing, and electrical systems. This helps you stay organized and cover all the important aspects.

### **3. Inspect the Exterior**

Start by inspecting the outside of the property. Look for any signs of damage, such as cracked walls, chipped paint, or broken windows. Examine the roof and gutters to check for potential leaks or blockages. Also, assess the landscaping – check if the garden is well-kept and if any trees or shrubs could potentially cause damage to the property over time.

### **4. Evaluate the Condition of Doors and Windows**

Once you move inside, begin with the doors and windows. Open and close each door to make sure they function properly. Check for any gaps or drafts around doors and windows, which could indicate poor insulation. Ensure that the windows close and lock securely. If there are any

issues with locking mechanisms or damaged frames, it's best to bring them to the landlord's attention.

## 5. Check the Plumbing System



The plumbing system is one of the most critical components to inspect in a rental property. Turn on all taps in the kitchen and bathroom and let the water run for a while. Ensure that there are no leaks, and the water pressure is adequate. Flush the toilets and check for proper drainage. Pay attention to any strange odors or sounds, as they could indicate plumbing issues. Also, ensure that the hot water system is working by testing the water temperature.

## 6. Test the Electrical System

Next, inspect the electrical system. Turn on all the lights in every room and check the functionality of electrical outlets. Test appliances such as the stove, oven, refrigerator, and air conditioning (if applicable) to ensure they work. Check for exposed wires, tripped circuit breakers, or malfunctioning switches. Safety is key, so if any electrical issues are present, address them immediately with the landlord or property manager.

## 7. Look for Signs of Pests or Mold

Pests and mold are common problems in rental properties. Check for signs of rodents, insects, or other pests, particularly in the kitchen, basement, or attic areas. Look for droppings, nests, or

any holes or gaps where pests may enter. Similarly, mold can be a serious health hazard. Check the bathroom, kitchen, and corners of rooms for signs of mold growth. If any mold is found, it's important to report it to the landlord immediately, as mold can lead to severe health issues if left untreated.

## **8. Inspect the Flooring and Walls**

Check the condition of the flooring throughout the property. Look for any damage such as cracked tiles, scratched hardwood, or stained carpets. Be sure to inspect corners and edges for damage. Likewise, inspect the walls for any cracks, peeling paint, or holes. If the walls are damaged, it's essential to get it documented before signing the lease so you are not held responsible later.

## **9. Assess the Safety Features**

Ensure that the property is equipped with the necessary safety features. Check for functioning smoke alarms and carbon monoxide detectors. Verify that the property has secure locks on doors and windows. If applicable, make sure that the property has a fire extinguisher and a first aid kit. These features are not only required by law in many places, but they also help protect you and your belongings.

## **10. Document Everything**

It's vital to document your findings during the inspection. Take clear photos or videos of any damage, imperfections, or issues you notice. These visual records will serve as proof of the property's condition when you move in, which can help avoid disputes when it's time to move out. Make sure to share these records with the landlord or property manager as well.

## **11. Ask Questions**

Don't hesitate to ask the landlord or property manager questions about anything you notice during your inspection. Ask about maintenance responsibilities, whether the issues you notice will be repaired, and how the rent payments work. Clarifying these details beforehand can save you headaches later.

## **Conclusion**

By conducting a thorough inspection of the rental property, you can ensure that you move into a home that is safe, functional, and free from any hidden issues. Taking the time to inspect the property properly protects both your rights and your living experience. It also helps you avoid unnecessary conflicts with the landlord or property manager down the road. Always document your findings and make sure that any significant issues are addressed before you sign the lease agreement.



## 4. What Utilities Should I Set Up Before Moving In?



Setting up utilities may not be the most exciting part of a new home, but it should be one of the first things on your moving checklist. The sooner you contact utility companies and service providers, the less likely you are to experience delays. In this comprehensive guide, we'll walk you through how to set up utilities when moving to a new home.

### **Utility Setup Checklist**

Follow the steps below to ensure you don't move into a home with non-working utilities.

#### **1. Make a List of Utilities You'll Need**

Create a detailed list of the utilities you need in your new home. This list will vary depending on your location, whether you rent or own your home, and your lease agreement. Include internet, cable, lawn care services, and basic utilities such as electricity and water. Here's a sample list:

- Cable or satellite TV
- Electricity
- Home security
- Internet
- Landline telephone
- Lawn care

You can expand this list to include any other home services you pay for, such as quarterly payments to a high-quality pest control company or weekly cleaning services. You should also

consider your cell phone service. Although your mobile phone number and service will move with you, you might find that a different provider offers better coverage in your new area. Determine who is responsible for each service on your list, whether it's you, your landlord, your significant other, or a roommate. Note the account number and provider contact information for each service.

## **2. Call Your Current Utility Providers**

Contact your current utility service providers at least three to four weeks before moving day. Communicate your move-out date clearly and schedule a shutoff for your departure day to avoid unnecessary fees. Provide each company with your new address to ensure you receive your final bill.

If you have any questions about whether the company services your new address or how to transfer service, ask sooner rather than later. You can also ask about your final bill amount and whether you will receive any prorated refunds or a deposit refund.

## **3. Schedule New Utilities**

Schedule the setup or transfer of utilities for your new residence one or two weeks before your move-in date. If you're not sure which providers to contact, your real estate agent or landlord can help.

Find out as much as you can about billing, terms, and service. Some utility companies may require a deposit, while other providers may charge a startup, activation, or initial service fee. Ask about lead times for scheduling and any prerequisites for setup.

## **4. Sign Up for Online Utility Accounts**

Having an online account facilitates easier bill payments and gives you quick access to customer support if any issues arise. You should be able to view your monthly statements and track your electricity usage online. Many companies have online tools that show you how to read your power bill or reduce your water usage.

## **Electric and Gas**

When setting up electric and gas services, remember that markets can be regulated or deregulated.

Regulated markets often feature a single utility provider, while consumers in deregulated markets can choose from multiple providers. Check with your local utility commission or browse online resources to determine your market type.

For local moves, you may be able to simply transfer service with your current electricity provider. Otherwise, you will need to cancel and find a new provider. If you're moving to a state with a deregulated, or competitive, energy market, compare rates and contract terms before selecting a provider.

You should start this process at least two weeks before your move, as it may take some time to research the options and finalize contracts.

Many providers require a deposit of \$100 or more to start service, especially for first-time customers. This deposit may be waived based on your credit score or history with the company.

## Water



If your new home has its own well or water storage tank, you won't need to worry about a water bill. If it doesn't, the city or county will likely provide the water. You can check with your landlord or real estate agent or perform a quick Google search to see what is available to you.

When you move, you may need to set up an account with a new water supplier. Let your current provider know your move-out day at least one week in advance so it can shut off service accordingly. Then, contact your new provider to arrange for water service to be turned on or transferred to your name on your move-in day. If you'll have the same water supplier, just tell them your new address.

Water usage is typically calculated based on meter readings, and rates can vary. The water supplier may also bundle your water bill with a sewer bill, depending on whether your home has a septic tank.

## **Internet and TV**

Research the internet and satellite or cable TV providers in your new area and compare packages. Many companies offer discounts for new customers, but promotional rates typically expire after six months or a year. Schedule setup at least a week in advance to ensure connectivity on move-in day.

## **Are Utilities Included in Rent?**

Some utilities, such as water and trash collection, may be included in your monthly rent. Lease agreements vary, so it's essential to carefully review the terms of yours. Look for a section that outlines utilities, costs, and responsibilities.

If you don't know which utilities are or aren't included in your monthly rent, or if you have to pay them separately, check with your landlord. Either way, you will likely pay a fixed amount each month, regardless of your actual usage.

## **How Much Does It Cost To Set Up New Utility Services?**

The cost of setting up new utility services varies depending on the type of utility, your credit history, and your location. Usually, utility providers require customers to pay a deposit when initiating new services. Deposit charges can range from a nominal fee to more than \$100. They are typically determined by your credit score and anticipated annual usage.

Electricity and gas providers often require deposits, and these can either be refundable or non-refundable. A refundable deposit means you get the money back after a specific number of on-time payments or when you terminate the service. Water services may require a deposit, while internet and TV service providers are more likely to charge a setup fee.

Additionally, you may be charged a transfer fee if you decide to stay with your utility company. This fee generally covers the administrative costs associated with updating your information and ensures a seamless transition of service to your new address. The exact amount varies by provider, but transfer fees are typically much lower than the deposit required of a new customer. Some companies will even waive the fee as a courtesy.

## **Considerations for New Home Builds**

Setting up utilities for a newly built home comes with unique challenges and considerations. The infrastructure for utilities may not yet exist, which requires coordination between the homeowner, builder, and utility providers. Delays can occur if unforeseen issues arise or if permits and approvals are not secured promptly. You may be charged for connecting utilities to your home or moving utility lines underground in addition to the cost of running new lines to your property. You may also need to pay for permits or setup fees.

## 5. What Are My Rights and Responsibilities as a Tenant?

Tenants have certain rights and duties when it comes to renting a property.

### Rights of Tenants



1. **Right to peaceful enjoyment of the premises:** The tenant has the right to use and occupy the rented property peacefully without any interference from the landlord.
2. **Right to basic amenities:** The landlord is responsible for providing basic amenities such as water, electricity, and sanitation to the tenant.
3. **Right to privacy:** The tenant has the right to privacy and the landlord cannot enter the rented property without the tenant's permission except in cases of emergency.
4. **Right to redressal of grievances:** The tenant has the right to approach the Rent Controller or the Rent Tribunal to seek redressal of any grievances against the landlord.
5. **Right to renewal of tenancy:** If the tenancy agreement is for a fixed term, the tenant has the right to renew the tenancy agreement on mutually agreed terms.

### Duties of Tenants

1. **Duty to pay rent:** The tenant is responsible for paying the rent on time as per the terms of the tenancy agreement.

2. **Duty to maintain the premises:** The tenant is responsible for maintaining the rented property in good condition and returning it in the same condition at the end of the tenancy.
3. **Duty to use the premises for the specified purpose:** The tenant is obligated to use the rented property only for the purpose specified in the tenancy agreement.
4. **Duty to give notice before vacating the premises:** The tenant must give the landlord sufficient notice before vacating the rented property as per the terms of the tenancy agreement.
5. **Duty to comply with laws and regulations:** The tenant must comply with all laws and regulations related to the rented property, including those related to sanitation, fire safety, and building codes.

## **6. What to Do If You Need to Break Your Rental Lease?**

Entering a rental agreement is a significant commitment that lasts for a fixed term. These contracts are governed by the Residential Tenancies Regulation 2019 and the Residential Tenancies Act 2010. Tenants must understand the terms and conditions thoroughly before signing the document.

If the renter plans to move out of the rented property before the end of the lease, they have to pay a penalty for breaking the lease. Although such situations are rare, they can occur if the tenant finds a new job in a different city or gets into a dispute with the landlord.

The penalty for breaking the lease early is known as the break fee, and it can be waived in certain situations, such as domestic violence. The landlord is also entitled to end the lease before its term but they must notify the tenant in advance. Let us understand the details of breaking a rental lease in Sydney, NSW. This information can help tenants know their rights in difficult situations.

### **1. Conditions When Tenancy Can Be Ended**

Tenants can end both fixed and periodic-term lease agreements if the landlord breaches the contract. They can also opt to apply to the NSW Civil & Administrative Tribunal (NCAT) to pass an order that makes the landlord fix the breach. Renters can also end the lease if the property becomes unsuitable for habitation, such as destroyed in floods or fire.

They can also choose an early termination if they realise the landlord or agent withheld certain important details about the property or made false claims. The renter can also exercise this right when they have entered a fixed-term agreement of two or more years. In this agreement, the landlord can raise the rent once in a year by providing a notice in advance. The tenant can still end the tenancy even after receiving the notice by providing a 21-day termination notice.

## 2. Break Fee for Ending the Lease



Sometimes the reasons for moving out of the house may not fall into the conditions mentioned above. The tenant can still end the lease by sending a notice to the landlord in advance and hiring professionals for the best end of lease cleaning Sydney to leave the property in its original condition. The tenant has to pay a set break fee for agreements of 3 years or less.

The mandatory break fee is four weeks' rent if 25% of the lease term is completed. It is three weeks' rent if less than 50% of the lease term is completed. It will be two weeks' rent if less than 75% of the lease term is completed and one week's rent if more than 75% has been completed. For lease agreements with a term of more than 3 years, the landlord and the tenant agree on compensation based on the costs and losses incurred by the landlord due to the early termination.

## 3. Terminating the Tenancy Early

The termination notice must be given in writing 14 days in advance to the landlord with the date on which the property will be vacated. The notice must have the address of the property and the reason for early termination and must be signed and dated correctly. The tenant must pay the rent until the day of vacating the property and leave it reasonably clean. The break fee is paid in addition to these expenses, so renters must add the cost of hiring end-of-lease cleaning Sydney professionals to the rent.

The tenant can discuss waiving the break fee or reducing the amount through negotiations. They must also check about retrieving the bond after the cleaning has been completed. Clarify who will claim the bond to avoid any disagreements.

#### **4. Conditions When Break Fee is Not Applicable**

The mandatory break fee is not applicable in certain situations, such as when the tenant and a dependent child are facing domestic violence. In this case, it can be ended immediately. There are other conditions when the break is not applicable, but a 14-day notice has to be provided. These include accepting an offer of social housing and moving into an aged care facility or nursing home that is not a retirement village.

The tenant can end the lease without penalty if the landlord puts the property on sale during the fixed term without informing the tenant about it. The lease can also be terminated if the property is listed on the Loose Fill Asbestos Insulation register during the lease period. Under all these conditions, the tenant must pay the rent until the day they move out.

#### **5. Resolving Termination Disputes**

Since early termination is not the normal course of action, it can become the bone of contention between the tenant and the landlord. After the 14-day notice has been served, they must discuss the early termination and agree. If the termination has been initiated because of issues like a breach of the agreement, the tenant can lodge a complaint with NSW Fair Trading's online complaint service.

Tenants can also get support from the Tenants' Union of NSW, which provides free and unbiased information and advice for resolving disputes. They also help tenants with cleaning disputes that occur when they are unable to meet landlords' expectations while performing end-of-lease cleaning in Sydney.

#### **Wrapping up**

Residential tenancy agreements must be read and understood before signing to ensure the landlord is providing the correct details and has not withheld any information. Check for the break fee clause and understand your rights as a tenant if you wish to break the lease early.

#### **Bottom Line**

The bottom line is that moving into a rental property requires careful attention to detail. By following a checklist and inspecting every aspect of the property, you can ensure that everything is in good condition, avoid future disputes, and make your move smoother.

Taking the time to understand your rights, document the property's condition, and set up utilities will help you settle in with confidence and peace of mind.



## References

Understanding Rental Property | Residential Rental Property Definition, Tax Pros & Cons, Retrieved 15 Mar, 2022, From,

<https://www.investopedia.com/terms/r/residentialrentalproperty.asp#:~:text=>

What Should I Check in My Lease Agreement Before Signing? | 5 essential points to double-check before signing your rent agreement, Retrieved 4 Oct, 2024, From,

<https://economictimes.indiatimes.com/wealth/real-estate/5-essential-points-to-double-check-before-signing-your-rent-agreement/articleshow/113929154.cms>

How Do I Inspect a Rental Property Properly? | Inspecting a property, From,

<https://www.nsw.gov.au/housing-and-construction/renting-a-place-to-live/renting-a-property-nsw/finding-a-place-to-live/inspections>

What Utilities Should I Set Up Before Moving In? | How To Set Up Utilities When You Move, Retrieved 12 Dec, 2024, From,

<https://www.thisoldhouse.com/moving/how-to-set-up-utilities>

What Are My Rights and Responsibilities as a Tenant? | Rights and Duties of Tenants, From,

<https://lawaimers.com/rights-and-duties-of-tenants/>

What to Do If You Need to Break Your Rental Lease in Sydney | How To Break Your Rental Lease In Sydney, NSW, Retrieved 23 Sep, 2024, From,

<https://www.bondcleaning.sydney/break-your-rental-lease-in-sydney-nsw/>