



---

# Community Housing Program

**2008-09**

Asset and Property Management Guide for  
Community Housing Providers

---



# Asset and Property Management Guide for Community Housing Providers

## Intent and use

This document is designed to be used as a general guide for community housing providers in relation to asset and property management. In a community housing context, organisations are required to manage a range of issues relating to the maintenance of community housing properties.

This document covers the definition of some key terms as well as issues to consider in asset and property management.

Organisations are advised to refer to relevant legislation and the National Community Housing Standards for further detail.

## Organisation responsibilities

As a community housing provider, organisations are responsible for managing and maintaining individual assets within the organisation's overall portfolio.

A plan for managing the properties over both the short and longer term is required in order to ensure that the portfolio is maintained to an appropriate standard and meets the needs of its tenants. Community housing providers must maintain properties to a reasonable standard and are advised to refer to the *Residential Tenancy Act 1997* for specific responsibilities.

Beyond the basic legislative requirements, organisations should also consider the standard of housing to be provided for specific tenant groups. Community housing providers should be committed to ensuring that their tenants are not disadvantaged in the community as a result of their being housed by the organisation.

As the owner, organisations are responsible for ensuring compliance with all relevant legislation including but not limited to, the Building Code of Australia and the Tasmanian Fire Regulations.

In general, organisations must ensure that revenue is sufficient to meet ongoing costs (such as rates, insurance and maintenance etc.), as well as any future obligations such as upgrading and modification.

## Property management

The terms "property management" and "asset management" are often used interchangeably, however the terms have distinctly different meanings in a property context.

Generally speaking, property management refers to day to day activities and issues of a shorter term nature, such as attending to emergency and responsive maintenance, payment of outgoings such as electricity, rates and land tax etc., as well as tenancy management such as the collection of rent and vacancy management.

## **Maintenance - responsive vs emergency**

Responsive maintenance is carried out in response to a need as it arises, for example on vacation of a tenant or after an inspection or notification by a tenant of the need for repair.

Emergency maintenance is when requests for maintenance requires instant action. Action is required when services such as water, sewerage, electrical or hot water systems fail. Alternatively, a storm or fire damage may also require emergency action when the security of the building is compromised.

Community housing providers are advised to refer to the *Residential Tenancy Act 1997* for specific responsibilities.

## **Asset management**

Asset Management involves management of properties on a longer term basis and with a wider focus than that generally considered under conventional property management.

Generally speaking, asset management involves consideration of “higher level” issues, such as when to buy and sell properties, the scope and timing of upgrading or modification works, and the management of planned maintenance programs.

Asset management decisions generally inform property management decisions, rather than the other way around. For example, a decision to sell a property within say 12 months would most likely effect the level and type of maintenance undertaken on that property. Conversely the level of maintenance undertaken is less likely to inform any decision to sell.

### **Strategic asset management**

Whilst not the focus of this document, it is important to also note what is meant by *Strategic Asset Management*.

Strategic Asset Management focuses on the *outcome* or *purpose*. For example, considerations such as the purpose of an asset, what needs/services it is providing, whether a new asset is required or whether there are better means of providing for the need, are all strategic considerations.

### **Property lifecycle maintenance**

When considering the maintenance of a property, it is useful to think in terms of its various components. Each component will have a differing lifecycle dependent on issues such as the age of the property, type of construction, frequency and type of use, climate, level of property turnover, quality and age of the fittings etc.

Components considered when preparing lifecycle maintenance programs include the building fabric (walls, roofing, guttering, windows etc.), wiring & plumbing, internal and external painting, floor coverings, hot water service, stove, heating, fencing and gates, kitchen & bathroom etc. (see Attachment 1).

Ideally, asset maintenance programs should be tailored to meet the lifecycle of each and every property within the portfolio.

## **Further information**

A copy of the Residential Tenancy Act 1997 can be downloaded free from:

<http://www.thelaw.tas.gov.au/index.w3p>

A full copy of the National Community Housing Standards can be downloaded free from the Community Housing Federation Australia (CHFA) website at:

<http://www.nchf.org.au/publications.html>

Details on Tasmanian Government Procurement requirements can be found at:

<http://www.purchasing.tas.gov.au/>

## Attachment 1



### Estimated Lifecycle of Property Amenity

#### Note:

Estimated timeframes only based on general wear and tear on a NEW dwelling. Lifecycle is highly dependent on materials and quality of the new item and this should be taken into account in individual property assessments and estimations.

Item	Expected Lifecycle
Internal Paint	6 -10 years
External Paint	6 -10 years
Carpet	6 -10 years
Vinyl	11-15 years
Heater	6 -10 years
Hot Water Cylinder (HWC)	6 -10 years
Stove	6 -10 years
Windows	30-35 years
Roof	36-40 years
Guttering	36-40 years
Fencing side and rear	30- 65 years
Gates and front fencing	30- 35 years
Kitchen	20-25 years
Bathroom	20-25 years
Laundry	20-25 years

#### Other costs to consider each year for each property are:

- General repairs
- Tenant recoverable repairs / tenant damage
- Vacation maintenance
- Landscaping maintenance



Current as at November 2008

Source: Statewide Maintenance Unit, Housing Tasmania