

PROPERTY INVESTOR NEWSLETTER

This newsletter has been designed to keep you updated on what is happening within the industry and our real estate office

FROM OUR PROPERTY MANAGEMENT TEAM

REQUEST FOR A TENANT TO GIVE EXTRA NOTICE...

We have been asked a number of times by landlords if we can write into the Tenancy Agreement for the tenant to give extra notice (i.e. 1-2 months) if they want to vacate the property, to allow additional time to secure a new tenant and alleviate the possibility of a vacant property. This is against the law to contract outside of the Act, and requesting greater notice periods can attract harsh penalty fines. Tenants looking for future rentals often make the decision a couple of weeks before moving, not months.

INSURANCE IS VITAL

One of the most important insurances you need is Landlord Insurance. Storm damage to rental properties has seen a marked increase in the number of claims being paid to landlords that can be in excess of \$100,000s to repair storm damage. Imagine if you did not have insurance and you had to pay this out of your own pocket. We urge you to take a moment to ensure that you have adequate insurance to protect you.

IMPORTANT: This is not advice. Clients should not act solely on the basis of the material contained in this newsletter. Items herein are general comments only and do not constitute or convey advice per se. Every effort is made to ensure the contents are accurate at the time of publication. Clients should seek their own independent professional advice before making any decision or taking action. We take no responsibility for any subsequent action that may arise from the use of this newsletter. Published by THE PPM GROUP - www.ppmsystem.com

HOW TO FACE YOUR PROPERTY FEARS

Real estate cycles come and go, but one fact always remains true – there is no exact science to property investing.

As much as we would like to believe we are able to control every part of the process, the reality is that investing in property is rarely a bump-free journey. However, you can minimize your risks, which includes having clear strategies to help you deal with unexpected situations and setbacks when they arise.

The last place you want to end up is being forced to sell an investment property, (due to financial circumstances) which can often result in a reduced price from a quick or distressed sale.

This is where your risk minimization strategies are important.

Following are some ways of planning for the worst-case scenario, so that if it eventuates, you are never caught off-guard and forced into a position of vulnerability.

When you are in a vulnerable position you are usually extremely

stressed, frustrated and desperate sale.

This is where your risk minimization strategies are important.

Following are some ways of planning for the worst-case scenario, so that if it eventuates, you are never caught off-guard and forced into a position of vulnerability.

When you are in a vulnerable position you are usually extremely stressed, frustrated and desperate to find a solution. You are not clear headed to make positive decisions, and can end up making irrational decisions that are regretted later.

The two biggest fears investors face are not being able to afford the mortgage repayments (due to rent not being paid, the property being vacant or other financial circumstances) and having the tenant damage the property.

If these are the two biggest fears (and you may have others) it is important to come up with a coping strategy for every possible situation that could arise.

Continued >

IN THE ISSUE:

HOW TO FACE YOUR PROPERTY FEARS

- DO YOU HAVE MORE MONEY THAN YOU THINK
- THE RENTING LAWS ARE SERIOUS



HOW TO FACE YOUR PROPERTY FEARS HEAD-ON... Continued

You may like to take a moment to write down your fears (this can be a very valuable exercise) as it will help to prepare you for the worst, allowing you to feel a little more in control, expecting the best strategized outcome.

Once you know your fears the next step is to develop a risk minimization strategy.

There have been three key identified stress areas: Mortgage repayments, repairs/maintenance and upgrades/renovations.

Your strategy needs to involve establishing a weekly or monthly top up account for each of these key areas to cover unpaid rent, vacancy periods, maintenance and renovations.

You may choose a separate investment bank account or top up your mortgage account. Work towards a top up of four to six weeks rent and six weeks rent for maintenance and renovations each 12 month period or what fits with your budget. If you are currently living week to week the top up may be less, but it is important to put a set amount away. You may also like to consider utilizing a portion of your tax return towards the top up.

Having this top up account provides peace of mind in knowing that if anything goes wrong, you are less likely to run the risk of losing the investment property and reduce stress in maintaining the property.

As your managing agent our focus is always to minimize financial loss and property damage through careful tenant selection processes, routine inspections and constant follow-up and monitoring during the tenancy, but there is always the chance of an unexpected employment loss for the tenant or the unexpected of a new relationship or friendships with the tenant that can change from the outset when the tenant moved into the property.

Landlord Protection Insurance is also a great product to assist landlords recover out of pocket rent and expenses and is a tax-deduction.

DO YOU HAVE MORE MONEY THAN YOU THINK?

Knowing if you have equity in your investment property/ies can give you greater peace of mind, allow you to build your investment portfolio or assist with upgrading or renovating the property.

Landlords who request a complimentary (no obligation) sale appraisal are more often than not positively surprised at the increase in their property's value.

If you would like a current appraisal of your investment property, please feel welcome to contact us today.

It is our goal to work with our investors to assist in building their wealth.

THE RENTING LAWS ARE SERIOUS

We are seeing more and more media headlines of private landlords being sued in the Courts for not abiding by the law.

This is a friendly reminder that as your managing agent we must act in accordance with the law. It is our role to protect you on all levels.

Contracting outside of the law can result in fines to the landlord and agent.

We cannot discriminate against a type of tenant when choosing the best possible tenant for you; we cannot request that the tenant give greater notice to vacate than what is stipulated in legislation; we cannot access the property without first giving notice; we cannot increase rents without giving the correct notice; we cannot ask tenants to attend to their own maintenance and we cannot avoid replacing appliances included in the tenancy if they breakdown, just to name a few.

TALK TO THE PROPERTY EXPERTS

BUYING, SELLING & PROPERTY MANAGEMENT

Call us if you are thinking about buying or selling or know of someone that is.

Do you own another investment property? We are here to help

07 4789 7000

MEET THE TEAM

Stacey Ganter, Property Specialist, has been with Ross Real Estate for 12 months and brings with her over 16 years industry experience. She enjoys the challenges of property management and gives our clients a sound base to help grow their investment.



WE ARE FOCUSED ON MAXIMISING YOUR RENTAL INCOME

