



PROPERTY INVESTOR

NEWSLETTER

APR – MAY
2017

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

LONG-TERM TENANCY AGREEMENTS

IT MAY NOT BE FOR EVERYONE

When landlords and tenants think of tenancy terms, it is generally 6 or 12 months. However, have you considered a longer tenancy?

For residential properties you can enter into a tenancy term for up to 3 years.

While this may not be for everyone it can be a smart choice if:

1. A tenant is looking for a long-term secure tenancy
2. You are not looking to sell the property within the tenancy term
3. You are wanting to reduce the possibility of increased wear and tear, or
4. You want long-term rental security

Rental increases can also be included during the three year period to ensure that your income is maximised in accordance with the market.

Tenancy terms can be for any period of time – 7 months, 10 months or 21 months, etc.

We can discuss this further with you when your property becomes available for rent.

DO YOU HAVE FAMILY OR FRIENDS STRUGGLING TO ENTER THE PROPERTY MARKET?

Interest rates are the lowest they have ever been, however, many people are still finding it challenging to purchase a property on their own, especially the younger generation. If you have a family member or friend looking to enter the property market or eager to climb up the property ladder, the solution could lie in buying property with family and friends or utilising current equity in the family home or investment.

While there is always the chance of unforeseen issues with those close to you, there are also many benefits from teaming up with your loved ones to acquire a new property.

Pros

There is a better chance of home loan approval - Having two or more people on the home loan application can facilitate the process and increase the chances of being approved as two incomes are generally better than one.

Split expenses - Buying a property with someone else means you're splitting all the costs, making it easier and more affordable.

Cons

Unpredictable circumstances - A fall out with a family or friend is not uncommon, so it is important to remember to separate business from pleasure and not let personal issues get in the way of your property ties.

Selling - Unforeseen events can have you or the other party/s wanting to sell up. As the process of selling can often be complicated or a lengthy one, you need to make sure that you have a strong relationship with the person you are buying with.

When entering into any type of financial agreement with family or friends, it's wise to get a co-ownership agreement drafted by your solicitor to avoid any disputes. This agreement will outline any obstacles you may face such as who chooses tenants, property managers or what happens when one of you decides to sell. [Refer to our Mar – Apr issue]

If you have a family member or friend that is looking to purchase a property we are here to assist and offer advice. P.T.O >

ANNUAL MAINTENANCE CHECKS

HOW DO YOU SCORE?

Purchasing a property is often the most expensive asset that many people will invest in. It provides the possibility of long-term wealth and financial security. However, like any investment, you want to ensure that it is well-maintained and appreciating in value rather than depreciating.

When purchasing a car you invest in ongoing maintenance, upkeep, replacement of items and regular cleaning, which is no different from owning an investment property – if not more important. We encourage you to take a moment to tick-off your annual maintenance checks below:

- ✓ pool fence compliance
- ✓ smoke alarm compliance
- ✓ safety switch compliance
- ✓ termite inspection and act on any advice
- ✓ building inspection and act on any advice given
- ✓ plumbing audit to all internal/external taps/hot water system, etc. to ensure that all plumbing is in good working order, which can prevent costly call out fees
- ✓ electrical audit to all light switches, power points, stoves, etc. to ensure the safety of all tenants and to prevent costly call out fees or a liability claim
- ✓ clean gutters and consider installing gutter guard
- ✓ maintain fences and other outdoor improvements
- ✓ ensure that exhaust fans are installed in kitchens and bathrooms reducing the possibility of mould
- ✓ ensure that there are door stoppers behind all doors to prevent damage to walls
- ✓ re-grout tiles in bathrooms and kitchens every 3-5 years
- ✓ paint internally every 5-7 years
- ✓ replace floor coverings every 7-8 years
- ✓ replace window coverings every 5-6 years
- ✓ rejuvenate kitchens every 5-6 years
- ✓ replace stoves/ovens as required
- ✓ upgrade the security features of the property such as security screens
- ✓ keep gardens basic and easy to maintain
- ✓ remove trees that cause mess or potential safety risks
- ✓ pressure wash pathways/driveways
- ✓ pressure wash or paint externally when required to maintain the property's appearance

HOW MANY TICKS?...../22 

SHOULD YOU SAY NO TO PETS?

The simple answer is – ‘It depends and is the landlord’s choice.’

As a managing agent it is not our role to make this decision. However, it is our duty of care to educate landlords on the pros and cons.

Saying yes to pets can lead to unnecessary property damage, complaints, smells and fleas to name a few, but that can be no different to some tenants minus the fleas [this was meant to give you a giggle]. The upside of accepting pets is that you can often achieve a higher rent and attract more tenant enquiry.

There are some great quality tenants who have pets.

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

Properties Recently Rented

HOUSE

6 Norwood St, Sandringham
Luxury 5 bedroom home, quality inclusions, triple garage, low maintenance yard - \$1300 pw

UNITS

1/26 Shaftesbury St, Carlton
Ground floor 2 bedroom unit. Modern kitchen, timber floors, built in robes, internal laundry & double garage - \$530 pw

32/9 Banksia Ave, Banksia
Modern 2 bedroom unit in secure complex, built ins, air con, double garage - \$570 pw

NEWS Update



We are happy to welcome Hesham Obeid to the Honer Dodd team.

He brings with him a wealth of knowledge in all facets of property management. He is a great communicator & always willing to lend an understanding ear to all his clients.

Hesham's determination to succeed coupled with Honer Dodd's market strategies will ensure he delivers a service second to none.