



2017  
happy new year

PROPERTY  
INVESTOR

NEWSLETTER

DEC –  
JAN 2017

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

## TOP 10 NEW YEAR RESOLUTIONS

From all of us, we wish you a happy and prosperous 2017.

1. Lose weight and get fit
2. Quit smoking
3. Learn something new
4. Eat healthier and diet
5. Get out of debt and save money
6. Spend more time with family
7. Travel to new places
8. Be less stressed
9. Volunteer
10. Drink less

## THE BUSY SEASON IS COMING

December can often be a quiet time of the year for tenants renting properties (unless it is a necessity) as they are busy with family gatherings, holidays and many take this time to relax.

And then comes January... our busy season. During this time of year prospective tenants are very active in searching for their new home.

If you have a vacant property at present we do appreciate that it is a priority to find quality tenants in the quickest possible time.

## 7 MOST COMMON INVESTOR MISTAKES

- Buying an investment property without thoroughly looking at capital growth and rental return potential. Research is critical when buying an investment property. Most real estate institutes and real estate listing websites throughout Australia provide free online information about the long-term performance of individual suburbs in terms of capital growth, which is a good resource for investors.
  - Buying an investment property close to home rather than looking at investment opportunities throughout Australia. That could mean that they achieve below average capital growth rates and miss out on potential property hot spots in other locations.
  - Failing to seek independent information. It is important to seek out people who own several investment properties and ask them how they managed to build their portfolio. They can provide very important tips on how to avoid simple traps and pitfalls when buying investment properties.
  - Managing the property yourself. This puts the investor at a very high risk of selecting the wrong tenant as they cannot undertake the necessary background checks on tenants as a reliable property management company.
  - Not undertaking a full assessment of the true cost of buying and holding the property. For example, if the property is an apartment, there are additional cost issues compared to buying a stand-alone house (such as strata fees). In addition, if the property is old, it may incur higher maintenance costs.
  - Selecting the wrong home loan (i.e. principal and interest), which is typical for an owner occupier home. Instead investors should consider interest-only loans, which will help increase cash flow.
  - Buying a property in a location that is not attractive to tenants i.e. not close to amenities such as shops or transport. Investors can also buy a property in an area where there is an oversupply of properties meaning rents will be low and capital growth rates limited.
- P.T.O. >

We are focused on maximising your rental income and optimising your capital growth

# RENT ARREARS UPDATE

It is that time of the year when we find some tenants in a rent arrears 'catch up' period after the holidays and Christmas time.

As much as we try to educate the tenants to pay a little in advance leading up to the holidays and Christmas period there are still tenants who fail to budget adequately over this time.

If you have received your rental statement and noticed the tenants behind, please note that we are following our normal arrears process of issuing notices and being proactive in following up the tenant to rectify the situation as a priority focus.

## PROPERTY PRICE INCREASES

Investing in property is about making money and creating long-term wealth. It is often said that there are property cycle trends and that you can expect your investment to double within 10 years. Every property, suburb and State will perform differently depending on circumstances; however we have found an interesting report that highlights property price increases over the last 10 years. Percentages outline the increase.

Percentage change in median selling prices  
June 2006 to June 2016



TALK TO THE  
PROPERTY EXPERTS

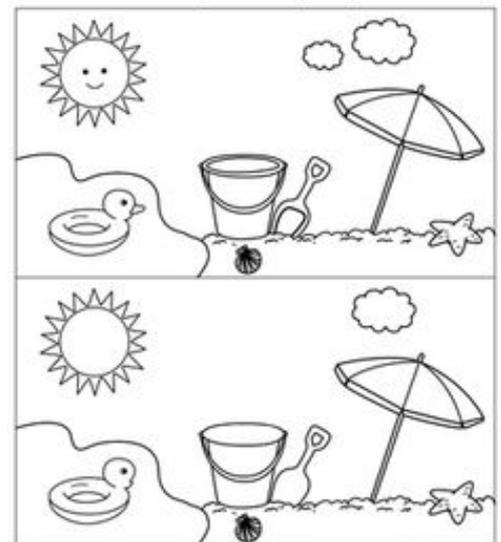
BUYING, SELLING &  
PROPERTY MANAGEMENT

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

*If you can*  
**DREAM IT**  
*you can do it*

FUN FOR THE KIDS

There are 5 differences



## ARE YOU COVERED?

We had a recent scenario where a landlord went to claim under their insurance policy to find out that it had lapsed as they had forgotten to renew.

This is a reminder for all landlords to double check that you have up-to-date insurance cover.

- Landlord Protection Insurance
- Building Insurance
- Contents Insurance
- Public Liability Insurance
- Income Protection & Life Insurance, etc.

NB – Some of the above insurance covers may be combined together under one policy



**Happy New Year from all the team at Honer Dodd Realty!**

We take this opportunity once again to thank all our clients and their families for their support this year and we look forward to another successful year in 2017!

(Missing our office manager Stacey above whilst she enjoys a well deserved holiday)