



PROPERTY INVESTOR

NEWSLETTER

JAN – FEB
2017

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

CONTACTING YOUR PROPERTY MANAGER

If you have a query regarding your property that is not urgent, please consider emailing your request. rentals@mckillopproperty.com.au

This allows us time to investigate the matter (if required) and provide you with a quick answer/solution. We are also frequently out of the office and it can be very frustrating for clients having to leave a message or play telephone tag.

BE SAFE – LANDLORD PROTECTION INSURANCE IS A MUST

Do you have it? We often mention the importance of Landlord Protection Insurance as it provides peace of mind in the event of the unexpected. This insurance covers for loss of rent, property damage and lots more. Each insurance provider has different policies and terms, as well as different levels of cover for different circumstances. It is important to know what your insurance policy covers you for. Often the insurance that banks offer do not have the same cover as specialised Landlord Protection Insurance providers – so don't get caught.

HOW TO FACE YOUR PROPERTY FEARS HEAD-ON

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 minimise 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 minimisation 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.

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 strategised outcome.

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

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

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 utilising 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 minimise 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.

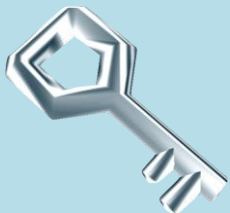
DO YOU HAVE MORE MONEY THAN YOU THINK?

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 KEY
TO SUCCESS IS TO
JUST START
AND DO IT

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.

Properties Recently

RENTED

Keeping you updated on the local rental market

HOUSES

14 Bourne CIs, Mittagong

3 bed, 1 bath, 1 car \$530 pw

14 Bold St, Renwick

4 bed, 2 bath, 2 car \$610 pw

13 Connolly CIs, Renwick

4 bed, 2 bath, 2 car \$610 pw

211 Sallys Corner Rd, Exeter

6 bed, 3 bath, 1 car \$800 pw

NEWS Update

A study has found Wingecarribee Shire is in the top ten least affordable housing markets across the world.

Demographia's 13th annual International Housing Affordability Survey revealed Wingecarribee as the seventh least affordable market based on its median multiple (house price to income ratio), behind Vancouver, Santa Cruz, Santa Barbara and Auckland. Australia had four regions represented in the top 10 when all housing markets (including regional areas) were considered. Sydney was rated the second least affordable, beaten only by Hong Kong. Ranked among some of the world's most in-demand locations, Wingecarribee was joined by fellow Australian cities Sydney, Tweed Heads and Melbourne in the top 10 least affordable, labelled "severely unaffordable" by the survey.