



PROPERTY INVESTOR

NEWSLETTER

MAR – APR
2017

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

DEBT CONSOLIDATION

When you have multiple debts, it can be stressful trying to keep them all under control, and can put pressure on your family and other areas of life. Many of us have personal loans, car loans and credit cards, which we pay off each month, often to different financial institutions. This means you could be paying more than you need to be.

Debt consolidation can be a great option for those who are looking to have all their debt in one place as well as potentially reducing the interest rate and monthly repayments.

Consolidating could potentially give you lower weekly, monthly or fortnightly repayments as well as a lower interest rate.

Having all your repayments rolled into one will allow for better management of your debt.

With only one monthly repayment being made, you will also be able to keep track of the amounts coming from your account and have a clearer vision of where your financial future is heading.

If this is a consideration we suggest that you speak with your bank, accountant or a financial planner.

THE MYTH OF TWO WEEKS RENT IN ADVANCE...

There is a well-known joke in the property management industry that occurs quite often at the end of a tenancy where a tenant states "What happened to my two weeks rent in advance that I paid when I moved into the property?" It is at this point when we have to take out our calendar and explain that "Yes you did pay two weeks' in advance, but you used up this rent when you paid *two weeks* after moving in".

As mentioned, we refer to this as an ongoing industry joke, but the tenant paying rent on time is no joke to us.

At this time of the month (when owners receive their rental statement) we can also receive telephone calls or emails asking 'why is the tenant not two weeks in advance'? (Or a month in advance if that is the payment terms).

A Tenancy Agreement does outline the terms and conditions of the tenancy and the frequency of rental payments. However, the reality is the tenant does not have to pay their rent 2 weeks or a month in advance. It doesn't even have to be one week in advance, just up-to-date.

As a managing agent when communicating with the tenant we do highlight the terms of payment in accordance with the Agreement, but the tenant is not considered in breach, until they fall behind in the rent, which is when you can issue a breach notice letter and if not remedied, a termination notice to vacate.

Unfortunately, in these economic times and with the lack of affordable housing across the nation we are also finding that some Tribunal Courts are becoming lenient with tenants allowing them to continue residing at the property with a performance order and payment plans for the outstanding rent.

It is our focus and priority to ensure that the tenants' rent is paid on time.

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1 IN 3 MARRIAGES END IN DIVORCE

HOW TO DEAL WITH AN INVESTMENT WHEN SEPARATING

This is not a happy topic to write about, but one that is reality.

If you or someone you know has recently divorced or are going through the separation process (and you own property) then you are going to have to determine how to administer or divide your shared property investments, which more often than not will involve lawyers.

We understand that this process can be overwhelming and stressful.

During these times it is also important to note (from previous experience) that for any changes to occur to rental payment bank account details we must have written and signed instructions from all parties, which is part of our standard agency processes.

If you are reading this article and you are the two who are still married, or if you are considering getting married we would encourage you to seek legal advice on a co-purchase or ownership agreement when buying a property with a partner as it can serve to protect both parties. It outlines who pays the bills, who is liable in the event of a relationship breakdown, and how one of the parties can sell their share of the property (if you even want that to be a possibility).

If you invest hundreds of thousands of dollars on a home, even millions, you may want to make sure that you are protected no matter what. You don't want to find out that you don't have any claim to the property after the relationship has broken down and then lose all of the money you put into the investment.

When you decide to purchase property with someone else, be it a significant other, family member or a group of friends, you have the choice between a 'Joint Tenancy' or a 'Tenancy in Common'. In a Joint Tenancy, each investor in the property has equal shares and equal responsibilities, regardless of how much they put towards the home deposit or how much they pay off the mortgage.

In the event of a separation that requires you to sell your investment, both parties receive an equal share of the profits (or are liable for an equal share of the losses). If you are married, this might be the best choice based on your shared finances.

If you have purchased a property through a Tenancy in Common, you may have uneven shares in the home. If you paid 70% of the deposit, you will be paying for 70% of the mortgage and the bills, and you will receive 70% of the profits. Your partner, on the other hand, will only receive 30% of the profits.

If you need to sell or if you find yourself in this situation, our team of experts are here to offer confidential value-added advice on the sale process as well as a free 'no obligation' appraisal (if required) to assist in listing the property for sale to achieve the best possible price.

We also recommend that you seek professional advice from your lawyer and accountant.

KEEPING COOL IN WINTER AND WARM IN SUMMER

We agree that this title doesn't really make sense, but what does make sense is understanding the highs and lows of business trends such as cooling and heating service companies. As we lead up to the cooler and warmer months these companies can be really busy in services heating systems or air-conditioning units depending on the season. If your property has separate cooling and heating systems, you may like to consider having these serviced at a strategic time of the year when there are generally lots of specials on offer when demand is low.

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

Keeping you updated on the local rental market

HOUSES

21 Ferguson Crs, Mittagong

2 bed, 1 bath \$380 pw

1 Railway Crs, Mittagong

2 bed, 1 bath \$450 pw

12 Wilkinson St, Berrima

3 bed, 1 bath, 1 Car \$590 pw

UNITS

28B Leopold St, Mittagong

2 bed, 1 bath, 1 car \$320 pw

5/25 Arthur St, Moss Vale

2 bed, 1 bath, 1 car \$350 pw

NEWS Update

Loose-Fill Asbestos Insulation

Register - New laws have been introduced under the Home Building Act 1989 to establish a publicly available Loose-Fill Asbestos Insulation Register. There are a number of obligations imposed on real estate agents by law in relation to asbestos located in the properties agents are engaged to sell or manage. These obligations include: A duty of care to the client and workers engaged to carry out work on the property. A commitment to act honestly, fairly and professionally. A responsibility to disclose certain matters to prospective buyers and tenants.

Please read attached fact sheet, complete and return Questionnaire for our records