



PROPERTY INVESTOR

NEWSLETTER

MAR – APR
2018

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

WHAT IS YOUR PROPERTY WORTH?

Guess or Know...

When was the last time you received a market appraisal for your investment property? Many States and market property prices are on the rise.

If you would like a free 'no obligation' market appraisal for your property, please feel welcome to contact a friendly member of our team. We are here to work with you in building your wealth.

FIVE COMMON PROPERTY INVESTING MISTAKES

Property investing has long been a mainstream investment strategy for both novices and experts alike. Yet, as rewarding and effective as property can be as an investment, there are some pitfalls that are unfortunately all too common. These can render investments potentially ineffective, if not costly. Here are a few key areas to consider before buying a property, making offers or signing on the dotted line.

Poor financial structures

With property being a major purchase and one that attracts considerable costs in addition to the purchase price, such as stamp duty and legal fees, it is important to consider the 'how' of buying just as much as the 'what'. Other than buying the investment in your own name, you might want to set up a family trust or use your superannuation fund and turn it into a Self-Managed Super Fund (SMSF), to undertake the purchase. Changing the ownership of the property later is going to be a costly exercise, so it is worth considering the options before you decide to buy the right property. Likewise, with the many loans and mortgage products out there, it is good to consider the options before you pursue the right property. Getting the right advice from suitable professionals with experience in structuring investment portfolios is highly recommended.

Lack of solid research and due diligence

Researching the market, looking at competitive pricing, rentability, vacancy rates, and proximity to employment centres, education, transport and shopping should all be part of your due diligence process for sourcing a suitable investment property/location. This should happen well before you even think about buying a property, which many investors overlook. In addition, undertaking research into infrastructure, both current and future, should be a priority as these can have a major bearing on the performance of your investment over time.

Using emotions to make decisions

The most important thing to remember is that you are not buying a home – you are buying an investment. All too often people make investment decisions based on emotion rather than looking at the figures that should be the basis of any investment decision.

Continued Over >

“
DO WHAT YOU
HAVE TO DO
UNTIL YOU CAN
DO WHAT YOU
WANT TO DO.”

CHANGE OF DETAILS

All requested change of details such as emails, contact details, postal address, insurance or bank details and general instructions must be in writing. This is to protect our client's security of data

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

FIVE COMMON PROPERTY INVESTING MISTAKES

Over-borrowing without a safety buffer

Interest rates are the lowest they have been and now is the time to buy. However, always allow yourself a buffer in case there is a shortfall in rent; the property requires unexpected repairs or maintenance, or the interest rate goes up.

All these factors can easily occur and you should never leave yourself in a vulnerable situation causing unnecessary stress or potentially even jeopardising your investment. A rule of thumb is to allow for at least 3 months of costs as a buffer as well as having all relevant insurances in place to minimise risk and protect your investment and your capital.

Lack of strategic planning

Fail to plan then plan to fail. It is important to have an investment plan. Know how you need to finance the property and how it will build your wealth. Know your short and long-term goals. Will it reduce your tax bill (negative gearing), add extra income or are you looking at buying with a view of renovating/redeveloping it later?

Property investing is a great wealth creation strategy. To avoid unnecessary risks and mistakes, it is always wise to seek advice from people that are experienced. Seek out qualified experts who hold their own successful property portfolios.

EMERGENCY REPAIRS REMINDER

Did you know that a tenant may arrange for a suitably qualified person to make emergency repairs if swift action is not taken to rectify the issue?

What is deemed to be an emergency repair?

A blocked water service, blocked or broken lavatory system, serious roof leak, gas leak, dangerous electrical fault, flooding or serious flood damage, serious storm, fire or impact damage, failure or breakdown of the gas, electricity or water supply to premises, failure or breakdown of an essential service or appliance on premises for hot water, cooking or heating, a fault or damage that makes the premises unsafe or insecure, a fault or damage likely to injure a person, damage the property or unduly inconvenience a resident of the premises or a serious fault in a staircase, lift or other common area of the premises that unduly inconveniences a resident in gaining access to or using the premises.

It is important to act quickly on all emergency repairs.

SUDOKU COFFEE BREAK

Every row & column, and 3X3 box, must contain the numbers from 1-9. Good luck!

	4	6			5	7		
			9					
	9				1			6
						9		
	3							
4			5	2				8
	8						7	
5	7		3				8	2
2						3		

TALK TO THE PROPERTY EXPERTS

BUYING, SELLING & PROPERTY MANAGEMENT

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

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

EXCITING NEWS!

Allan and Therese McDonald have owned and operated **Professionals Real Estate Goulburn** for over 20 years, with the support of a marvellous local sales team and admin staff and they are now pleased to welcome a new era with the sale of their business to **McKillop Property** in the Southern Highlands and the merging of two dynamic real estate agencies.

They are excited to continue working from the existing offices in Goulburn and Crookwell as well as having the support of the McKillop Property offices in Mittagong, Bowral and Robertson which ultimately offers clients and customers an increased level of service from a large and strong sales and property management team working as one.

What does this mean to all of McKillop Property & Professionals current clients and customers?

Cameron McKillop strongly believes that the merging of the two progressive real estate agencies is the perfect union and that **Professionals Real Estate Goulburn** have always been experts and industry leaders in rural property sales and **McKillop Property** now brings the same level of expertise and experience to residential sales and marketing as well as property management. Best of all, our real estate coverage is now larger and stronger, offering even more choice for property owners and buyers to make a decision that is right for them.

McKillop Property's Mittagong office will continue as always providing property management services for all the current clients plus we will be managing all financials for both existing and Goulburn clients, which includes collecting rent, paying accounts, invoicing tenants, transferring landlords their mid and end of month payments. The property managers in the Goulburn office will continue with their general management tasks as usual. However we are all available to assist with whatever questions you may have.