

Happy New Year
2018

PROPERTY INVESTOR

NEWSLETTER

DEC – JAN
2018

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

RENTAL APPRAISALS

If you are looking to purchase an investment property, it is important to ensure that you obtain an independent written rental appraisal (similar to a valuation when buying a property) from an experienced property manager rather than a salesperson.

Salespeople can unintentionally share a rental figure when put on the spot without the necessary market condition knowledge and documented research.

A good rental appraisal is one with a low to high rental range that is substantiated by evidence, known as a *CMA Comparative Market Analysis* that outlines similar properties that are currently on the market for rent.

Our skilled property management team are happy to offer a no obligation complimentary rent appraisal to give you peace of mind when purchasing an investment property – even if the property is listed with an outside agent.

QUALITY TENANTS REALLY ARE THE KEY TO SUCCESS...

A quality, long-term tenant is critical to the performance of any investment property, which is why it is important not to compromise during the application selection process. It can often be a better choice to have a vacant property for a little longer than lower your standards and end up with a troublesome tenant that could cost you money in the long-term. Outlined below are a few handy hints to help investors maximise their rental income.

1. Be selective with your tenants

In a tight rental market it can often be harder to attract quality tenants, but this does not mean you should lower your standards. It is important to always be rigorous in the screening process, which includes rental references, personal references and employment references to determine that the tenants will care for the property and maintain the rental payments.

2. Do what you can to retain existing tenants

If you have quality tenants living in your property, it is in your best interest to do what you can to retain them. Good tenants are often hard to come by. Sometimes it is worth negotiating on rent or introducing a few small incentives or tokens of appreciation to keep a good tenant. You should work with your tenant when a dispute arises to negotiate a solution that suits you both (where appropriate), rather than try to dictate terms.

3. Be realistic with your rental expectations

Often prospective tenants looking for a rental property will know exactly what properties are available in their preferred suburbs and the current market rent, which is why it is important to be realistic.

Tenants will always be motivated by the presentation, location and features of a property, but at the end of the day, if the price isn't right, they will move on, which can potentially result in high tenancy turnovers and increased wear and tear on the property.

If your long-term tenants are moving out and you know the market has tightened, be realistic about reassessing your asking rent before you advertise the property. You don't want to alienate potential tenants from the outset by pricing yourself out of the market. *Continued Over >*

THE TRUE MEASURE
OF SUCCESS IS HOW
MANY TIMES YOU CAN
BOUNCE BACK FROM
FAILURE



QUALITY TENANTS REALLY ARE THE KEY TO SUCCESS...

4. Think with your head, not your heart

Too many investors are unable to take the emotion away from their day-to-day decision making process when it comes to their investment property and they still think with their heart, and not their heads.

That is why it is important for all investors to be objective and take a 'business-like' approach to their investment. Every decision needs to be strategic to maximise your income and optimise capital growth. You always need to look at the big picture and weigh up the pros and cons.

BUYING A TENANTED PROPERTY

If you are considering buying a tenanted property it is important that you ask the right questions such as how much is the rent, is there a bond held, how long have they been in the property for, have they been issued any breach letters/notices, how many people, pets, etc. to mitigate any ongoing potential risk.

The tenancy agreement terms are important as well. The agreement between the tenant and the current landlord are transferred to the new property owner if it is a fixed term tenancy upon settlement. A fixed term tenancy cannot be terminated prior to the end date without the consent of the tenant.

Taking on the tenants can be good or bad depending on how well the tenancy has been managed. In addition to the above questions you should also request a copy of the tenant's rental ledger to determine that rent is being paid on time, the tenancy agreement, property condition report and the bond lodgement form.

If you are considering buying an investment property, please feel welcome to speak with one of our friendly and knowledgeable property managers with any question that you may have.

DO YOU OWN ANOTHER INVESTMENT PROPERTY?

More often than not, consolidating all of your rental properties with the one agency can save you time and money. Please feel welcome to telephone our agency and speak with your property manager about how we can assist in facilitating this process on your behalf.

SUDOKU COFFEE BREAK

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

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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

Properties Recently RENTED

Keeping you updated on the local rental market

HOUSES

Balaclava Street, Balaclava

3 bed, 1 bath \$450 pw

May Street, Robertson

4 bed, 2 bath, 2 car \$550 pw

Woolpack Road, Nattai Ponds

4 bed, 2 bath, 2 car \$620 pw

Elm Street, Bowral

3 bed, 2 bath, 1 car \$1,200 pw

UNITS

Richards Lane, Mittagong

2 bed, 1 bath, 1 car \$380 pw

NEWS Update

CHRISTMAS BREAK DATES

Our office closing dates for the 2017 Christmas break will be as follows:

Closing Friday 22nd December re-opening 3rd January.

Please note that our Property Managers will be on call for any urgent repairs and maintenance.

We wish each of you a safe and peaceful Christmas, we look forward to continuing business with you in the 2018.