

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

**FROM OUR PROPERTY
 MANAGEMENT TEAM**

**REQUEST FOR A TENANT
 TO GIVE EXTRA NOTICE...**

We have been asked a number of times by landlords if we can write into the Tenancy Agreement for the tenant to give extra notice (i.e. 1-2 months) if they want to vacate the property, to allow additional time to secure a new tenant and alleviate the possibility of a vacant property. This is against the law to contract outside of the Act, and requesting greater notice periods can attract harsh penalty fines. Tenants looking for future rentals often make the decision a couple of weeks before moving, not months.

INSURANCE IS VITAL

One of the most important insurances you need is Landlord Insurance. Storm damage to rental properties has seen a marked increase in the number of claims being paid to landlords that can be in excess of \$100,000s to repair storm damage. Imagine if you did not have insurance and you had to pay this out of your own pocket. We urge you to take a moment to ensure that you have adequate insurance to protect you.

IMPORTANT: This is not advice. Clients should not act solely on the basis of the material contained in this newsletter. Items herein are general comments only and do not constitute or convey advice per se. Every effort is made to ensure the contents are accurate at the time of publication. Clients should seek their own independent professional advice before making any decision or taking action. We take no responsibility for any subsequent action that may arise from the use of this newsletter. Published by THE PPM GROUP - www.ppmssystem.com

Some landlords fearful of increasing the rent

As your managing agent it is our *duty of care* to ensure that we are maximising your income and optimising capital growth. Our team are trained and skilled in working for the best interests of our client's 'landlords'.

There has been talk in the media that in some areas property managers are trying to win tenancies with rent reductions and free rent periods, which we believe could be better managed by spending money on things that will increase the rent, improve the property and attract tenants.

Landlords can also be fearful of increasing the rent to retain a current tenant. While this can be seen as kind-hearted, the focus should always be on maximising the income while taking into consideration secondary issues such as vacancy periods and the quality of the tenant.

There are some common elements with the type of properties that are being discounted and no rent increases imposed, which are often the presentation and quality of the property. As the property ages the rental return can lessen if care is

not taken.

We understand the concept of valuing our tenants and that our clients want stable, good paying, quality tenants. However, if you want to value your tenants while maximising your income you may like to offer them some extras as a thank you for their loyalty, instead of discounting and avoiding rent increases. Many services increase every year – it is business! As an offset for the regular rent increases consider:

- Maintaining the property well
- Offering a new dishwasher
- The installation of cooling/heating
- A free carpet steam clean
- A free house clean, or
- A free external pressure clean of the property... to name a few.

If you maintain the property and look after the tenant, they will see value in the rent increase as you are helping them to live more comfortably.

Even if the tenant objects to the rent increase and moves out, you will have a well-cared-for property to attract future quality tenants. (P.T.O. >)

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INTEREST RATES ARE STILL DOWN

The hot topic in property news is the current interest rates. Will they go lower or will they increase? No-one has a crystal ball, no matter what the economists may predict.

We are having discussions every day with home buyers and landlords talking about how the market and interest rates will affect their future investing. Should they buy now or will prices drop more?

The answer is... property prices are increasing in many areas around Australia – and we are starting to see key areas boom and receive record price sales. There will always be a bargain to pick up, but the market is turning.

Low interest rates are one of the indicators in the property cycle that things are close to improving and a property boom often follows.

If you are in a position to buy, start investing now.

We are also asked whether to have a fixed or variable interest rate on properties. While this question can be complex depending on your circumstances and financial planning, the fact that rates are low means that if you have been on a variable rate... each month the news has gotten better and better with additional savings. But once again, the reality is no-one knows what turn of events will happen next month. If you are undecided, it may be option to split your loan to fixed and variable to place a safe each way bet.

FRIENDS & RELATIVES not always the best option

Have you thought about renting your property to a friend or relative? While this can seem like the easy solution... and we love them dearly, the outcomes and stories of others can be a deterrent. Just something to think about... What happens if they encounter financial hardship and cannot pay the rent? What happens if there is major damage to the property? What happens when it is time to increase the rent to maximise your income on the investment? What happens if there are complaints? It can work for some investors if nothing goes wrong, but before you decide to offer your property to a friend or relative be prepared for the what if... something goes wrong.

THE GREATEST COMPLIMENT!

The greatest compliment you can give me is to recommend my services to colleagues, friends and family
Ph: 9800 0700

INVESTMENT PROPERTY OF THE MONTH



G03/436 Stud Road, WANTIRNA SOUTH
Great located front ground floor, 2 bedroom apartment opposite Swinburne University and close to Knox City.

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

Glenwood Grove, Knoxfield \$460p/w
3 Bed, 2 Bath, Double Garage

Old Orchard Drive, Want Sth \$400p/w
3 Bed, 2 Bath, Double Garage

Graham Road, Knoxfield \$370p/w
3 Bed, 1 Bath, single carport

UNITS/TOWNHOUSES

Malborough Road, Heathmont \$410p/w
3 Bed, 2 Bath, Double Garage

Hazelmere Ave, Cran/ West \$300p/w
2 Bed, 2 Bath, single garage

Properties Recently SOLD!

Keeping you updated on the local sales market



7 Sokleng Close, ROWVILLE

Positioned on big court block, walk to Pre Primary & Secondary schools, shopping centre and buses is this uniquely designed 5 bedroom single storey home with a u-shape design giving you a private interaction to outdoor/indoor living

WE ARE FOCUSED ON MAXIMISING YOUR RENTAL INCOME AND OPTIMISING YOUR CAPITAL GROWTH