



PROPERTY INVESTOR

NEWSLETTER

JUN –
JUL 2016

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

CALLING YOUR PROPERTY MANAGER

The easiest way to contact your property manager is on 9800 0700 or by email as all team members are operating on tight schedules with out of office inspections and sign up appointments. We also ask for your instructions to be in writing to ensure nothing is missed.

UPFRONT COSTS IN BUYING A PROPERTY

It may have been some time since you last purchased a property so here is a refresher of the upfront costs.

- Purchase price requiring a 10-20% deposit
- Stamp duty, mortgage registration and transfer costs
- Loan application and bank charges
- Lenders mortgage insurance if your deposit is less than 20% (depending on your circumstances)
- Legal and conveyancing fees
- Building, pest and strata inspection reports
- Moving costs if you are planning on living in the property

ROUTINE INSPECTIONS

Why do we do them?

Routine inspections are one of the most important tasks that our property management team undertakes and we take them very seriously.

We conduct routine inspections for the following reasons:

- To ensure that the tenant is caring for the property in accordance with the tenancy terms
- To provide feedback on maintenance and repairs required
- To ensure that the property is safe for the tenant to reside in
- To keep landlords up-to-date on future renovations and improvements required

It is paramount for a property to be well-maintained and presented in a clean and tidy condition to protect your investment and reduce the possibility of a litigation claim should there be a slip and fall.

VISUAL INSPECTION ONLY

As your managing agent it is our obligation to visually inspect the property only. We are not licensed 'professional experts', such as building, pest, electrical or pool inspectors.

What we look for visually:

Leaks, doors and windows working, tears or ripples in carpets, fixtures and fittings working, marks, chips or holes, locks working (just to name a few) and the overall condition and presentation of the property.

We strongly recommend that professional experts undertake the necessary tax deductible annual inspections to protect your investment.

If work is required following an inspection it is important for all landlords to actions these requests as quickly as possible. We are always here to assist and support you with all your property needs.

P.T.O. >

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

DEPRECIATE AND APPRECIATE



Property investors who own income producing properties are eligible for significant taxation benefits. Research shows that 80% of property investors are failing to take advantage of property depreciation and are missing out on thousands of dollars in their pockets. Depreciation is often missed because it is a non-cash deduction – the investor does not need to spend money to claim it.

What is depreciation?

As a building gets older, items wear out – they depreciate. The ATO allows property owners to claim this depreciation as a deduction. Depreciation can be obtained by any property owner who obtains income from their property.

Depreciation Facts:

- Investors can adjust previous years' tax returns – claim missing deductions from the ATO.
- An investment property does not have to be new – older properties also have good depreciation potential.
- By claiming property depreciation on an income producing building an investor will pay less tax.

Obtaining a depreciation schedule that maximises deductions may result in an investment property returning a positive income.

Quantity Surveyors are qualified under the tax legislation ruling TR97/25 to estimate construction costs for depreciation purposes and are one of the few professionals who specialise in providing depreciation schedules.

Source: BMT Tax Depreciation

TALK TO THE
PROPERTY EXPERTS

BUYING, SELLING &
PROPERTY MANAGEMENT

Call us on 9800 0700 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

Coleman Rd, Wantirna South
\$340p/w
3 Beds, 1 Bath, Carport

Applewood Dr, Knoxfield
\$430p/w
4 Beds, 2 Baths, Double Garage

Broadgreen Ave, Wantirna
\$630p/w
5 Beds, 2 Baths, Double Garage

UNITS

Bouverie Street, Carlton \$250p/w
Studio apartment, 1 Bed, 1 Bath

Renown Road, Burwood \$630p/w
Studio apartment, 1 Bed, 1 Bath

HOW DO YOU CALCULATE YOUR RENTAL NET YIELD RETURN?

A simple example:

Purchase Price: \$623,000

Weekly Rent: \$700 X 50 weeks
(Allow for a vacancy factor)

Gross Total Rent: \$35,000

Less Expenses: \$ 10,000

(E.g. Maintenance, insurance,
management fees, cleaning, interest
costs, depreciation)

Net Rent: \$25,000

\$25,000 / \$623,000 X 100

Net rental yield return = 4.01%

For a detailed more accurate return on your property that takes all expenses and depreciation into consideration, we recommend that you speak with your accountant or financial advisors.

INVESTMENT PROPERTY OF THE MONTH



10 Yarang Court, Heathmont

Quiet court location in this much sought after central position to schools, East Link, and walkway at end of court to Wantirna Road bus. A flexible floor plan is designed to accommodate the growing family with 4 separate living areas, comprising 5th huge bedroom downstairs or 4th living area, and 4th bed downstairs, 3 bedrooms and 2 bathrooms upstairs.

NEWS Updates

REMINDER – WHITE ANTS

They are small little critters but can cause thousands in repair costs for a property if not detected.

Our agency recommends termite inspections once a year. When was the last time you had your investment checked for white ants?