

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

INVESTMENT TIP

There are many factors to consider when purchasing a property. Affordability, capital growth, features of the property, resale, the area and desirable property features to attract tenant interest.

Deciding where to send your children to school is one of the biggest decisions of parenthood, and buying a home or investment property is one of the biggest decisions of adulthood.

Properties close to Australia's top performing State schools regularly command sale-price 'premiums' compared to neighbouring areas. Weekly rents are also increased and vacancy rates can be reduced.

(ROI) RETURN ON
INVESTMENT

Is it worth upgrading your property in accounting and investment terms?

If you invested \$10,000 into the upgrades that resulted in a \$50 rent increase per week the ROI would be 26%.

Calculation

$\$50 \times 52 \text{ weeks} = \$2600 / \$10000$

HOW TO ACHIEVE THE
HIGHEST POSSIBLE RENT

The dynamics of renting properties has changed over the decades. There are more expectations on landlords in regards to legislation and compliance, with a strong focus on presenting properties in a safe and well-maintained condition. As a result of these changes, many tenants are now wanting more for their rent.

Investing in property is all about building financial security in the long-term and achieving the highest possible rent in the short-term.

To assist our investors to keep up with the changing rental market (to avoid falling behind the competition) we have listed our top tips in 'How to achieve the highest possible rent'.

- The presentation of the property (inside and outside) is one of the most important factors. Painting, new window and floor coverings, updating kitchens and bathrooms, and new appliances, should always be factored into your investment budget.
- Adding modern conveniences is becoming an expectation for many quality tenants, such as high-speed Internet, automated watering systems, dishwashers,

air conditioning/heating and security systems.

- Many people are now looking for ways to save money, which includes minimising utility costs, as the bills continue to increase. Rental properties with solar power are becoming more sought after. Likewise the installation of rainwater tanks can also be a real selling point.
- With the lack of time in many people's lives, including lawn, garden and pool care in the rent can also be appealing.

If you want to achieve the highest possible rent and attract the best possible tenant your property must stand out over all the other properties. If the fixtures, fittings and appliances are becoming old, worn out and dated and the property doesn't have the 'extras', it will reflect on the quality of tenant willing to live in the property.

Large costly improvements are not possible for everyone. However, gradually improving the property will assist in achieving the highest possible rent. To assist, you may want to consider looking at the equity in your investment to fund these improvements. P.T.O>

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IS FAST APPROACHING

Investing in property to create wealth requires strategic thinking.

As we approach the end of the financial year we recommend all our clients speak with their accountants now, so there is time to take action if required. Once the 1st July is here it's too late, and you could lose the opportunity to save on tax.

There are endless ways to save on tax that a financial advisor or an accountant can share with you.

One strategy we would like to share is **paying interest in advance**.

When looking for a tax deduction on your investment property before the end of the financial year we know that you can claim interest on your loan, property expenses, improvements, repairs and depreciation. But, if you are a property investor with tax-deductible borrowings, then one strategy that you can consider is prepaying the interest on your loan.

The main reason why investors adopt such a strategy is to receive the full amount of the prepaid interest as a deduction in the financial year it is paid. For some investors, prepaying interest is an important part of a tax-minimisation strategy, particularly if their income is expected to be lower in the following year(s).

If this is appealing, you will need to contact your lender or mortgage broker to find out if this facility is available on your loan. Not all lenders offer this facility.

If it is an option, another feature of prepaying interest is that the loan is fixed for 12 months and the rate is generally lower than the lender's traditional 12-month fixed rate. This can also assist with budgeting for the period that the interest is prepaid.

Remember this is one strategy, so make sure you speak with your tax professional before moving forward.



Build your own dreams, or someone else will hire you to build theirs.

-Farrah Gray

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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 that is.

Do you own another investment property? We are here to help 9800 0700.

Properties Recently

Rented!

Keeping you updated on the local rental market

HOUSES

Lloyd Street, Knoxfield \$370p/w
3 Bed, 1 Bath, single carport

Gateshead Drive, Wantirna Sth \$460p/w
4 Bed, 2 Bath, Double carport

UNITS

Duncan Avenue, Boronia \$200p/w
1 Bed, kitchenette, ensuite

Simpson Road, Ferntree Gully \$335p/w
2 Bed, 1 Bath, Single Garage

Barkly Street, Ringwood \$330p/w
2 Bed, 1 Bath, Double garage

SHOPS

Alpine Street, Ferntree Gully \$230p/w
Shop front, 75m2, kitchenette, 1 toilet, single car spot

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, offering open plan living.

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

