



## PROPERTY INVESTOR

# NEWSLETTER

JUN – JUL  
2018

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

### LANDLORD/AGENT FINES ARE ON THE INCREASE \$\$

Owning an investment property requires all parties to abide by State legislation. Failure to do so (or contract outside of the law) will result in large fines being imposed or compensation orders.

Areas of concern that are being targeted:

Unlawful entry to a property without the correct notice

Requesting 'excessive' bonds or rent upfront from the tenant

Failure to provide receipts for rental payments

Failure to lodge tenant bonds

Not issuing a property condition report or other associated documents and forms before the tenant moves into the property

Including unlawful terms in tenancy agreements

Breach of the tenant's quiet enjoyment or harassment

Incorrect charging to the tenant of utility services or other charges that are not lawful

Discrimination during the tenant selection process

Failure to attend to maintenance

Evicting tenants illegally

AT ALL TIMES WE MUST ACT WITHIN THE LAW

## 10 BULLET PROOF WAYS TO SELECT THE RIGHT INVESTMENT PROPERTY

Assessing whether a property is better than another requires a big picture point of view, expert assistance and clarity around indicators for growth that will help build your portfolio. When purchasing your next investment property consider the following 10 top tips:

### 1. The investment property is suitable for the local demographic

Know the demographics of the area and purchase a property that will be in high demand. If the area predominately has families and you purchase a 2-bedroom unit, you may experience an extended vacancy period.

### 2. The investment property has 'several' standout features

The more features your investment property has, the more attractive it will be to potential tenants and therefore, likely to command a higher rent. Look for features such as: newly renovated, parking, security, lawn & pool maintenance included, NBN, additional appliances, ready to move in with minimal maintenance required, across the road from a school, around the corner from a shopping centre or a railway station.

### 3. Seek out a property on a manageable block size

When you purchase a standalone house, ensure that the block size is not too large for a tenant to care for, otherwise you may find it harder to rent. Most tenants don't like to look after yards, so make the choice easy and find a land size that's small enough for them to manage.

### 4. Choose a location where government spending is happening

It can be risky to invest in areas with an intended growth forecast as governments can change their minds. Instead, look towards areas where millions (or sometimes billions) are already being spent, which is an indicator for capital growth. This includes construction of airports, schools, railway stations, hospitals, health hubs and major arterial road upgrades, which can lead to thousands of jobs and future population growth.

### 5. Strong capital growth potential

It is not always easy to predict this without expert help and research, but 'capital growth potential' increases property values, providing you with greater equity to purchase future investment properties.

### 6. Select an area where employment opportunities are high

Most people like to live close to where they work, so consider buying an investment property close to an employment hub to maximise the chances of a strong on-going tenancy.

*Continued over... >*

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

# 10 BULLET PROOF WAYS...Continued

## 7. Future development opportunities

When purchasing an investment, consider how its' future development can strengthen your portfolio. E.g. Through subdivision or adding a duplex.

## 8. The investment property is in a good condition

It is a must that you carry out a building and pest report to identify any costly issues that cannot be seen by the eye.

## 9. Avoid areas with an oversupply of rental properties

Research the area to find out if there are new developments or housing estates that may cause an oversupply of rental properties in the future. Tenants generally prefer to rent new properties. If you buy an older property in an area affected by new developments or an oversupply, you may have to drop your rent significantly to secure a tenancy.

## 10. Buy a low-maintenance investment property

Look at the long-term requirements for maintenance and how old the property is. A low-maintenance property will save you money and ensure a happy relationship with the tenants.

## 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

 **9800 0700**

### Properties Recently RENTED

Keeping you updated on the local rental market

### HOUSES

#### Eytan Street, Ferntree Gully

**\$420p/w**

3 Bed, 2 Bath, Double Carport

#### Oak Terrace, Wheelers Hills

**\$580p/w**

3 Bed Townhouse, 2 Bath, 2 Car Space

### UNITS/TOWNHOUSES

#### King Street, Bayswater

**\$420p/w**

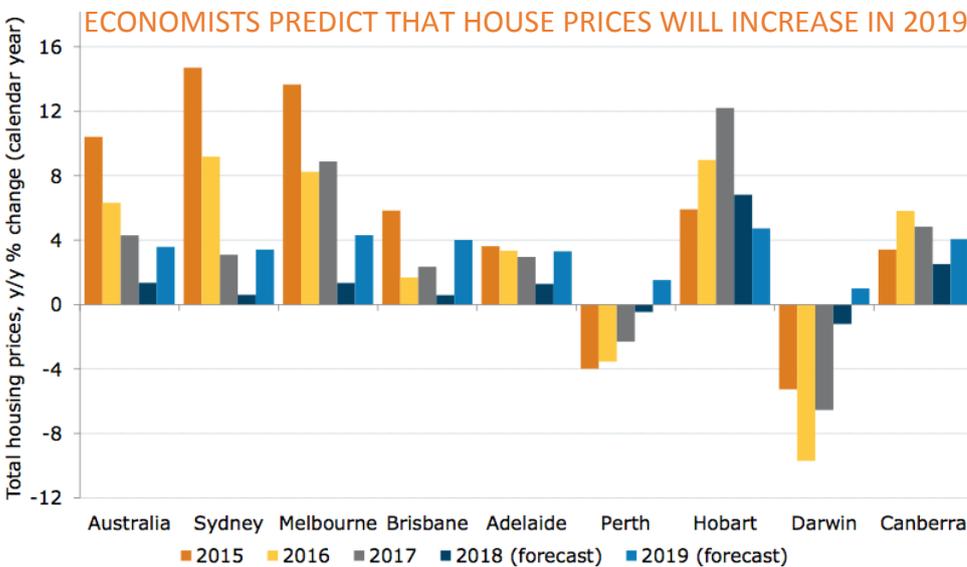
2 Bed Apartment, 2 Bath, 1 Car Space

#### Norfolk Drive, Narre Warren

**\$310p/w**

2 Bed, 1 Bath, Single Garage

## HOUSING PRICE FORECAST BY STATE



## TO REDUCE YOUR RISK, YOU MUST DIVERSIFY

### PROPERTY MYTH UNCOVERED... JUST A THOUGHT

It is often suggested by financial planners that you should have many types of investments, such as shares, superannuation and property. However, some experts say that diversification can lead to an average outcome. Research has shown that many successful investors don't diversify, but cultivate the skills required to make better, smarter investing decisions and specialise in one niche investment market. Here's what some experts say about diversification:

*"Wide diversification is only required when investors do not understand what they are doing"* **Warren Buffett**

*"Many financial advisors recommend that you diversify for your own protection. What they fail to tell you is that it is also for their protection. Since most financial advisors cannot tell you exactly, which stock or mutual fund is a great investment, they tell you to buy a bunch of them."*  
**Robert Kiyosaki**

## GREAT INVESTMENT OPPORTUNITY



### FOR SALE

**23 Southey Road, BORONIA**

Set on nearly 1/4 acre, this 2 or 3 bedroom home built for retirees can easily be converted to a 4 bedroom home as the corridor enters the middle of the rumpus room at the rear, or extend off the rumpus room etc...

**CALL US ON 9800 0700 to find out more!**