

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

FREE Appraisal

Do you want to know the current market value for your investment property?

You may be pleasantly surprised to find out that you have much more equity in your property than you thought.

Call us today for an obligation FREE appraisal where we can provide you with a written report 9800 0700

**LANDLORDS NEGOTIATING
WITH TENANTS**

It doesn't happen often, but when it does – things can go wrong...

We strongly recommend that landlords do not make direct contact or enter into any informal agreements with the tenant without first consulting your property manager.

There are prescribed notices and important processes that must be adhered to to avoid costly fines. You also need to be cautious that all parties are acting in accordance with legislation requirements.

We are here to help, manage, and guide you at any time.

Where do I stand as a landlord if the tenant damages the property?

This is not a simple question to answer. Yes, we would like to make the tenant accountable for every scuff mark and chip when vacating the property, but the reality is there are legislated 'grey area' guidelines that are taken into consideration.

Firstly, it needs to be determined that it is property damage and not 'fair wear and tear'. Fair wear and tear is something that occurs through the normal use of the property. This may vary from tenancy to tenancy depending on the circumstances. A brand new two bedroom apartment with two professional working tenants residing in the property for six months would expect less fair wear and tear than a four bedroom with parents and three children who resided in the property for five years.

If a dispute arose, the condition of the property at the commencement of the tenancy (property condition report form) would be compared to the end of the tenancy, taking into consideration fair wear and tear and the age/depreciation of the item in some cases.

Neglectful damage could be considered as punching a hole in the wall or a dent in the garage door from the car where there are no grey areas. However, marks on carpets and walls, tears in screens or window coverings, dust and general marks could be considered fair wear and tear depending on the circumstances.

Our agency has high standards and expectations of the tenant when vacating – but if there is a dispute and you want to avoid the tribunal/courts a compromise may need to be reached. For example: should a tenant who has marked 10 year old carpet throughout the property (that was in reasonable condition) be expected to replace it with new carpet at 100% their cost or should it be 20% their cost 80% owner cost due to the age/depreciation of the item? The answer to that question will depend on the Registrar/Magistrate hearing the case should an agreement not be reached between the parties.

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

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WHAT IS LENDER MORTGAGE INSURANCE?

Lender Mortgage Insurance (LMI) is one of the ways to help you achieve the dream of home ownership sooner without having the 20% deposit that is typically required by most banks and financial institutions.

With LMI, lenders may allow you to borrow a higher proportion of the purchase price, allowing you to purchase a property with a smaller deposit than would otherwise be required. It may also enable you to borrow at an interest rate that is comparable to a borrower who has a larger deposit.

The lender is the insured party, not you, the borrower, or any guarantor. Lender Mortgage Insurance protects the lender against a loss should the borrower no longer be able to afford their loan repayments and the Guarantor (if any) is unable to meet the liability.

Lender Mortgage Insurance should not be mistaken for Mortgage Protection Insurance, which covers your mortgage in the event of death, sickness, unemployment and disability.

By reducing the lender's risk at the outset, taking out Lender Mortgage Insurance allows you to purchase your dream home with as little as 5% of the purchase price. This can open up many possibilities for you as a new homebuyer – better location, larger house, ability to do renovations. Simply put, LMI brings you that much closer to achieving your home ownership dreams, years earlier than you ever thought possible.

SUMMER IS ALMOST HERE

The weather is warming up and the end of year is near. To assist our landlords we have listed some important checks for this time of year.

- Gutters cleared (especially in high risk fire areas)
- Pest inspection for white ants
- Cut back overhanging branches around the property (especially if near to gutters or the roof)
- Install an airconditioner to the property if there is not one
- Smoke alarms must be present
- Pools must be safe for tenants and visitors (including gates and fences)

Important Notice:

Landlord insurance is very important to protect your investment.

- **Do you have landlord insurance?**
- **Is your insurance policy up-to-date?**
- **Are you covered if your tenant is on a periodic lease (month to month)?**

"Courage is resistance to fear or the mastery of fear – not the absence of fear."

Mark Twain

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

Winwood Drive, Ferntree Gully \$340p/w
2 Beds, 1 Bath, Single Carport

Aminya Court, Wantirna \$390p/w
4 Beds, 2 Bath, Double Garage

Boronia Road, Wantirna \$350p/w
3 Beds, 1 Bath, no garage/carport

Mariposa court, Wantirna Sth \$435p/w
4 Beds, 2 Bath, Double Carport

UNITS/TOWNHOUSES

Dorset Road, Boronia \$360p/w
3 Beds, 2 Bath, Double Garage

Stradbroke Road, Boronia \$450p/w
3 Beds, 2 Bath, Double Garage

Properties Recently SOLD!

Keeping you updated on the local sales market

11 Parkview Drive, Ferntree Gully



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