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# Ristic

ISSUE

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# THE INVESTOR

## BUYING AN INVESTMENT PROPERTY

### WHAT YOU MAY NOT HAVE CONSIDERED

When purchasing an investment, many astute buyers will consider price, presentation, condition, property features, infrastructure, crime rates, local amenities, access to public transport, risks of flooding, and the ongoing costs to maintain the property, to name a few.

However, have you ever considered school catchment zones as part of your property selection criteria?

A catchment zone is a geographical location where a state school's core intake of students must live and can significantly influence a renter's decision to rent a property.

Every parent wants their children to attend a good school. Buying an investment property close to an in-demand catchment zone can increase renter interest and the weekly rent, reduce vacancies and ultimately, have significantly more potential for capital growth.

While private schools don't typically have a catchment zone, the location of these schools is still worth considering when buying.

Equally, properties surrounding colleges and universities are always in higher demand because students want convenience, which, once again, drives up demand and weekly rents.

Even though the property may cost a little more in these catchment zones, you can rest assured the resale value and buyer interest will be much more.

To 'educate' yourself on the leading locations across Australia, search 'Top performing school catchment zones' in your state.



## END OF TENANCY BOND CLAIMS CLEANING, REPAIRS, DAMAGE OR FAIR WEAR & TEAR?

The renter/s have just vacated your investment property. The property manager has a copy of the original property condition report (the only legal evidence that can be taken into consideration to release the bond) and attends the property to undertake the final vacate inspection.

The property manager enters the property and observes:

The griller is dirty, there is a chip in the kitchen tile, marks on the lounge room wall, walk-way wear marks down the hallway, slight mould on the bathroom tiles, a broken soap holder, a crack in the toilet seat, a dent behind the bedroom door from a missing door stopper, dust in the window tracks, small tears in several fly screens, a wardrobe rail has broken off, there is a bleach stain on the bedroom carpet and weeds in the garden. It seems like a long list that needs to be actioned.

Who is responsible... is it cleaning, repairs, damage, or fair wear & tear?

Whenever there is a dispute, it is a good business practice to try and mediate the situation between all parties to come to a win/win situation or a compromise. If an outcome cannot be reached between the parties, the matter may have to be determined by a hearing at the tribunal/courts, where they will take into consideration *fair wear & tear*. The definition of *fair wear and tear* is something that occurs through normal use or is the normal changes that take place with the aging of the property.

The tribunal/courts will look at:

- How old is the property?
- How old are the fixtures and fittings that require attention, considering depreciation (the diminishing value)?
- How long did the renters reside in the property?
- How many renters resided in the property?

If the property is 12-months old, has almost brand-new fixtures and fittings, and two renters have been residing there for six-month, this could be considered cleaning, repairs, and damage that the renter needs to action. However, if the property is 18 years old, with the original fixtures and fittings (that have depreciated over time in value), had a family of six reside there for five-years, then this could be considered *fair wear and tear* and a rental provider expense.

We will always discuss the final vacate inspection with you and explain our understanding of the situation in accordance with legislation requirements, while also considering your instructions.

P.T.O.>

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## APPLIANCE BREAKDOWNS

It is all too common with rental properties that, at some stage, appliances will break down or cease to work.

As a rental provider, you must be aware that it is your responsibility to maintain all fixtures, fittings, and appliances within the property. It is the renter's responsibility to keep the property clean.

If the appliance forms part of the tenancy at the commencement when they move in, it must be maintained, repaired, or replaced if it breaks down.

On occasions, rental providers have requested that the appliance be removed from the property and not replaced.

The renter has a legal right to use all appliances throughout the tenancy. If you do not wish to replace the item (and the renter agrees in writing), you may be required to pay compensation for the loss of the appliance.

This is a timely reminder that it is important to be proactive and budget for these unexpected replacement costs in advance.

You may also like to consider renting appliances for the property, which is a tax deduction, and you don't need to worry about maintaining, repairing, or replacing the item.

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## WHO IS ACCESSING YOUR PROPERTY DETAILS?

Did you know that with the latest technological advancements, the Australian Taxation Office and Local Councils are now using data-scraping software tools and agencies to identify owners with investment properties or short-term rentals?

Data scraping or website scraping is a process of importing large quantities of data from websites such as Airbnb, Stayz, realestate.com.au, domain.com.au and other property portals into files or spreadsheets. All property data can be extracted from the listings at the click of a button.

Local Councils are using this information to detect property owners who have short-term rentals to ensure they are registered. In some local councils, they even charge higher rates for short-term rentals or holiday properties. The implementation of short-term accommodation registers and increased rates will vary from state to state and council to council. It is important to ensure you follow up on your obligations with your local council if you are collecting revenue on your property as a short-term rental to avoid possible fines.

The Australian Taxation Office also uses this technology to data scrap rental portals nationwide, as well as accessing state Bond Authorities to cross-reference advertised properties and bond data held to investor tax returns.

Data matching is becoming quicker and easier to identify rental providers, who are trying to avoid declaring rental income.

If you want to reduce your taxable income, we strongly recommend seeking advice from your tax accountant or financial advisor.

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## CONNECTING WITH YOUR PROPERTY MANAGER

Delivering a first-class service to our rental providers is a priority to our property management team.

However, as you can appreciate, our team members are often out of the office showing prospective renters' properties, conducting routine inspections, and attending final vacates with renters; and they are therefore at times, away from their desk and unable to respond promptly to your emails or telephone messages.

To ensure that we can best service your enquiries, please note that the best times to contact a property management team member is between:

9:30 – 10:30 and 2:30 – 3:30

We look forward to connecting with you soon.

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## WELCOME BACK!



We are thrilled to have you back at **Ristic!**

Nadine will be working part time - Monday & Wednesday for the time being.

You can reach her on 9436 0888 or [nadine@risticrealestate.com.au](mailto:nadine@risticrealestate.com.au)

## SUDOKU COFFEE BREAK

Every row & column, and 3X3 box, must contain the numbers from 1-9

1		9	3	4			8	
8				6	2			
6	2			7		9		5
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3						5		7
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## YOUR BANK DETAILS

### OUR OFFICE SECURITY POLICY

With the increase of online scams, fraud and receiving bogus email requests, we wanted to reassure you that it is our office policy to only accept an owner's request to change bank details when it is in writing and signed by all registered property owners. With any request to change personal information, you will always receive a telephone call from us.

