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THE INVESTOR

PROPERTY MYTHS

SPRING IS WELL AND TRULY HERE

The spring season is often called the busy time of the year when many come out of hibernation and enjoy the warmer weather. This is also historically true, with the property market heating up during this time.

If you are thinking about preparing your property for sale, take the time to read these three property myths to make sure you are in the know.

Myth 1 – Set a high asking price so you can negotiate down with the buyer. This practice is flawed as you risk losing genuine buyers who know the market from day one. You need to be clever in setting a realistic price, considering other similar properties on the market.

Myth 2 – Advertising your property online is all you must do to sell the property. Not true. It is important to have a diversified marketing campaign to reach as many potential buyers as possible. The more interest you attract, the more competition there will be for your property and the higher the price you are likely to achieve. You must consider incorporating 'for sale' signs that stand out, marketing brochures, letterbox drops, property staging, professional photography, video tours, social media posts and classified advertising in national publications.

Myth 3 – Go with the cheapest agent. It was once shared by a knowledgeable investor that people only reduce their fees because they do not believe in their service. True or not, we know that everyone wants a good deal. However, when choosing an agent, take the time to look at their past sales history, performance data, market knowledge, ability to negotiate, and level of experience. Paying a little extra can add thousands to a sale price.

If you are thinking about buying or selling, we are here to guide you.



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YOUR FUTURE

LAND TAX Explained

Land tax is one of several charges you may have to pay as an investor.

Unlike stamp duty, which is a one-off charge when you purchase a property, land tax is applied *every year* you own a property in accordance with your state or territory government, with the Northern Territory being exempt.

Understanding land tax and the varying thresholds for each state and territory is essential when reviewing your investment growth strategies.

Land tax is charged on any land you own or co-own above a certain value threshold, which fluctuates between states and territories. This includes vacant land purchased or the land on which the house or unit is built.

When considering land tax, your 'principal place of residence' (where you live) is generally exempt.

The land tax you pay is determined by the 'unimproved' value of all liable property you own. The unimproved value of land is its market value under normal sales conditions, assuming there have been no structural improvements.

Like stamp duty, states and territories typically charge the tax as a percentage of the value on a sliding scale. Once the total value of the land passes the exemption threshold, you are charged a base sum plus a dollar or percentage amount for every dollar of your land's value above the threshold.

Your state or local council will typically value your land for tax purposes.

You may have to pay anything from a few hundred dollars to several thousand dollars in land tax.

To know the thresholds and applied tax amounts, check your state or territory revenue office online to find more information.

Search tip: 'NSW (*enter your state*) land tax threshold 2022'.

Knowing the varying land thresholds can help you reduce this expense by spreading your investment portfolio across different states and territories.

WARNING | RENTAL PROVIDER ACCESS TO PROPERTIES

In a recent case, a property owner took the initiative of using their keys to enter and inspect a property that a renter had vacated without consulting the managing agent.

The owner thought nothing of it, as the renter had left the property. The owner began cleaning the property and attended to some minor repairs.

The owner then contacted the property manager, stating they wanted the cleaning and repair costs deducted from the bond.

The property manager was placed in a difficult situation. They had to explain to the owner that the final inspection had not been completed and that their actions could jeopardise the bond claim.

Please be aware that if you need to access your rental property at any time, you must contact our agency so that we can ensure the entry is managed correctly.

A quick courtesy call to our agency can help prevent any disputes regarding the management of your property.

PUBLIC LIABILITY INSURANCE | DON'T RISK IT! ARE YOU COVERED, AND DO WE HAVE A COPY?

Public liability is insurance that covers the landlord in the event of a slip and fall injury or death at the rental property.

It is a best practice that all owners have a minimum of \$10 million public liability insurance cover.

If you fail to have an up-to-date public liability insurance cover policy, and the renter or a guest enters the property and injures themselves (or, in the worst-case scenario, fatally passes away due to a lack of repair); your assets could be at risk should a lawsuit be brought against you, which can amount to hundreds of thousands or millions of dollars in compensation.

In accordance with our management agreement terms, we must hold an up-to-date copy of your public liability insurance certificate.

Please take a moment to review your insurance coverage to ensure you are protected. In most circumstances, your landlord or building policy insurance will include public liability.

It is important that we hold a copy of this insurance cover on your property file and that it is kept up-to-date.

Please forward a copy of this insurance cover certificate to our agency if you have not already done so.

Feel welcome to contact us to discuss any questions you may have.

BOUNDARY FENCES | WHO PAYS?

Whether an existing fence needs to be fixed or there is no fence that needs to be erected, it is important to know that a boundary or dividing fence is a shared ownership structure where reasonable costs must be paid equally.

If you want to fix or erect a boundary fence, you must first discuss this with each boundary fence owner.

The Dividing Fences Act varies from state to territory, and it is, therefore, vital to know where you stand.

Some legislation can be open to interpretation with grey areas regarding fences, such as the style of the fence, cost of the fence, which way the fence slates will face and how high or low the fence will be to name a few.

If you want to make any changes to a boundary fence, it must be in writing and have at least two to three quotes for the repair or installation.

If there are disagreements between the parties, you must mediate as per your state or territory legislation.

IMPORTANCE OF GUTTER CLEANING:



Gutters essentially manage the flow of rainwater away from your home during a downpour or storm. If they're blocked, the water can pool in the wrong place and even flow back into your house and damage your home inside and outside. This has the potential to cause major roof damage including water seeping through roof tiles, rotting wood, and even cause the collapse of the entire roof.

It's good practice to clean out your gutters regularly, but it's a particularly good time to do so as we enter spring. Gutters fill with leaves and other debris over the winter and if you haven't cleaned them out by the time those big spring and summer storms hit, the uncontrolled water flow can have a devastating effect on your home.

Cost for a Single story home: **\$245.00**

Please contact your **Property Manager** if you would like us to arrange this service for you.

SUDOKU COFFEE BREAK

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