

ISSUE  
JUL – AUG  
2020

# THE INVESTOR

## DO YOU OWN MULTIPLE PROPERTIES?

Consolidating your investment portfolio to one centralised agency, can save you time and money.

If you have another investment property within our serviced area (that we are currently not managing), or if you know of someone who has an investment property, then we invite you to contact us today to find out how we can assist you to save time and money. No fuss... no stress... We like to make everything simple and easy for you.

## WHITE ANT ACTIVITY ARE YOU AT RISK?

This is a 'pest alert' reminder.

White ants are small, pesky creatures that can cause expensive damage to properties if not detected.

Our agency highly recommends that you have an annual pest inspection carried out on your property by a professional who knows what to look for.

The white ants are not fussy. There have been documented cases where white ants have been detected in brick homes and homes with capping on the stumps.

For such a minimal tax-deductible cost, you will have peace of mind that your property is protected and safe.

## STATEMENT CHECKS

Do you regularly check your statements, (such as, bank, credit card, utility accounts, super, shares and other important documents) that are relevant to your money?

We often hear many stories of incorrect deductions, readings and fraudulent transactions. Spot check them today.



*Determination today...  
leads to success tomorrow*

## 10 TOP TIPS | TO INCREASE YOUR ROI

During uncertain economic times it is not only cost-cutting saving tips that we should be exploring, but more importantly, how we can make smarter choices to increase our income, profits or return on investment (ROI).

A ROI is simply the ratio of a profit or loss made in a financial year that is expressed as a percentage.

Most investors would agree that, over time, an average annual return of 5 to 12 percent on your passive investment dollars is good, and anything higher than 12 percent is excellent.

ROI =  
Net Profit / Total Investment \* 100

For example: If you invest \$15,000 on improvements to the property that results in a \$50 rent increase per week the ROI on would be 17.3%.

Calculation: \$50 rent increase x 52 weeks = \$2,600 / \$15,000 \* 100.

When planning to improve your property, always take into consideration the ROI prior to investing your money.

### 10 TOP TIPS TO INCREASE YOUR ROI

A few simple changes can make a big difference.

- 1) Tidy and improve the external appearance of the property by weeding lawns and gardens, mulching, trimming back trees/shrubs and replace the letterbox
- 2) Paint the roof and front fence
- 3) Sugar soap the walls
- 4) Re-grout tiled areas
- 5) Replace kitchen cupboard doors
- 6) Invest in a hot tub
- 7) Replace floor coverings
- 8) Install heating/cooling system
- 9) Upgrade appliances
- 10) Add an additional room extension to the property

There are lots of ways that you can increase your income (weekly rent), profits and ROI. But remember, spending money on your investment property does not always equal and increase in the weekly rent or produce a return on your investment. Sometimes, improving the property is simply to keep it up to date with market standards.

Take the time now to calculate a couple of ROI improvements. P.T.O. >

# THE 30/70 RULE | IT IS JUST A GUIDE \*

When processing a rental application for a rental property, we are often asked “*What do we take into consideration when assessing a tenant?*”, which can be several different factors, including:

1. The tenant’s ability to maintain the property in a clean and tidy condition
2. The tenant’s ability to submit documentation to support and validate their application, such as employment, previous rental, personal or other references, bank statements, ID verification documents, and most importantly:
3. The tenant’s ability to maintain regular rental payments

To determine the tenant’s ability to maintain regular rental payments many experienced and professional property management agencies are adopting the 30/70 rule (similar to a bank’s 30/70% rule) where you take into consideration the household total *net income*, and then apply the 30/70 rule where the reasonable amount of rent the tenant could afford (with some exceptions\*) is 30% of the net income.

For example: The total household income is \$2800 per week. 30% of the net income (or affordable weekly rent) is \$840 per week.

As your managing agent, it is our responsibility to assess and collect the tenant’s documentation, so that you can make an informed decision on the best tenant.

Choosing the right tenant from the outset, is important to reduce and avoid any ongoing tenancy breaches and disputes.

*\* There is always the exception to the rule, taking into consideration varying living expenses and market conditions.*

## TOP FIVE (5) MAINTENANCE TIPS TO HELP PROTECT YOUR INVESTMENT

Making sure your investment is maintained in a good and safe condition can assist in preventing unnecessary damage and injury, as well as, reducing unexpected costs that can escalate into expensive fixups. Your focus of owning an investment property should always be a proactive approach.

### TOP FIVE (5) TIPS

#### 1. Remove dead trees and foliage

This will keep your yard tidy and safe, prevent damage from falling branches, reduce the risk of a fire spreading and assist in maintaining the appearance of the property.

#### 2. Clear and clean the gutters

This can help reduce the possibility of deterioration, excessive mould or the risk of a fire from overflowing gutters.

#### 3. Check electrical outlets

As part of an annual review property inspection it is important to look for loose-fitting plugs and frayed or damaged cords that can result in electrical shocks and even cause fires.

#### 4. Test your smoke alarms

It is important to ensure that there are smoke alarms throughout the property and to ensure that they are in good working order.

#### 5. Establish an investment budget

Avoid getting caught out with unexpected investment costs by establishing a budget. Set aside a little each week or month to allow for maintenance and renovation costs.

#### BONUS

#### Inspect your foundations

Depending on the type of property you own, this can often be an overlooked important maintenance check. Cracks in ceilings and walls can be an indication of structural issues or underlying problems with your foundations.


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## RISTIC NEWS!

Congratulations Jacinta on 2 years at Ristic! We love having you as part of the fam! Thank you for all your hard work.



## Getting to know our team:

**Name:** Amanda  
**Job:** Leasing Consultant  
**Coffee or tea?** Tea  
**Favourite emoji?**   
**Dancing man**  
**Pet peeve?** Being spoken over



**Dog or cat?** Cat of course! Eddie  
**Celebrity you would be friends with?** James Acaster (British Comedian)  
**Worst fashion trend?** My Black hair phase!! Black hair with bright red regrowth, ewww!  
**Can you touch your nose with your tongue?** No, and yes, I just tried  
**One thing you can't live without?** My dressing gown!  
**Superpower of choice?** Time travel  
**Describe Ristic in one word:** Hardworking

### SUDOKU COFFEE BREAK

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

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4					1
2					
5		7		8	
1				9	
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**Fusun Ristic**  
 Director of  
 Property  
 Management