



PROPERTY INVESTOR

NEWSLETTER

SEP – OCT
2017

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

2017 CLAIMING TRAVEL DEDUCTIONS

At the beginning of this year the Government announced that from 1 July, 2017 all travel deductions relating to inspecting, maintaining, or collecting rent for a rental property will be disallowed.

With all rental deductions, we always recommend that you refer to your accountant or financial advisor.

WEALTH FLOWS FROM ENERGY AND IDEAS.

BY APPOINTMENT ONLY

A friendly reminder that if you are wanting to meet with one of our property management team members that it is important to make an appointment time as our staff are often out of the office conducting inspections and we do not want you waiting or having to return to our office.

We are always here to support and assist you.

PROPERTY MYTHS

If you always think property prices go up...

With so much emphasis on property in the media, it can be difficult to sort fact from fiction. But, before investing in any type of asset, including property, it is important to consider the pros and cons, and any commonly held misconceptions.

In this article, we are focusing on three [3] property myths.

Myth 1: Prices always go up

Believing that property always goes up is understandable, especially given that prices have dramatically increased in major cities in recent years. But, like most investments, the property market demonstrates cycle patterns. That means, at times property performance can be stagnant and show little or no growth. Like many investment cycles, a boom can be followed by a bust. It is important as an investor to know your market trends and our friendly sales team are here to guide you through that process. We also believe that there is always a bargain property to buy.

Myth 2: All property is the same

When we think about property, we tend to think about it as one market. We generally take a macroscopic view. We hear about the performance of property and can often think that buying a property anywhere will turn out to be a good investment. This approach can lead to decisions that fail to yield the results that you expect. Within the property market are countless micro-markets. Property prices can depend on the different economies they have links to, as we have seen in mining towns, where prices reached record highs in recent years, only to be followed by a sharp decline.

Similarly, we hear general reports in the media that property prices are rising, and this general sentiment can set unrealistic expectations. For example, specific price expectations in the CBD will be very different from those in a particular region or suburb. Many tend to think that all prices in all areas will always rise. And this is where the danger lies.

Myth 3: Property is a sure thing

The combination of low mortgage rates and rising home values means debt levels have increased dramatically. In fact, the ratio of household debt to disposable income is recorded at 155.9%, which is a record high.

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PROPERTY MYTHS CONTINUED...

If you cannot afford to repay a home loan due to changes in personal circumstances, such as losing your job, your entire financial future can be placed at risk. Any slumps in house prices could result in many people being unable to cover outstanding loan amounts if forced to sell.

Take a long-term view

It is important to think about property as a long-term investment and buy within your means so you are not financially stretched, even when buying a home to live in. Explore your capacity to repay a loan with your accountant, mortgage broker or financial advisor.

And if you take on a home loan, consider buying insurance to help protect you in case your circumstances change and you are unable to meet your loan repayments.

When it comes to investing, it is important not to put all your eggs in one basket. That way you may be able to protect your money by spreading risk over different markets.

RECENT COURT RULINGS... IMPORTANCE OF PROMPTLY RESPONDING TO MAINTENANCE

There have been two recent court rulings [published in the media] that impact the management of rental properties.

Firstly, tenants contacted their property manager with concerns about faulty power-points, which was not actioned in a timely manner, resulting in the unit catching fire. The tenants won a large compensation claim for damage of personal affects and relocation costs.

Secondly, a tenant complained about a leaking tap in the bathroom shower, which was not actioned for six months. Finally, the plumber turned up and it was not an easy fix, as damaged had been caused behind the wall cavity. The plumber fixed the issue by cutting a hole in the wall and then left the property, stating that it was a handyman or plasters role to fix the hole. Three days later and a handyman did not show up. The tenants cleaned up the mess of dust through the house to then discover that the walls and cavity were asbestos. The tenants were told not to enter the house again and a removalist was called.

Areas of immediate concern: electrical faults, leaks, dry rot, locks not working at the property, ripples in carpet, dangerous obstructions on the property, just to name a few.

SUDOKU COFFEE BREAK

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

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INVESTMENT PROPERTY OF THE MONTH



14 Henry Cable Court, Mill Park

Auction 21st October 2017 12PM

Superb Family Home in Mill Park Heights

3 BR's, main with WIR & ensuite. 3 car remote drive thru carport

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

- 11 Apricot Avenue, Mernda \$360 per week – 4 BRS
- 96 Dunn Street, Kingsbury \$130 per week – 1 BR
- 4 Bergamot Way, South Morang \$390 per week – 3 BRS
- 1/37 Campaspe Drive, Whittlesea \$325 per week – 3 BRS
- 2/37 Campaspe drive, Whittlesea \$340 per week – 3 BRS
- 1/6 Uren Court, Thomastown \$335 per week – 3 BRS
- 1/22 Tonelli Crescent, Mill Park \$350 per week – 3 BRS
- 132 Moffat Drive, Lalor \$400 per week – 3 BRS
- 38 Prince Of Whales Avenue, Mill Park \$340 per week – 3 BRS
- 25 Golf Links Drive, Mill Park \$420 per week – 4 BRS
- 5 Louise Street, Lalor \$350 per week – 4 BRS
- 8/14 Kinlora Avenue, Epping \$350 per week – 3 BRS
- 15 Friendship Avenue, Mill Park \$520 per week – 4 BRS
- 5a Maryborough Avenue, Kingsbury \$365 per week – 2 BRS
- 23 Albany Road, Mill Park \$340 per week – 2 BRS
- 4 Pebble Way, Epping \$370 per week – 3 BRS
- 27 Freeman Crescent, Mill Park \$380 per week – 4 BRS
- 2/35 Coventry Street, Montmorency \$520 per week – 3 BRS



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