



ISSUE
JUL – AUG
2022

THE INVESTOR

5 THINGS THAT COULD AFFECT YOUR PROPERTY VALUE

Do you know the factors that have the most significant impact on property prices? Many will say 'location', which rates in the top three. However, many other factors are often out of your control, and some may surprise you.

Traffic – major busy roads with high traffic noise. Do your homework and research any future infrastructure projects.

School Zones – parents want the best for their children, and suburbs near well-known schools will attract a higher sale price.

Neighbourhood – no one wants rowdy or nuisance neighbours, loud parties, dogs barking, or out-of-hours maintenance work by people in the street. Take the time to sit outside the property in the evening. Knock on the door of a well-maintained house and ask them about the street.

Close to amenities – research has shown that walking to nice local cafes, pubs, farmers' markets, supermarkets, parks, or shopping centres can positively impact the sale price.

House numbers, street types and names – It may sound strange; however, the details of a property address can impact the value of a property, especially within multicultural areas. We suggest you research this before buying your next property as you may be surprised.

BONUS, properties with the potential for renovations, close to transport, tree-lined streets or well-landscaped suburbs, land size, sociodemographic, the age and condition of the property will all affect price values.



RENTER SELECTION WE WANT AN ELDERLY COUPLE OR NO KIDS

It is a popular request by investors (rental providers) during the renter selection process that they only want an elderly couple, professional couple, or a couple with no kids to rent their property. However, under federal and state anti-discrimination laws, a real estate agent cannot accept discriminatory directions from a rental provider regarding colour, race, employment status, children, sexuality, religion or any overall specific or general status. Otherwise, both parties will be legally liable and fined if a complaint is made.

During the renter selection process, the only legal requirements that can be taken into consideration are:

1. The number of people suitable to reside at the property
2. The renter's ability to prove that they have or can maintain the weekly rent
3. The renter's ability to prove that they have or can maintain the property in a clean and tidy condition

As a managing agent, you can be assured that we have your best interests at the forefront of our actions during the renter selection process. However, we must be careful about why we decline renter applications.

It is important to understand that it is not the status of a person that will determine if they will be a quality renter, but their financial ability to pay the rent and the references they supply.

We have had many single mothers and large families with children who have been exceptional renters. They have paid their rent on time and received a full bond refund at the end of the tenancy. We have also had elderly and professional working renters who have left properties in a poor state with rent owing.

We are very hard to please when selecting renters and will only choose renters that we feel will care for your property & maintain the rent.

WHY HAS THE RESERVE BANK INCREASED INTEREST RATES AT SUCH CHALLENGING TIMES?

It has been a long time coming... with interest rates continually decreasing with minor fluctuations or on hold since 1990. Many investors reading this article may not be aware of or remember the late 1980s when home loan interest rates peaked at over 18%. This is more than 30 years since we had such high-interest rates. *

The Reserve Bank, in essence, is the government body that oversees and regulates the economy and inflation to ensure a balanced society.

To keep it simple... if there is a lot of money and spending in circulation or greater demand for products and services that cannot be fulfilled, this will impact the nation. Resulting in a shift or change to bring the economy back into balance.

Like it or not! *Richer or poorer*, the Reserve Bank needs to create an economy to balance the overspending and inability to supply goods and services and reduce the increased debt that cannot be sustained.

Due to many economic circumstances and the impact of Covid (such as the current difficulties in sourcing employees and the challenges of buying products and obtaining services), governing bodies are regulating the economic balance by curbing spending to keep up with demand by increasing costs and interest rates.

If interest rates and living expenses rise without wage increases... then spending must come down, reducing the need for services and products. It may not seem fair or right, but it is how our economy is controlled and managed.

How does this affect your property market? It doesn't. If you do your research, know the why, what, and when and are educated to understand the property cycle.

Property investors can prosper during these financially challenging times. Next month, we will explore how you can grow your property portfolio during fluctuating and uncertain property markets.

* Source: Reserve Bank of Australia <https://www.rba.gov.au/statistics/cash-rate/>

THINKING ABOUT SELLING | BE ONE STEP AHEAD

You have decided to sell your property. You have received an offer and are about to go to contract. You are excited to have found a buyer so you can move on to the next step of your journey. The buyer has agreed to your selling price, and all parties have signed the contract with a finance and building inspection clause. You are one step closer to selling your property; that has been a stressful process.

Everything is going well. You have invested time in preparing the property's presentation and money into marketing and advertising the property to showcase its best features.

And then...The agent telephones you to state that the building inspection report (requested from the buyer) has highlighted many unknown and unforeseen defects with the property.

You want the property sold and go into a reactive mode of just wanting to do what it takes to sell the property. At this stage, many sellers reduce the price by thousands or ultimately lose the buyer/sale.

WE SAY... BE ONE STEP AHEAD

As a real estate agent, we don't want you to feel additional stress during the selling process. That is why we think a little differently outside of the box.

If you want to sell your property with us, we want you to take the smart process of being one step ahead. Many agents during the pre-sale focus on marketing and advertising spending to attract the buyer (which is important); however, we like to focus on the extra little things that some may not think about that lead to significant and unexpected outcomes.

As a seller, have you ever thought about being one step ahead and investing approximately \$400 to obtain a building inspection to know the hidden flaws within the property that you may not even be aware of?

For such a minimal expense, you can be one step ahead and in the know before finding out from the buyer.

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Congratulations!



A big congratulations to our amazing Head of Property Management, **Nadine** and family on welcoming their baby boy Matteo to the world last month.

Best wishes on the arrival of the newest Augello!

Landlords Insurance:



Are you truly covered when things go wrong?

Now more than ever, it is so important to check your current landlords insurance is covering you for the things that truly matter.

Have you considered comparing your insurance policy with a landlord specific insurance company? If this isn't something that has crossed your mind in the past, now is the time.

Reach out to your property manager today to discuss your current insurer and our preferred landlord insurance company.

SUDOKU COFFEE BREAK

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Melodi Brown
Kaan Ristic
Managing Directors











Are you properly covered?









Cover, premiums and limits can differ from insurer to insurer. That is why it is important landlords and property professionals make an informed decision when choosing the most suitable protection for an investment property.

Our RentCover Ultra policy offers extra protection not typically covered in standard contents policies.

Use the below checklist to compare insurers and determine what cover is right for you...

Feature	EBM RentCover	Alternate provider
 <p>Denial of access Protection for lost rent when a tenant disregards an eviction notice and refuses to leave the property after it has expired.</p>	<input checked="" type="checkbox"/> Excess \$0 Cover Up to 52 weeks	<input type="checkbox"/> \$ <u>Excess</u> <u>Cover</u>
 <p>Death of a tenant Protection for lost rent after the death of a tenant, including murder and suicide.</p>	<input checked="" type="checkbox"/> Excess \$0 Cover Up to 52 weeks	<input type="checkbox"/> \$ _____
 <p>Loss of rent (rent default) Protection during hardship and when a tenant stops paying rent or has left unexpectedly.</p>	<input checked="" type="checkbox"/> Excess \$0 Cover Up to six weeks	<input type="checkbox"/> \$ _____
 <p>Loss of rent (repairs) Protection during repairs when a property is uninhabitable following tenant damage or insured events.</p>	<input checked="" type="checkbox"/> Excess \$0 Cover Up to 52 weeks	<input type="checkbox"/> \$ _____
 <p>Accidental & intentional tenant damage Covers damage to contents and building.</p>	<input checked="" type="checkbox"/> Excess \$400 per event Cover Up to \$70,000	<input type="checkbox"/> \$ _____
 <p>Malicious tenant damage Covers malicious damage to contents and building.</p>	<input checked="" type="checkbox"/> Excess \$400 per claim Cover Up to \$70,000	<input type="checkbox"/> \$ _____
 <p>Water damage Covers damage to contents by water, including from overflowing basins and bursting pipes.</p>	<input checked="" type="checkbox"/> Excess \$200 Cover Up to \$70,000	<input type="checkbox"/> \$ _____
 <p>Fire damage Covers damage to contents by fire or explosion, including arson by the tenant.</p>	<input checked="" type="checkbox"/> Excess \$200 Cover Up to \$70,000	<input type="checkbox"/> \$ _____



Feature	EBM RentCover	Alternate provider
 Storm damage Covers damage to contents caused by rain, storm and flood.	<input checked="" type="checkbox"/> Excess \$200 <input checked="" type="checkbox"/> Cover Up to \$70,000	<input type="checkbox"/> \$ <u>Excess</u> <input type="checkbox"/> <u>Cover</u>
 Theft by tenant Covers theft by the tenant, impacting both building and contents.	<input checked="" type="checkbox"/> Excess \$400 <input checked="" type="checkbox"/> Cover Up to \$70,000	<input type="checkbox"/> \$ _____ <input type="checkbox"/> _____
 Pet damage Covers damage to contents and building caused by a tenant's domestic pet kept at the property, including those not named on the lease.	<input checked="" type="checkbox"/> Excess \$400 per event <input checked="" type="checkbox"/> Cover Up to \$70,000	<input type="checkbox"/> \$ _____ <input type="checkbox"/> _____
 Drug lab clean-up Covers damage to contents and building caused by meth labs and hydroponic set-ups.	<input checked="" type="checkbox"/> Excess \$400 <input checked="" type="checkbox"/> Cover Up to \$70,000	<input type="checkbox"/> \$ _____ <input type="checkbox"/> _____
 Legal liability Protection when you are found legally liable for an incident, including tenant injury.	<input checked="" type="checkbox"/> Excess \$0 <input checked="" type="checkbox"/> Cover Up to \$30 million	<input type="checkbox"/> \$ _____ <input type="checkbox"/> _____
 Legal expenses Covers court and tribunal fees for loss of rent claims.	<input checked="" type="checkbox"/> Excess \$0 <input checked="" type="checkbox"/> Cover Up to \$5,000	<input type="checkbox"/> \$ _____ <input type="checkbox"/> _____
 Change of locks Covers losses when a tenant is evicted by the sheriff or bailiff, and the locks need to be changed.	<input checked="" type="checkbox"/> Excess \$0 <input checked="" type="checkbox"/> Cover Up to \$250	<input type="checkbox"/> \$ _____ <input type="checkbox"/> _____
 Tax audit Covers costs of an audit in connection to the ownership of the insured property.	<input checked="" type="checkbox"/> Excess \$0 <input checked="" type="checkbox"/> Cover Up to \$1,000	<input type="checkbox"/> \$ _____ <input type="checkbox"/> _____

Our RentCover Platinum policy offers all the listed features, as well as cover for building damage caused by insured events. Cover: up to the nominated sum insured.

Excess:



Storm – \$200



Flood – \$200



Fire – \$200



Cyclone – \$500



Earthquake or tsunami – \$250

All other insured events not listed above will incur a \$200 excess.

For a full list of cover, visit RentCover.com.au or call 1800 661 662

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