

ISSUE
JAN – FEB
2024

THE INVESTOR

ROUTINE INSPECTIONS

Routine inspections should be regularly carried out to ensure that the tenant cares for the property and is well-maintained and safe for the tenant to live in. While our agency carries out regular routine inspections, we also encourage landlords to visit their property to keep up-to-date and know the property's condition. If you would like to inspect your property, please get in touch with our team so we can arrange an inspection.

WHAT IS YOUR PROPERTY WORTH?

Are you aware of the current value of your investment property?

Do you have equity in your property that can be utilised to increase your investment portfolio?

A quick call to our agency can give you the answers to this important question.

If you have substantial equity in your current property/s, you may not be required to pay any out-of-pocket costs to purchase a further investment.

Investors are often excited to realise that their property value has increased by tens of thousands of dollars and, in some cases, hundreds of thousands.

We are just one call away and here to support you on your investment journey.

VALENTINE'S DAY REMINDER

If you have a loved one who likes to be spoiled on Valentine's Day, don't forget Wednesday 14th February.

Lost for words to share in a card...

I loved you yesterday, I love you still, I always have, and I always will.



HOW DOES AN AGENT DETERMINE THE WEEKLY RENT?

One of the most popular questions asked by landlords is: "What rent would my property achieve?"

Determining the weekly rent on a property involves a process similar to appraising a property for sale.

The weekly rent is influenced by the market (supply and demand of properties at the time of renting) and what the tenant is prepared to pay.

A professional agent should not guess the weekly rental figure when appraising a property for rent. If you do receive a rental appraisal, always ask how they determined the rent achievable and ensure you receive a Comparative Market Analysis (CMA) report that will compare your property to other similar properties on the market.

Some agents can over-price properties, as they believe that quoting a high rent will entice the prospective landlord to give them the business.

However, beware! Over-priced properties can lead to extended vacancy periods, resulting in lost weekly rental income. Or, if you are successful in renting the property at a higher figure above the market, you need to be cautious of high tenancy turnovers. If the tenant discovers that the rent is excessive compared to the market, they are more likely to vacate at the end of the tenancy term, resulting in a possible extended vacancy period in trying to locate new suitable tenants. Not to mention the added wear and tear on the property that tenancy changeovers can cause.

When determining the rent achievable, it is important to ensure that the agent researches the current market and has facts and figures to substantiate the appraisal.

When appointing an agent, you need to ask yourself, are you looking to appoint an agent that tells you the highest rental figure to get your business? Or do you want an honest, upfront, and professional agent, who is focused on renting the property in the quickest possible time, at market rent to avoid lengthy vacancy periods that could cost you money? P.T.O.

DID YOU KNOW YOU CAN USE YOUR SUPERANNUATION TO BUY AN INVESTMENT PROPERTY?

Understanding the rules, costs, and risks of setting up a self-managed super fund (SMSF) to buy a property is crucial.

You can use your superannuation to purchase a property if you set up a self-managed fund.

However, it is important to be aware that you can only buy property through your SMSF if you comply with the rules.

The property must:

- Meet the 'sole purpose test' of solely providing retirement benefits to fund members.
- Not be acquired from a related party of a member.
- Not be lived in by a fund member or any fund members' related parties.
- Not be rented by a fund member or any fund members' related parties.

WHAT AN SMSF PROPERTY CAN COST YOU

SMSF properties may have fees and charges associated with the transaction and ongoing management and will reduce your super balance.

These costs can include:

Upfront fees, legal fees, stamp duty, ongoing property management fees, maintenance, rates, insurance, commissions payable to the real estate agent, as well as bank fees and loan costs, such as interest.

It is also essential to be aware of advisers who recommend each other's service fees that are associated with the transaction, as the referral fee can be a conflict of interest that can influence the advice you receive to set up an SMSF.

SMSF BORROWING TO PURCHASE A PROPERTY

Borrowing or gearing your super fund into a property involves strict borrowing conditions called a 'limited recourse borrowing arrangement (LRBA), and you can only purchase a single asset with (LRBA).

Purchasing a property with your SMSF requires additional knowledge of the process, so getting advice from your accountant or a licensed financial adviser is important.

HOW MUCH SUPER DO I NEED TO BUY AN INVESTMENT PROPERTY?

The minimum deposit for residential property is 20%, and for commercial property, it is 35%. However, if you need more money in super, you may be able to transfer or lend funds from your assets or property. The minimum loan amount is \$50,000 up to a maximum loan amount of \$1,000,000, subject to approval of the property and the borrowing capacity of the fund.

DO YOU KNOW THE BALANCE OF YOUR SUPERANNUATION FUND?

Investing in property using your superannuation fund is not for everyone. However, it can give you more control over how your super is invested as you make your own investment choices. If you are considering using your super to purchase a property, we highly recommend seeking professional advice before making any decisions.

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TALK TO US

BUYING, SELLING &
PROPERTY MANAGEMENT

CALL OLIVE ON
0424 873 428
IF YOU NEED ADVICE

PROPERTY MARKET

Keeping you updated

FOR RENT

1/66-68 Lawrence St Peakhurst
12 Campbellfield Ave Bradbury

RENTED

10/35-37 Ocean St Peshurst
11/18 Ocean St Peshurst
75 Evaline St Campsie
2/20-22 Graham Rd Narwee
63 Lawrence St Peakhurst

FOR SALE

9/6-8 Peake Pde Peakhurst
4/49 Oxford St Mortdale

SOLD

A34/3-5 Porter St Ryde
2/2-4 Peake Pde Peakhurst
2/20-22 Graham Rd Narwee

SUDOKU COFFEE BREAK

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

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	1		2					
7	6	9		5		8	4	
1	9			3	8			
		3	5		7	1		
			9	6			7	3
	7	5		9		2	8	1
					2		5	
	2	1	8		5	6		