



Property Management News

June 2019

GETTING PREPARED FOR TAX TIME?

Tax time is quickly approaching and we suspect you may have already fished out your calculator, or called your accountant, and gotten busy with number-crunching your income and expenses for this year.

If you are a new property investor, "Income" includes the amount of rent you receive for the property on an annual basis. "Expenses" (and the things you need to keep a record of) can include:

- advertising for tenants
- bank charges
- body corporate fees and charges
- borrowing expenses
- capital works
- cleaning
- council rates
- decline in value of depreciating assets
- gardening and lawn mowing
- insurance
- interest expenses
- land tax
- legal expenses
- pest control
- phone
- property agent fees and commissions
- repairs and maintenance
- stationery and postage
- water charges.

Much of these records will come from your annual owner statements, however there are some complexities surrounding some items.

The trickier ones to look out for are:

Capital Works

Not all repairs and maintenance are fully tax deductible in the one year; 'capital works' includes expenses from making improvements to your property such as building constructions and carrying out significant repairs and maintenance. These are deductions that need to be claimed over a period of several years. If in doubt about whether it's "capital works" or "repairs and maintenance" please always consult a professional tax advisor.

Depreciation

Depreciation refers to the loss in value of an asset calculated against its lifespan. These are complex calculations that are best carried out by a qualified Quantity Surveyor, but can result in some pretty good deductions!

Contact us if you are interested in pursuing this (now is a good time as the Quantity Surveyor's fee for service would also be tax deductible if you complete this before June 30!)

Remember to keep the receipts and records so that it is easy to calculate the amounts and substantiate your claims over time. Again, you should always seek professional advice if you need help clarifying what is deductible and what is not.



THREE TIPS TO HELP YOU RENT OUT YOUR INVESTMENT PROPERTY

Renting out your property for a reasonable price and turning it into a successful investment can be challenging, especially in the current market. We share some tips on how to make improvements to your home to get a tenant in as quickly as possible and obtain a rent price that works for both parties.

1. Make some home improvements

If your investment property is a little older, it may benefit from some low-cost cosmetic renovations, including:

- A coat of paint
- New blinds or curtains
- Fresh carpets
- Updated/modern light fittings

Freshening up your rental property and repairing any damages can make a big difference to a prospective tenant.

You may also wish to consider installing features such as air conditioning, security screens or an alarm. These types of items can potentially add value to your property and also be an attractive incentive to a tenant.

2. Consider tenants with pets

Many landlords won't allow tenants with pets, so those who are willing to be pet friendly are at a particular advantage and can potentially attract a higher rent return.

If you are concerned about a pet damaging the house, talk to your property manager about a pet bond, in addition to your main bond, to cover fumigation costs if required at the end of the tenancy.

3. Speak to a property manager

Property managers have a good understanding of the rental market, including the types of properties in demand in a particular area and the going rent prices.

Speak to a local property manager for recommendations on rent and even about what improvements you could make to your investment property. They can also help ensure you don't overcapitalise on your rental, by recommending what improvements are sought after by tenants and what to avoid.



THE BENEFITS OF RENEWING YOUR TENANT'S LEASE

Ensuring a continued tenancy is paramount in order for you to budget for regular and ongoing rental income. Not only this, but a tenant on a fixed term lease on an ongoing basis means more income, as the property will not become vacant or suffer additional wear and tear through the tenant vacating and a new tenant moving in.

We understand this and will, with your consent, approach your tenant prior to the lease expiring to invite them to renew the lease.

Should you wish to enter into a new lease with your current tenant, we will use all avenues to ensure that the lease is signed. We will inform your tenant that by entering into a fixed term lease we can guarantee them security of tenure for that term, where if they remain on a continuing tenancy we cannot give that guarantee.

In some instances the offer of a moderate rent increase as against a higher one is another inducement that can be made to ensure that your tenant signs a lease and you have peace of mind.



As we are approaching the end of the financial year, as part of our service you will be provided with the summarised report of income and expenditure for tax purposes related to your property. You can forward this to your accountant for your



financial year investment declaration.

Hendra Wijaya
Principal

RECENT RENTALS

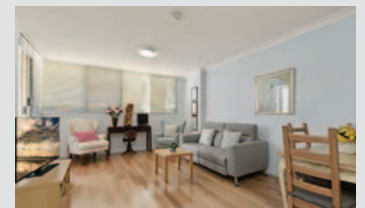
307/196 Maroubra Rd, Maroubra
1 bed 1 bath 1 parking \$440

4/54 Cook Street, Randwick
2 bed 1 bath \$550

301/140 Maroubra Rd, Maroubra
2 bed 2 bath 1 parking \$700

32/336 Sussex St, Sydney
2 bed, 1 bath 1 parking \$730

FOR SALE



24/108-110 Boyce Road,
Maroubra NSW 2035
2 Beds, 2 Baths, 2 Cars



29/235 Anzac Parade,
Kensington NSW 2033
2 Beds, 1 Bath, 1 Car



411/108 Maroubra Road,
Maroubra NSW 2035
3 Beds, 2 Baths, 2 Cars

The best reputation in real estate

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