



Property Management News

November 2019

RAISING THE RENT: WHEN AND HOW?

When you have a portfolio of investment properties, staying on top of the rental market activity associated with each of their locations can be a herculean task. If you want to ensure that each of your investments are yielding the maximum returns possible, you'll need to remain in close communication with your property manager to absorb market trends.

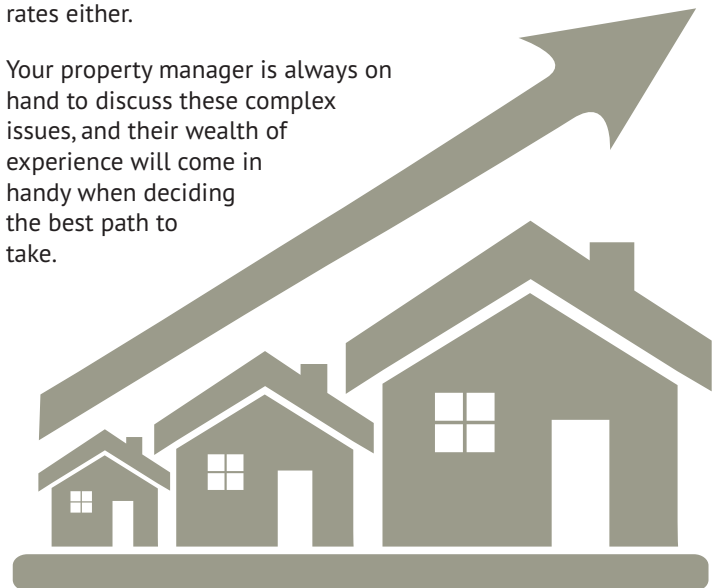
Part of knowing when it's time to raise the rent is being aware of the wider property market's activity in both sales and leasing categories. As the weekly rental return of properties similar to your own begins to increase, you may have the opportunity to command a higher yield, too. Be aware of the ebb and flow of local demand and supply, however: you don't want to raise your rent at the wrong time, as you may become vulnerable to the risk of an empty property and the knock on costs that follow. Changes in the wider economy - affecting either landlords or tenants - can also alter the likelihood of achieving an increase in your rental income. Work closely with your property manager to decide when the time's right for a rental increase.

Establishing when to increase the rent is one matter – the next issue is how. If you increase the rent when a tenant vacates, it can be a relatively simple matter. With your property manager's help, compare how your 'rent per week' compares with other similar properties before advertising a new rate. If you have good tenants already living in situ, rental increases must be sensitively dealt with and require a thorough understanding of local legislation relating to notice periods and what you may and may not request. One way to make an increase in rent easier is to maintain a good working relationship with your tenants from the beginning of their lease. Mutual respect and listening to

one another's concerns as expressed by your property manager will certainly increase the likelihood of a successful negotiation.

Deciding whether or not it's appropriate to increase your weekly rent can feel like a conundrum. You need to find a happy balance between yielding the maximum profit from your investments and what's in the best interest of your property and your ongoing income. Good tenants are hard to find – and if you want to keep them, be wary of hefty rent increases; you don't want to drive them away. That said, you don't want to be lagging behind inflation and fluctuating mortgage rates either.

Your property manager is always on hand to discuss these complex issues, and their wealth of experience will come in handy when deciding the best path to take.



SECURITY FIRST

If you've ever had your home or car broken into, you'll know it's a deeply unsettling experience. More than just the value of the objects stolen, the knowledge that your space or property has been intruded upon is worrisome.

With that in mind, have you given your investment property a security audit recently?

Making sure your investment property is well secured is important for several reasons. Firstly, a secure property is highly valued by tenants and may add to your investment's attractiveness, improving your rental return.

Additionally, a well-secured investment property may reduce your annual landlord insurance premiums.

Think secure doors and windows with robust locks and security locks – now is the time to update those rudimentary security measures such as wooden dowels in sliding windows.

Secure air conditioners, as they can be removed by thieves and used as in-windows. Large pet-doors are also potential security risks – if a human could feasibly squeeze through one, make sure they're lockable.

Consider installing security cameras and motion sensor lights too – the more difficult a property looks to violate, the less likely it will be broken into.

For more ideas on improving the security of your assets, contact your landlord insurance provider and property manager.



GARDENS AND INVESTMENT PROPERTY: WHOSE RESPONSIBILITY IS IT ANYWAY?

Many a tenant and landlord relationship has become fraught with tension over the issue of gardening maintenance. Particularly when a property has once been a landlord's treasured principal place of residence, with roses and lawns carefully tended.

Gardens can be a real asset to an investment property, attracting tenants with a green thumb and a love for the outdoors. But what happens when there's a disagreement over garden maintenance?

Generally, a tenant is responsible for garden basics which include edging and mowing lawns, weeding and watering. In short, unless otherwise specified, a tenant is responsible for ensuring that their leased property's garden is returned in the same way it was delivered.

A landlord is usually responsible for providing watering equipment, cleaning gutters and tree lopping.

Gardening responsibilities can become further complicated by drought seasons, water restrictions and differences of opinion over the state of the garden itself.

If a disagreement arises of the maintenance of your investment property's garden, rely on your property manager to negotiate a happy and fair outcome on your behalf.

R&W

The RBA has recently dropped the interest rate to 0.75 percent, it is recommended that landlords contact their mortgage lenders to see how this has affected their loans.



Hendra Wijaya
Principal

RECENT RENTALS

173/116 Maroubra Rd, Maroubra
3 bed 2 bath 2 parking \$800

8/58 Meek Street, Kingsford
2 bed 1 bath 1 parking \$470

209/140 Maroubra Rd, Maroubra
1 bed 1 bath \$485

135 Boyce Rd, Maroubra
5 bed 2 bath 2 parking \$1100

RECENT SALES



G18/8 Studio Drive, Eastgardens
Sold for \$940,000.00
2 Bedroom, 2 Bathroom, 2 Parking



4/42-56 Harbourne Road, Kingsford
Sold for \$845,000.00
2 Bedroom, 2 Bathroom, 1 Parking



807/13 Joynton Avenue, Zetland
Sold for \$940,000.00
2 Bedroom, 2 Bathroom, 1 Parking

The best reputation in real estate

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