



## Property Management News

December 2019



# LANDLORDS: REDUCING YOUR RISK

Being a landlord offers many benefits: amongst them, a time-proven way to build wealth via the security of 'bricks and mortar', plus the potential to reduce your tax liability whilst retaining an asset of considerable value. It isn't all beer and skittles though – being a landlord can also place you at risk should you ignore your responsibilities towards tenants' welfare and safety. Ignoring intermittent or ongoing maintenance issues in your investment property is not only unethical – it can also lead to serious financial repercussions.

Of late, there have been several disturbing cases reported across Australia of tenants being wounded or fatally injured in their leased properties, resulting in expensive legal battles. The facts are clear: if an individual is hurt within a rental property,

they will seek compensation from the property's owner.

In an increasingly litigious society, recent cases of serious injury and fatality in rental properties have refocused many landlords on reducing their personal risk by implementing a due diligence safety programme across their property portfolio. Your property manager's routine inspection details all the basics about the state of your investment such as cleanliness and the general care of the property by your tenant – but they are not qualified risk assessments.

So where to begin your own risk-reduction programme? Focus your attention on areas of high danger: think balconies and their hand railings, pool gates, wet areas and timber decks – all

areas of a home which can slowly deteriorate without appearing obviously damaged. Gas and electrical appliances are also sources of potential danger. It makes sense for landlords to be proactive about protecting themselves and their tenants by appointing a skilled contractor who is able to make an assessment of their property, reporting on both the risk and state of repair of high-danger areas onsite.

Obtaining a building assessment report reduces your risk and may even help mitigate losses should any injury claim be lodged against you, the landlord. Happily, these reports will also give you a true snapshot of the general repair of your investment, encouraging you to maintain your asset and saving you money in the long run.

## THERE ARE A HOST OF COMPLIANCE ISSUES THAT A PROPERTY INVESTOR MUST ADDRESS IN ORDER TO HAND OVER A PROPERTY IN SAFE ORDER TO A TENANT

The property must comply with various safety standards required by legislation.

Tenancy and other legislation demands that your property be safe for a tenant to live in. This relates to every aspect of the property including the operation of door and window locks, smoke alarm installation, pool fencing and registration, water compliance, railings and stairs, blind cords, balcony's/decks, electrical appliances, points and safety switches.

It is easy to overlook these issues as not important or an additional unwanted expense. As your property manager, our advice is to ensure that your property complies with legislation. This will help in mitigating any loss as a result of a break and enter, slip and fall or other claims against you.

In light of the above we also strongly suggest that even when you have taken all steps to ensure that your property is compliant, that you also affect a landlord protection insurance policy.

We urge you to contact us and use our experienced guidance in helping you to take all necessary steps to ensure that your property is safe and complies with legislation.

## IF YOUR PROPERTY BECAME VACANT TODAY, WHAT RENT WOULD BE ACHIEVED?

Tenants are better educated today and are aware of the going rate for a certain type of property in a given location. This information is readily available to them simply by navigating the various Internet sites available.

In our experience, properties for which investors increase the rent to above market levels have higher vacancy rates than those for which rents are maintained at or slightly below market levels. Therefore, increasing the rent to above market levels is false economy as it results in a higher turnover of tenants, high vacancy rates and lost income.

By increasing rents to slightly below market rent, your tenant is aware that they are not being 'rent gouged' and are therefore more likely to remain in the property. This ensures full occupancy for you and a continuing income stream.

At the end of the day our job is to maximise the income for your investment property. We achieve this by not only increasing rents but also ensuring that you have a steady income stream and lower vacancy rates. Maintaining rents at or slightly below market level achieves both objectives.

# R&W

Looking forward to serving you in 2020. Have a safe and wonderful holiday!



**Hendra Wijaya**  
Principal

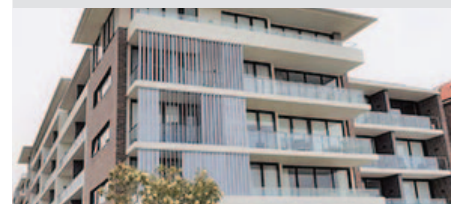
### RECENT RENTALS

- A28/15 Green Street, Maroubra  
1 bed 1 bath 1 parking \$510 pw
- 608/747 Anzac Parade, Maroubra  
2 bed 2 bath 1 parking \$750 pw
- 228/116 Maroubra Road, Maroubra  
2 bed 2 bath 1 parking \$670 pw
- B12/158 Maroubra Road, Maroubra  
2 bed 2 bath 1 parking \$620 pw

### RECENT SALES



G19/15 Oscar Place, Eastgardens  
4 Bedroom, 2 Bathroom, 2 Parking  
Price Undisclosed



405/28 Harvey Street, Little Bay  
2 Bedroom, 2 Bathroom, 1 Parking  
Price Undisclosed



12C/16-20 Hereward St, Maroubra  
2 Bedroom, 1 Bathroom  
Price Undisclosed



## The best reputation in real estate

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