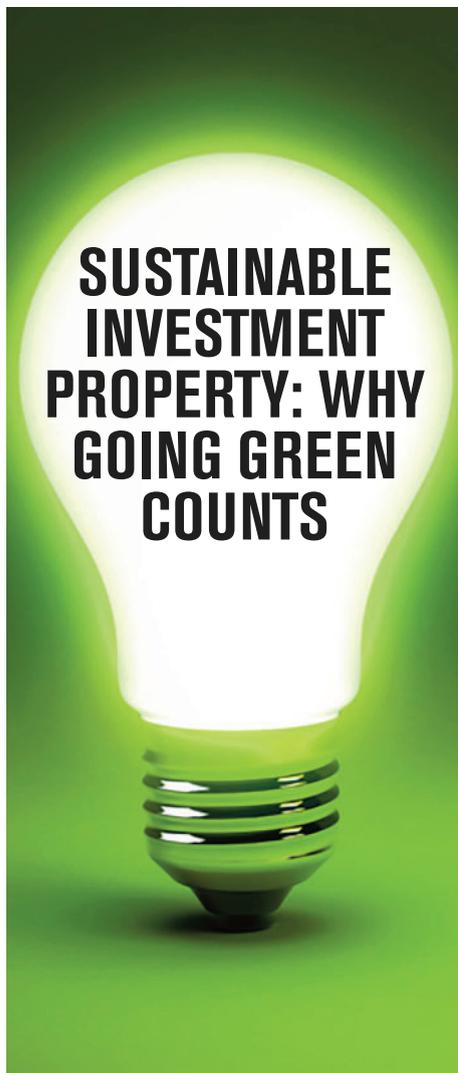




Property Management News

February 2020



Caring about the environment we live in: it's not merely the concern of your dread-locked cousin or raw vegan best friend. Increasingly, savvy property investors are turning their focus towards 'greening' their assets – driven not only to reduce their environmental footprint, but to improve their return on investment in the long-run, too. Here's why your investment property eco-friendly makes perfectly good sense.

Attract more tenants, improve returns, reduce wear and tear

Want to create an appealing point of difference for your rental property and improve the potential of your monthly rental yield? Consider 'greening' your investment and attracting a new sector of the rental market! Depending on the location of your property, you may have a tenant community intensely focussed on sustainability – a group who would pay a premium for a home that has a reduced environmental footprint thanks to careful insulation, cooling, solar energy and low-energy fittings.

Such a home necessarily costs less to live in, which means that your tenants will enjoy lower monthly utility bills and a bigger budget to spend on renting your home. Happy tenants are also likely to be more permanent tenants – minimizing your re-letting costs and the associated property wear and tear of tenants moving in and out of your investment.

Tax matters

Many 'greening' improvements to your investment property are tax deductible – which includes repairs, maintenance and servicing of appliances within the home (taking into account hot water systems, air conditioners and insulation).

You may also be able to claim additional deductions with a depreciation schedule featuring your property's green credentials – which makes installing that eco-friendly new hot water system or investing in solar power for your investment property additionally attractive! Speak with your accountant to learn more about the benefits of depreciation schedules and other tax deductible 'eco' improvements to your investment property.

How should you 'green'?

There's lots of ways to improve your investment property – upping its eco-credentials, making it pleasant and efficient to live in year-round and more appealing to potential tenants (and purchasers). Get started immediately with basic maintenance items: fix dripping taps, block draughts, change to eco-flow shower heads and install heat-saving curtains with pelmets. Think long-term by investing in solar energy, eco-rated heating and cooling systems, installing appropriate insulation and replacing downlights with low-energy alternatives.

SOME OF THE WEIRDEST TENANT MAINTENANCE REQUESTS



Landlords and property managers come across some pretty strange maintenance requests!

Here are a few of our favourites, gleaned from a popular property investment forum, where the tenant:

- destroyed a light socket by trying to put a bayonet bulb into a screw socket;
- got a plumber to show them how to use the exhaust fan, then expected the landlord to pay the \$90 bill;
- complained that their deck got wet when it rained;
- went through three heavy-duty toilet seats in just over a year;
- reported that it was too dark when the light switch was in the "OFF" position;
- complained that the water feature wasn't working - when there was no water feature;
- wanted something done about the ants in the yard; and
- broke a toilet in half by jumping from a window onto the toilet after locking herself out of the house.



LENGTH OF TENANCY: WHAT USUALLY WORKS OUT BEST?

It is most common for a lease agreement term to be fixed for either six months or 12 months, and we are often asked by our owners, "Which length is best?"

The approach that we take will often vary depending on your circumstances. For example, if your property is a long term investment for you, then we will look for a long term tenant with a 12 month lease. This reduces 'wear and tear' with tenants moving in and out of the property as well as saving re-letting costs such as advertising. If you are thinking about selling, it may be that a shorter term is more suitable.

If, in either case, the lease was set to expire at an awkward date when it might be more challenging to re-let (for example, December), we may look for an extra couple of months in the initial term, say seven or eight.

The next question is what happens when a lease expires, should we renew the lease into another fixed term agreement, or have it continue as a periodic agreement which goes from month to month? Again, it depends on your circumstances - do you want the security and peace of mind knowing you have a fixed income for a fixed period, perhaps factoring in a small rent increase? Again, this may be advantageous if you are thinking of your property as a long term investment.

Otherwise it may be that leaving a good long term tenant that looks after your property well on a periodic arrangement is the best for all parties.

R&W

We offer our prayers to all the tenants and landlords stranded in china due to the virus outbreak and pray/hope for a quick recovery in the near future.



Hendra Wijaya
Principal

RECENT RENTALS

- 302/679 Anzac Parade Maroubra, 3 bed 2 bath 1 parking \$820
- 412/1 Bruce Bennetts Pl, Maroubra, 2 bed 2 bath 1 parking \$710
- 5/15-17 Green Street Maroubra, 2 bed 1 bath 2 parking \$650
- 2309/18 Park Lane Chippendale, 1 bed 1 bath 1 parking \$720

RECENT SALES



327/ 8 Studio Drive, Eastgarden
2 Beds, 2 Baths, 1 Car
Price: Undisclosed



B24/158 Maroubra Road, Maroubra
1 Bed, 1 Bath, 1 Car
Price: Undisclosed



16/259-261 Maroubra Rd, Maroubra
2 Beds, 2 Baths, 1 Car
Price: Undisclosed

The best reputation in real estate

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