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THE INVESTOR

REDUCING VACANCIES

We understand that when a tenant gives notice, it can be a stressful time for some property investors, who rely on regular rental payments to meet mortgage commitments. Our focus is to rent the property to the best possible tenant in the quickest possible time, at the highest possible rent.

Below are some tips on how we can work together to reduce extended vacancy periods and lost income:

- Advertise and market the property as soon as the tenant gives notice.
- Ensure all property photos, the wording description, features, and benefits of the property displayed on the Internet stand out over other properties.
- Consider including video tours and floor plans in the listing.
- Ensure the property is well-maintained and clean, with great street appeal to attract quality tenants, which may require some property upgrades in between tenancies.
- Price the weekly rent correctly to ensure it aligns with the market rent of similar properties.
- In quiet times, when tenant demand is low, consider offering incentives to attract more interest.
- Listen to the feedback from tenants following a viewing.
- Offer value-added features such as appliances, Internet, solar, or the inclusion of pool or garden care (where applicable).

Please be assured that when your property becomes vacant, we will keep you informed.



FINANCIAL HEALTH CHECK

With the End of the Financial Year upon us, now is the time to undertake a Financial Health Check. It is essential for property investors to regularly review the financial health of their portfolio, as this is crucial for long-term success. This review allows you to identify underperforming areas, reduce unnecessary costs, and capitalise on growth opportunities. Here's how to get started:

1. Review Rental Income vs. Expenses

Begin by calculating your net rental income. Compare your gross rental income to all associated expenses, including mortgage repayments, insurance, maintenance, property management fees, and service charges. If expenses are increasing or rents have stagnated, it may be time to reassess costs or renegotiate contracts with service providers.

2. Evaluate Cash Flow

Healthy investments generate positive cash flow. Review monthly and annual cash flow statements to ensure your property is covering costs while leaving a buffer for unexpected repairs or vacancies. Negative cash flow may be manageable in the short term for capital growth strategies. However, you should closely monitor the pros and cons.

3. Assess Capital Growth and Equity

Track how your property values have changed over time. Obtain updated property appraisals or valuations to measure capital growth. Then, calculate your equity by subtracting any outstanding mortgage balances. Knowing the value of your property is vital if you are considering refinancing or leveraging equity to purchase further investment properties.

4. Check Your Loan Structure

Mortgage interest rates, fixed-term periods, and loan-to-value (LTV) ratios can significantly impact your returns. Review your financing regularly to ensure it's still competitive. Consider speaking with a mortgage advisor to explore refinancing options, especially in a changing interest rate environment.

FINANCIAL HEALTH CHECK... Continued

5. Monitor Rental Market Trends

Stay informed on local market trends. Are rental values rising or falling in your area? Is tenant demand increasing? Take the time to review this information online. This insight can help you make data-driven decisions about rent adjustments, property upgrades, or even selling underperforming investment properties.

6. Budget for Maintenance and Improvements

Review and set aside a realistic budget for ongoing maintenance and future improvements. Well-maintained properties attract better tenants and reduce the cost of emergency repairs. Consider improvements that can increase rental yield or property value over time.

7. Review Your Tax Position and Compliance

Ensure you are maximising allowable deductions and staying compliant with tax laws and tenancy legislation. Schedule an appointment with an accountant or financial advisor to review your tax efficiency, especially if your portfolio is growing or has multiple structures (E.g. Personal ownership, trusts, or limited company).

By taking a proactive approach with a financial health check, you can ensure your property investment portfolio remains profitable, resilient, and aligned with your long-term financial goals.

TAX RETURNS – CLAIMABLE ITEMS

Property investors must ensure their records are 'in order' to maximise deductions. A well-prepared tax return can significantly improve your cash flow and long-term returns.

Gather all income and expense records related to your investment property. These records include rental income, invoices, bank statements, loan documents, and receipts for repairs or improvements.

- Advertising for tenants
- Bank fees on investment property accounts
- Body corporate or strata fees (Administrative fund only – special levies may be capital)
- Cleaning expenses
- Council rates
- Gardening and lawn mowing
- Insurance premiums (Landlord, building, contents, public liability)
- Legal expenses
- Loan interest
- Pest control
- Property management fees
- Repairs and maintenance
- Stationery, phone, and postage costs related to managing the property
- Tax-related expenses (E.g. Tax return preparation costs and accounting fees)
- Travel expenses (Note: Travel to inspect or maintain residential rental properties is generally not deductible for individuals from 1 July 2017 but may be allowed for corporate entities)
- Utilities & water charges (If paid by the landlord)

Depreciation and Capital Works Deductions – Claimable over time

- Depreciation of plant and equipment (E.g. carpets, blinds, appliances)
- Quantity Surveyor's fees for preparing a depreciation schedule

Other Deductions

- Mortgage setup costs (Loan establishment fees and title search fees)
- Loan ongoing fees (E.g. Annual loan service fees)
- Interest on loans for renovations or capital improvements

We always recommend that you refer to your accountant or financial advisor prior to preparing your tax return.

Major Changes Rental Laws

Keeping you updated

Major changes to rental laws in NSW start on 19th May 2025. These changes are part of the NSW Government's commitment to deliver more stable rental market.

Key changes starting on 19th May:

- **End of a tenancy** Landlords must provide a valid reason to end a tenancy. Supported documents are required in some cases, and penalties apply for termination that are not genuine.
- **Re-letting Property Restrictions after ending a tenancy/terminating a tenant.** New leases cannot be entered into for a period of time after ending a tenancy for certain reasons. This applies where the landlord said they need the property back for something else, e.g. sales or renovations. Penalties may apply to a landlord who enters a new lease within re-letting restriction period without approval from NSW Fair Trading.
- **Leaving the property before termination date.** The tenant with fixed term lease may leave the property before the termination date without breaking the lease by providing an Early Exit Notice at least 14 days before vacating date.
- **Keeping pet,** tenant allows to keep pets in their home. Landlord need to respond to a pet request within 21 days or the pet is automatically approved.
- **Rent Increases,** rent can only be increased once every 12 months for all lease types including when a lease is being renewed or replaced.
- **Notice periods for fixed term leases,** the amount of notice a tenant must have before their lease ends will increase from 30 days to 60 days if the lease is 6 months or less, or 90 days if the lease is more than 6 months.

For more information and guidance on the changes of rental laws, please click here: [new rental laws](#)