

FROM OUR PROPERTY MANAGEMENT TEAM

HAPPY VALENTINE'S DAY



DO YOU HAVE A LOVED ONE OR A SECRET ADMIRER?

February 14 is just around the corner so we thought we should take this opportunity to remind you so you don't forget to appreciate the important person in your life.

INSPIRATIONAL TIP

Don't look to become a person of success, look instead to become a person of value.

Albert Einstein

The Importance of Routine Inspections in 2011

In 2011 we will continue our management focus on ensuring that your property is well-maintained to optimise long-term capital growth.

A well-maintained property will:

- Appreciate rather than depreciate in value,
- Ensure that the maximum market rent can be achieved,
- Attract quality tenants,
- Reduce vacancy periods – putting more money in your back pocket, and
- Reduce slip and fall liability claims

As your property management team, we will achieve this by undertaking regular property inspections and reporting to you on the condition of the property.

During the inspections we will:

- Focus on preventative maintenance to save you money, and
- Ensure that you are given sufficient notice to budget for any large maintenance or renovation work

Important facts to note about the inspection process:

The inspections we undertake are visual inspections only.

We are not qualified to detect faults in areas of the property that require an expert.

What needs to be checked at your property annually?

It is important that landlords obtain reports on the following:

- Pest inspection
- Building inspection
- Electrical inspection (including smoke alarms)
- Pool inspection (if applicable)

Each of these inspections are a tax deduction and can save you money in the long term.

If our property management team reports that maintenance or renovation work is required, it is important for landlords to act on these requests promptly.

P.T.O. >

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IMPORTANT: This is not advice. Clients should not act solely on the basis of the material contained in this newsletter. Items herein are general comments only and do not constitute or convey advice per se. Every effort is made to ensure the contents are accurate at the time of publication. Clients should seek their own independent professional advice before making any decision or taking action. We take no responsibility for any subsequent action that may arise from the use of this newsletter. Published by THE PPM GROUP - www.ppmssystem.com

Are your investment finances and paperwork in order?

BEWARE – ATO casts wider net with data matching



The Australian Taxation Office (ATO) will use more data matching to identify people who deliberately under-report income or participate in the cash economy to hide income and evade tax.

As part of the process, State and Territory authorities will be asked to provide updated identity and transaction details relating to property title transfer for the 10 years between July 1999 and June 2010.

This update information will be matched to identify non-compliance with capital gains tax, income tax and GST obligations.

It is highly recommended that you engage a professional accountant to manage your investment finances to ensure that you are compliant with tax laws, as there are harsh penalties if a property owner is found to have avoided their obligations.

Property owners should heed the warning and seek professional advice if you feel that you may have under-reported your tax obligations. ■

Interesting Facts

A study was conducted by the Queensland University of Technology where they undertook economic research to determine 'added value' to a property. The study was based on a property value model of \$539,000 across 4 suburbs. The research found:

- Having an additional bathroom increased a property's value by \$6400
- A carport can add \$40,200 and a swimming pool \$43,800.
- If the average rent for the property location is higher than other places by one dollar, a buyer's willingness to pay for that property rises by \$650.
- If the property is closer to the nearest supermarket by one km, willingness to pay goes up by \$10,800.
- Decreasing the distance to the beach, park and green space by one km will add an extra \$29,800, \$18,900 and \$43,000 respectively.
- Locating the property within 200 metre of a beach adds \$65,800. ■

Source: *Australian Property Investor*

Flood! Earthquake! Fire!



The recent increase in natural disasters in Australia and New Zealand has come as a wake-up call to many.

Landlords should be aware of their rights and responsibilities in the event of a natural disaster.

If damage is severe, and the property is unlivable, a tenancy can be ended. However, the agreement needs to be legally ended by one party and agreed to by the other.

Damage to the property must have been caused by the natural disaster and not due to the actions of the tenant or landlord/agent.

In cases where part of the premises has been damaged or destroyed, a rent reduction may be negotiated. Any reduction in rent must be negotiated by the tenant and the landlord/agent.

As well as the devastating effects on the lives of the people living in these affected areas, the question has to be asked – **Are you covered for damage in the event of a natural disaster?**

CHECK IF YOU ARE COVERED

The most important thing to be aware of when checking if you are covered for disasters is the definitions of the elements of disaster damage. Some policies will specifically not cover flood, but will cover storm damage, including rainwater damage – it all comes down to what the definition of a 'flood' is in your policy.

It is better to be safe than sorry – check with your insurer today!

**MAKING
REAL ESTATE
WORK FOR
YOU**

**FOR
SALE**

