

This newsletter has been designed to keep you updated on what is happening within the industry and our Real Estate Office

### From the desk of the Asset Manager



#### Safety switches!

#### Does your property have an electrical safety switch?

Help save lives! In most States safety switches installed at a property are now compulsory at law. For such a minimal fee you can have peace of mind that you are providing a safe environment for your tenants.

When installing a safety switch ensure that you engage a licensed electrical contractor.

Feel welcome to contact our office for assistance.

#### Inspirational Note

*“Instead of worrying about what people say of you, why not spend time trying to accomplish something they will admire.”*

Dale Carnegie

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## What is the difference between a fixed-term tenancy and a periodic tenancy?

There are two types of tenancy agreements that a tenant can enter into. The first is a fixed-term agreement and second, a periodic tenancy agreement.

A fixed-term tenancy has a definite commencement date and expiry date. A periodic agreement has a commencement date but no expiry date.



The preferred type of tenancy is a fixed-term agreement where a tenant will enter into a six or 12-month agreement to give both parties security of tenancy and income for a set period of time.

Tenancy agreements do not necessarily have to be for a six or 12-month term. Sometimes it is smart practice to enter into a varied term (i.e. five, eight or 10-month tenancy) if the property has

a pool to avoid the property becoming available in the middle of winter. A varied term can also be entered into to avoid the property becoming available during a quiet time of the year when it can become harder to find a tenant.

While fixed-term tenancies are generally the preferred type of agreement for both tenants and landlords, sometimes it can be beneficial to enter into a periodic tenancy. You can enter into a periodic tenancy at the commencement of the tenancy by stating a move in date with no expiry date, or if a fixed-term agreement is not renewed for a further term, it will automatically revert to a periodic tenancy.

Periodic tenancies can give both parties flexibility in giving notice, as there is no expiry date and notice to vacate the property can be given at any time in accordance with a periodic tenancy notice period. This flexibility is usually requested if the landlord wishes to sell the property or the tenant is looking to purchase a property.

P.T.O...

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## Fire Safety Tips

Here are just a few of the precautions recommended by the Fire and Rescue Service to protect you, your family and your home:

- Take extra care when assessing the level of risk from intruders so that it also provides for a planned safe means of escape for your family should there be a fire.
- Make sure keys to all locked doors are readily accessible if you have deadlocks fitted.
- Make sure each and every window and door can be quickly opened when required.
- Install an adequate number of suitable smoke alarms and test them regularly. Don't forget to replace the battery in each smoke alarm at least once a year.
- Have a written escape plan in case of fire and practise it regularly.
- Never leave cooking or any other open flame unattended.
- Never smoke in bed and take extra care if consuming alcohol while smoking.
- Store all flammable liquids in purpose-designed containers.
- Fit a fire extinguisher in the home.
- Regularly clean the lint filter of your clothes dryer.
- In winter take extra care when using heaters, electric blankets or open fires. Do

not exceed the manufacturer's recommended use by date for electric blankets.

- Don't overload power points. Switch off appliances when not in use.
- Always keep lighters and matches away from children.
- Keep emergency numbers in a very visible place and educate all members of the family how to call for help and escape from fire. ■

## BUZZ WORDS "Duty of Care"

Duty of care is a phrase that needs to be taken seriously when owning an investment property.

So what is "Duty of Care"?

Oxford Dictionary Definition:

**Duty** – moral or legal obligation

**Care** – protection, looking after

Therefore, Duty of Care is a moral and legal obligation to protect the tenant and look after the investment property.

Failure to carry out this obligation could result in serious consequences. The property must be kept in a clean, well-maintained condition that is safe for the tenant to live in.

Our office is constantly working towards protecting your investment dollar and we adopt a high standard of duty of care to the tenant and you as the property owner. ■

**REAL ESTATE  
WORKS**  
\* \* \*  
**SALES &  
PROPERTY  
MANAGEMENT**

## Help Make ends meet and maximise the return on your investment property...

Our office specialises in Property Management because we believe long term ownership is usually the best way to get the most out of your investment properties. We find that there is more money to be made from sales, but long term ownership makes more sense.

With the cost of Stamp Duties when you purchase the property and possible taxes and agents fees when you sell, holding the investment property for the long term is usually your most lucrative option.

While you own the investment property you may have the opportunity to help offset your holding costs by minimising your taxes. Claiming depreciation on the property can really make a difference if it is done right. You should check with your accountant or tax advisors to see if this is an option that could benefit you.

Even if you are already claiming depreciation, you should check that your Depreciation Schedule is up to date and has been carried out by a company that has the knowledge to maximise your depreciation claims to their full extent. Depreciation Schedules can vary greatly. It really is worth checking the people who do your Depreciation Schedule and making sure you are using a company that understands investment property.

Just remember, it isn't necessary to understand how depreciation works and is applied, all you need to ensure is that the company you choose to use does. The little time it takes to organise really does pay off.