

ISSUE
FEB – MAR
2022

THE INVESTOR

IS IT TIME TO SELL?

Real estate is always a hot topic of discussion and often thought about by property investors.

Deciding to sell can be overwhelming as you enter the unknown of pricing the property, how long it will take to sell, and whether it will be easy to find a new property.

If you have been thinking about selling, consider the following influences that can help you decide:

- You have considerable equity in one or more of your properties and the available income to sustain a sale transaction and pay a new mortgage
- You have the available time needed to sell and buy a property
- You are emotionally ready to make a move
- You have outgrown your property and need to upsize
- You no longer need the space in your property and need to downsize
- You want a more desirable location to suit your current or future needs
- You have become aware that prices are rising as a neighbouring house has just sold for a record price, and your local market conditions are booming

At the end of the day, the best advice is to keep a level head and know that it does not really matter when you sell or buy, as it will be the same market conditions today or tomorrow; unless you are entering into just one transaction of either selling or buying that can have different outcomes.

The secret is always to do your market research and seek advice from professionals.



RENT ARREARS TERMINATION NOTICE TO VACATE

In a perfect world of property management, it would be great if every tenant paid their rent on time and adhered to all the terms and conditions of a tenancy agreement. However, the reality is, even after the most diligent tenant selection process, changed circumstances and unexpected situations can arise, resulting in the tenant breaching their agreement for failure to pay rent.

As a property investor, it is important to understand the legislative requirements and ramifications should a tenant breach their agreement.

First and foremost, as your managing agent, we will always work towards a resolution to avoid any breach escalating to having to issue a termination notice to vacate. However, if a tenant fails to comply, we are often left with no other option than to issue a notice for failure to pay rent.

Managing a breach of the agreement can be tricky for an investor. Once you issue a notice to the tenant, you effectively terminate the agreement, request vacant possession of the property, and give the tenant permission to leave.

During the rent arrears process, some investors can request a delay in issuing a notice, which can result in the arrears debt escalating and delaying the process of gaining possession of the property.

As a managing agent, it is our focus and duty of care to minimise potential rent loss or damage to the property in all actions that we take.

If the tenant falls into arrears, we will keep you constantly updated, with clear advice of your options and then act in accordance with your instructions.

ALL IT TAKES IS ONE CALL... BUT DON'T DO IT

A good relationship between parties is important in any personal or business transaction. As a managing agent, we encourage fair communications and outcomes between all landlords and tenants.

However, managing a property and the tenant can sometimes become challenging when so many variable situations can arise during the tenancy, requiring adherence to legislation, compliance, and best practice processes.

During the past couple of months, we have become involved with several matters where the tenant has approached the landlord directly regarding extensions to pay their rent arrears or tenant utility accounts, maintenance requirements and general requests for a tenant to carry out their own maintenance and/or alterations to the property.

As mentioned previously, we encourage good relationships between all parties, however as an investor, you need to be aware of your rights, obligations and legislation requirements when communicating with your tenant, as a telephone call can end up being a verbal agreement with consequences.

If your tenant approaches you regarding a tenancy matter, we strongly recommend that you take precautions and state something like, "*I understand your situation, and we want to work with you. Let me talk with our agency to review this and come back to you.*"

Requests for the tenant to undertake maintenance at the property may not be covered by your insurance; requests for a tenant to paint a bedroom a different colour needs to be in writing so you don't end up with rainbow-painted walls; and requests for an extension of time to pay rent needs to be in writing and in accordance with legislation requirements.

If you are ever unsure of your rights and obligations, we are just a telephone call away.

OUR INSIDE SECRET OF NOT FALLING IN LOVE

If you think a property is ideal for you when purchasing a new home, do not let the agent know. Try to keep a poker face and do not focus too much on all the positive great points '*talking out loud*' that would suggest you are falling in love with the property. Actually, do the complete opposite and highlight the faults of the property.

Agents are good at reading emotions.

A wise home buyer knows there are many houses, and there is one out there that is the right house at the right price. However, at the same time... if you know the house is 100% for you, then you need to negotiate strong and put forward your best offer.

INTEREST RATES... ARE THEY ON THE RISE?

There has been lots of discussion in the media about the potential rise of interest rates that can be unsettling for some property owners. However, there is no crystal ball or certainty when determining future outcomes.

When making any decision of change, it is important to consider and know your options.

1. If interest rates did rise, how would this financial impact you?
2. Take the time to calculate the monthly rise. How would a 0.5% - 1% increase impact you as a dollar figure?
3. Take the time to calculate the difference in monthly payments for a fixed compared to a variable loan.
4. Research and know the current interest rates that are available.
5. Research and know the different loan types.
6. Seek professional guidance and advice.

If you are unsure and, on the fence, you can always hedge your bet and split your loan to be 50% fixed and 50% variable until you feel more confident in deciding.

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PROPERTY MARKET

Keeping you updated.

FOR RENT

9/2 Olivine St, Cooroy - \$580 pw
9/4 Serenity Close, Noosa Heads - \$1,300 pw fully furnished

RENTED

Peregian Breeze - \$750 pw
Peregian Springs - \$850 pw
Sunrise Beach - \$650 pw
Noosa Waters - \$950 pw
Sunshine Beach - \$650 pw

PM NEWS UPDATE

The Noosa market is still buoyant for both sales and rentals but we there is a steadying in pricing, particularly in rentals with prospective tenants choosing carefully – while rents are still quite high, applicants 30% wages/rent ratio has been approx 20% in a lot of instances, making these properties unaffordable for a majority of applicants and leaves the properties on the market for long periods of time. A good, long term tenant vs high rent and longer days on the market empty and potential Break Lease due to financial stress – I know what we'd prefer!

SUDOKU COFFEE BREAK

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DO YOU HAVE ANOTHER RENTAL PROPERTY?

Call our agency to find out how we can save you money and streamline the management process by centralising your investment portfolio to one agency. We can manage the change with no interruption to the tenant.