



## If you have an investment property – this is for you

By Clive Elliott, Principal

### Unique service gives better returns for investors

**O**ne of the vital ingredients to successful investing is to have your investment property properly managed.

This means

- having a quality tenant who treats your property responsibly
- having systems in place that work in the interests of the property owner and the tenant
- having regular inspections made to ensure the property is being cared for
- having systems in place to cover just about every eventuality

I'm delighted to say that with our property manager, Sandy Wormald, our agency has a quite unique boutique Property Management System unlikely to be rivaled by other property management services.

Where many agencies have poor relationships with their property management tenants leading to a constant stream of problems, we have the exact opposite.

Rather than a 'take it or leave it' attitude towards tenants Sandy has a completely different approach with outstanding results:

- Minimal rental arrear problems
- Minimal tenant damaged premises
- Lower than average vacancy rates
- We actually have tenants sending us thank you notes stating they would thoroughly recommend us and that they would like this type of feedback passed onto the owners.

#### **Here's how our system is implemented:**

- Tenant credentials are thoroughly checked.

- The tenant is given a thorough explanation of the Tenancy Agreement so that no misunderstandings will occur. This covers what they're responsible for and addresses their entitlements.

A good explanation is the key to avoiding problems that arise because of poor understandings.

Sandy also thoroughly explains what the tenant should do if any problems arise.

- Tenants are always treated with respect, demonstrating their importance to us and the property owner.
- We have special packs – for instance a 'Vacate pack' and 'Break Agreement Pack'. These packs outline the procedures to follow so there are no misunderstandings and no elements of doubt or distrust.

#### **To give you an instance:**

When a tenant notifies they're not going to renew their lease because they're moving into their new home:

- the tenant receives a thank you for their notice,
- a thank you for being such good tenants
- a mention that we shall be sorry to lose them but it's lovely that they're now moving into their own home,
- mention that we will start promoting the property for a new tenant



- we will call them for permission to carry out a viewing
- a 'Vacate pack' will be sent to them.

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## Beat the elections

**If you're thinking of selling in the near future – make your move now before the elections.**

Selling at the time of Federal Government elections is never a good time because the market seems to go into neutral with buyers being distracted by the claims and counter claims of our illustrious leaders.

Winter is often regarded as a poor time to sell – mainly because the number of properties sold and on the market reduces – not because prices fall.

In fact because there are fewer properties on the market, prices in winter can be stronger than when competition increases.



## Why upgrading makes good sense right now

**If your property hasn't appreciated in value in recent times as much as you could have got for it at the height of the boom - would it be wise to upgrade in today's market or should you wait a few years until you can sell your property at a price similar to what you would have achieved in the boom?**

There is a good case for acting now rather than waiting. To find an answer let's us kick off by comparing today's market situation to that during the last boom. Assuming your existing home would have sold for \$600,000 in the boom and you upgraded to a home costing \$1.5 million at the time, your gap would have been \$900,000.

Now, assuming both properties have gone down by 20%: your home would now fetch \$480,000 while you would have to pay \$1.2 million for the replacement home. Your gap has reduced to \$720,000.

These are quite dramatic figures to illustrate the point – upgrading at such a level might not be realistic for you.



It's interesting to note though that in some suburbs, prices for higher priced homes have dropped by a much higher percentage than those of lower priced homes.

And when it comes to saving, that's not the whole story. You would also save on the commission paid to your selling agent and in addition would save on the stamp duty on your new home.

If it's of interest talk to your financial adviser and finance broker to arrive at the best financial solution for your circumstances. And when it comes to selling your property and upgrading or downsizing, talk to us and we'll tell you exactly what's possible in today's market.

Note: This is general information only. All prices, percentages and savings are assumptions made for your interest. They are neither forecasts nor guarantees.

## Is this a good time to buy an investment property?

**Residential property price growth stalled in April and in fact according to the RP Data Rismark National Home Value Index Perth property values recorded a slight fall of 0.9%.**

At the time of writing the May figures hadn't been released but the month appeared not to be any better.

There's a good chance property values may not see much movement in the next 12 months but it's worth considering that the people who bought investment properties 10 years ago have made huge profits.

With the population increasing it's a certainty that Perth property values will continue to rise and that the people who will be faring well in 10 years time will be those people who have bought today.

On that basis – the time to buy is when the market is quiet – not when it's running gangbusters and prices are on the way up.

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This type of attention doesn't just ensure a peaceful relationship with the tenant it means departure is harmonious and the tenant looks after the property at every stage, leaving the property clean and tidy (often immaculate).

In other words treating tenants with respect as an important client warrants, gets the respect returned.

### Inspections

One of the fundamentals of our service is that the property is given a thorough quarterly inspection.

This is done in a manner that has the tenant appreciating that the inspection is being done rather than having them feel it's an intrusion checking that they haven't damaged the property.

Inspections are conducted thoroughly to ensure our clients' properties are kept in good order and of course the client is advised of any situation.

If you would like to speak with Sandy about having your property managed in this way – you can contact her on 9330 5000.



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