



## PROPERTY INVESTOR

# NEWSLETTER

APR –  
MAY 2018

*This newsletter has been designed to keep you updated on what is happening within the industry and our real estate agency*

### DO YOU HAVE ANOTHER INVESTMENT PROPERTY?

Or do you know someone that requires a professional management service?

We are on the lookout for new rental properties for our many waiting tenants. We pride ourselves on our skilled and professional service that we offer and we will pay you a referral fee for all new referred business. Telephone us to find out more.

### BEWARE... WHITE ANTS

When was the last time you had your property inspected?

It is important to us as your managing agent to remind you about annual pest control inspections for white ants.

We do carry out regular routine inspections on your investment. However, we are not equipped or professionally trained to determine if there is white ant activity.

For such a minimal annual (tax deductible) fee you can have peace of mind that your investment is protected... which can save you \$10,000+.

Feel welcome to telephone our office to discuss this further.

## HOW TO REDUCE LOST INCOME WHEN A PROPERTY IS VACANT

Asset protection and maximising our landlord's investment income is our number one priority and one way to ensure this is to market and rent the property in the quickest possible time, to the best possible tenant, paying the highest possible rent.

We understand that when a tenant gives notice that this can be a stressful time for some landlords who rely on regular rental payments to meet mortgage commitments.

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 that all property photos; the wording describing the features and benefits of the property that are displayed on the Internet (and in all marketing material) stands out over other properties.
- Consider video tours and floor plans in the advertising and marketing campaign. Research has shown that property video tours receive 300%+ more engagement than photos on the Internet. \*
- Ensure that the property is well-maintained, clean, with great street appeal to attract quality tenants. This may require some property upgrades in between tenancies.
- Correctly price the weekly rent to ensure that it aligns with the market rent of similar properties. There may be different times of the year where rents can fluctuate, depending on the supply and demand of tenants and properties.
- In quiet times, when tenant demand is low, offer incentives to attract more interest. A member of our team can discuss the different options with you if necessary.
- Listen to the feedback from tenants following a viewing.
- Offer valued added features such as appliances, Internet/NBN, solar, or the inclusion of pool or garden care where applicable.

\*domain.com.au

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**We are focused on maximising your rental income and optimising your capital growth**

## HOW TAX DEPRECIATION CAN MAXIMISE CASH FLOW

Tax time is fast approaching and claiming depreciation expenses can put a lot of money back in your pocket.

Investment property tax depreciation allows you to claim a tax deduction for the wear and tear of the structural elements (the actual building) and the plant and equipment (fixtures and fittings) of an investment property.

By claiming depreciation as a tax deduction, you can lower your taxable income. This in turn reduces the amount of income tax you need to pay, leaving more cash in your pocket each year. You can use this increased cash flow to pay down debt, create new investments or simply enjoy more disposable income.

You can maximise investment property tax deductions by considering the following:

### Engage a registered Quantity Surveyor

To maximise investment property tax deductions, you need a detailed tax depreciation schedule. A tax depreciation schedule summarises the tax deductions you can claim on your investment property each year for up to 40 years. ATO rules insist that a tax depreciation schedule be compiled by a registered Quantity Surveyor, who will inspect your property and ensure that every depreciable item is identified and evaluated.

### Claim small items immediately

To offset the usually higher cost of an investment property in the early years, claim small items as soon as possible. Items under \$301 dollars can be written off immediately.

### Furnish your investment property

Furnishing a property can often help achieve a higher rental return. Furniture in an investment property is depreciable and you can claim a large rebate back in the first year. This option will depend on the demand for furnished properties and the potential of an increased rental return.

### Claim scrapping value when upgrading or renovating

Scrapping, or residual value, is a depreciable element that many property investors overlook. You can claim a tax deduction for fixtures and fittings that are replaced during an upgrade or renovation. Have a Quantity Surveyor review your renovation plans and estimate what you will 'lose' when throwing out old carpets, kitchen cabinets or other fittings. This 'scrapping' amount can be claimed as a tax deduction.

## INVESTORS, HAVE YOU CONSIDERED SOLAR PANELS?

For property investors in the past, the cost of installing solar panels has sometimes outweighed the benefits. Landlords could not justify the expense of installing a solar system when the reduced energy bill went to the tenant. And putting the rent up to cover the installation often outpriced the property from the market rent.

However, these days, there are options for landlords to benefit from the installation of solar panels.

There are companies who install solar on the property, then grants (manages) the income to landlords from selling power to the tenant – while guaranteeing tenant discounts on their current electricity rates. Another way it can be structured is by having landlords lease their roof space to the tenant to install a solar system (if they are on a long lease). Tenants can arrange the install and finance.

Solar panels can be an attractive and enticing renting option for a tenant, increase the asset value of a property while providing income to investors. For more information we recommend that you search 'Solar panels in rental properties' to obtain professional advice.

## TALK TO THE PROPERTY EXPERTS

### BUYING, SELLING & PROPERTY MANAGEMENT

Call us if you are thinking about buying or selling or know of someone who is

### Properties Recently

#### RENTED

Keeping you updated on the local rental market

#### HOUSES

Bassendean	4x2x2	\$470
Bassendean	4x2x2	\$500
Bassendean	4x2x2	\$395
Bassendean	3x1x1	\$370
Bassendean	3x1x1	\$300
Bassendean	3x1x1	\$380
Bayswater	4x2x2	\$510
Bayswater	3x1x1	\$470
Beechboro	4x2x2	\$360
Beechboro	3x1x2	\$330
Beckenham	3x2x2	\$300
Dianella	2x1x1	\$265
Morley	3x1x1	\$300

# NEWS Update

[Support Professionals Wellstead Team raising funds for the National Breast Cancer Foundation. Purchase your Digital Membership for access now!](#)

We are raising funds for the National Breast Cancer Foundation and you can help. [Order the NEW 2018 | 2019 Entertainment Book or Entertainment Digital Membership](#) and you will receive hundreds of valuable offers for everything you love to do, and you will also be supporting our fundraising. PLUS, order now to receive over \$180 of bonus Early Bird Offers (hurry, these sell out quickly)

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