



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

**FROM OUR PROPERTY
MANAGEMENT TEAM**

INVESTMENT TIP

There are many factors to consider when purchasing a property. Affordability, capital growth, features of the property, resale, the area and desirable property features to attract tenant interest.

Deciding where to send your children to school is one of the biggest decisions of parenthood, and buying a home or investment property is one of the biggest decisions of adulthood.

Properties close to Australia's top performing State schools regularly command sale-price 'premiums' compared to neighbouring areas. Weekly rents are also increased and vacancy rates can be reduced.

**(ROI) RETURN ON
INVESTMENT**

Is it worth upgrading your property in accounting and investment terms?

If you invested \$10,000 into the upgrades that resulted in a \$50 rent increase per week the ROI would be 26%.

Calculation

$\$50 \times 52 \text{ weeks} = \$2600 / \$10000$

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**

**HOW TO ACHIEVE THE
HIGHEST POSSIBLE RENT**

The dynamics of renting properties has changed over the decades. There are more expectations on landlords in regards to legislation and compliance, with a strong focus on presenting properties in a safe and well-maintained condition. As a result of these changes, many tenants are now wanting more for their rent.

Investing in property is all about building financial security in the long-term and achieving the highest possible rent in the short-term.

To assist our investors to keep up with the changing rental market (to avoid falling behind the competition) we have listed our top tips in '*How to achieve the highest possible rent*'.

- The presentation of the property (inside and outside) is one of the most important factors. Painting, new window and floor coverings, updating kitchens and bathrooms, and new appliances, should always be factored into your investment budget.
- Adding modern conveniences is becoming an expectation for many quality tenants, such as high-speed Internet, automated watering systems, dishwashers,

air conditioning/heating and security systems.

- Many people are now looking for ways to save money, which includes minimising utility costs, as the bills continue to increase. Rental properties with solar power are becoming more sought after. Likewise the installation of rainwater tanks can also be a real selling point.
- With the lack of time in many people's lives, including lawn, garden and pool care in the rent can also be appealing.

If you want to achieve the highest possible rent and attract the best possible tenant your property must stand out over all the other properties. If the fixtures, fittings and appliances are becoming old, worn out and dated and the property doesn't have the 'extras', it will reflect on the quality of tenant willing to live in the property.

Large costly improvements are not possible for everyone. However, gradually improving the property will assist in achieving the highest possible rent. To assist, you may want to consider looking at the equity in your investment to fund these improvements. P.T.O>

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IS FAST APPROACHING

Investing in property to create wealth requires strategic thinking.

As we approach the end of the financial year we recommend all our clients speak with their accountants now, so there is time to take action if required. Once the 1st July is here it's too late, and you could lose the opportunity to save on tax.

There are endless ways to save on tax that a financial advisor or an accountant can share with you.

One strategy we would like to share is **paying interest in advance**.

When looking for a tax deduction on your investment property before the end of the financial year we know that you can claim interest on your loan, property expenses, improvements, repairs and depreciation. But, if you are a property investor with tax-deductible borrowings, then one strategy that you can consider is prepaying the interest on your loan.

The main reason why investors adopt such a strategy is to receive the full amount of the prepaid interest as a deduction in the financial year it is paid. For some investors, prepaying interest is an important part of a tax-minimisation strategy, particularly if their income is expected to be lower in the following year(s).

If this is appealing, you will need to contact your lender or mortgage broker to find out if this facility is available on your loan. Not all lenders offer this facility.

If it is an option, another feature of prepaying interest is that the loan is fixed for 12 months and the rate is generally lower than the lender's traditional 12-month fixed rate. This can also assist with budgeting for the period that the interest is prepaid.

Remember this is one strategy, so make sure you speak with your tax professional before moving forward.

May was a great Month

It has been an exciting month for us as we commenced the management of a portfolio of rental managements from Real Property Passion earlier in the month and hence we are working at a pace to make sure the transition is as seamless as is humanly possible.

DON'T FORGET OUR EVENT

Come to our event with Merv Smith Realty's team and a select group of residential property investment industry speakers at our home based office.

When: 5:30 – 7:30pm on Thursday, 28th May 2015

Where: 11 Mervyn Grove, St Lucia Qld

Refreshments: Cocktails & hot finger food (It's a no obligation event)



TALK TO THE PROPERTY EXPERTS

BUYING, SELLING & PROPERTY MANAGEMENT

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

Do you own another investment property? We are here to help

Properties Recently

Rented!

Keeping you updated on the local rental market

4/9 Ridley St Auchenflower for \$345 per week.

With an identical unit in the same complex still on the market at \$320 per week. We were able to rent this with ease.

This Ridley St apartment was a neat and tidy two bedroom partially furnished unit. With it being so close to the train and an ideal North-facing balcony capturing city views. We were of course able to exceed owner expectations.



Latest NEWS UPDATE

New Property Manager, Trudi Allgood has joined us as our new Property Manager. Trudi comes with extensive property management expertise including 8 years as General Manager at Re Max Property Centre in Toowong and Kenmore and more than two years managing the property management arm of her own business at Real Property Passion in Indooroopilly.

WE ARE FOCUSED ON MAXIMISING YOUR RENTAL INCOME
AND OPTIMISING YOUR CAPITAL GROWTH