



STRAIGHT TALK

PROPERTY INVESTOR / OWNER NEWSLETTER

August 2014

What's Making News at KHRE This Month?

Put Extra Money in your Pocket Each Pay Day!



This is the busy time of the year when we are all putting in our tax returns. Owners of investment properties that are negatively geared often look forward to receiving a substantial return from the Tax Office.

Many owners may not be aware that they don't have to wait all year to benefit from the deductions available to them. Instead, by submitting a Pay As You Go (PAYG) Withholding Variation form to the Tax Office, can improve cash flow through the whole year.

By selecting this option, a property investor's refund for the financial year is estimated. Once approved by the Tax Office, this approval is given to the investor's paymaster and less tax will be deducted each payday.

If this option would be of benefit to you, simply speak to your Accountant who will be able to organise the correct paperwork for submitting to the Tax Office. A new submission must be made each financial year.

What We Have Rented This Month

We have had a busy time over the past three months renting our properties and now find ourselves short of suitable homes for the demand. During July we rented the following properties:

- Salisbury** 2BR Townhouse - \$260pw
- Smithfield Plains** 3BR House - \$235pw
- Elizabeth South** 3 BR House - \$260pw

Can you help us please?



Over the winter months we have had a reduction in the number of rental properties on our books. In some cases the properties have been sold; others have been returned to the owners as they wished to move back into them.

This means that right now we have the capacity to take on some extra properties.

If you know of anyone who could use our services, we would be delighted to hear from you!



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The Importance of Selecting the Right Tradesperson



It seems to be accepted that when appointing a contractor to work on an investment property that the cheapest quote is always the best. This accepted rule of thumb couldn't be further from the truth. We have found that the cheapest quote is not necessarily the best quote at all.

When appointing a contractor to do work on your investment property we take into consideration a host of factors determining contractor's suitability to do the work. Other than price the following must also be taken into consideration:

- Is the contractor licensed to complete work for that trade?
- Is the contractor insured? If the contractor is not insured you carry the risk.
- Can the contractor provide references for similar work that he has completed?
- On work such as refurbishments, have you been given a start and completion timetable?
- Is the contractor going to complete the work himself, sub contract the job or oversee other employees to complete the work?
- Have you confirmed the materials used and any warranty periods applicable?

The above may seem a little over the top, but all too often we have seen owners hire a contractor on price alone and ignore the host of variables to be taken into consideration when appointing a contractor most suitably qualified to do the work.

We always suggest to owners to take time and care in appointing a contractor as you would when appointing a contractor in your own home.

Although we may present a quote to you for work that could seem a little high in comparison to some, the above must be taken into account in order to protect your interests, the dollars invested and your property.

Some Things to Consider Before Selling your Investment Property

Thinking of selling your investment property?

Apart from the sales process, there are a number of tenancy related issues that investors should think of before listing the property for sale.

Legislation requires that your tenant be informed that the property is being listed for sale prior to the commencement of marketing. It is always wise to ensure that your selling agent notifies the tenant in the appropriate manner of the pending sale.

Given that the success of the sale can be dependent upon the tenant presenting the property well and allowing ease of access for intending purchasers, the notification stage is one of the most vital in the sales process.

When listing your property for sale through our agency, our sales department always works closely with your Property Manager who will advise the tenant of the pending sale.

This is necessary because the Property Manager has the on-going relationship with the tenant, making it much easier to gain the cooperation of the tenant. The salesperson then continues to liaise with the Property Manager throughout the sales process. Often tenants panic and think they have to leave the premises, but of course, this is not the case where a fixed term lease is in place.