



## STRAIGHT TALK

PROPERTY INVESTOR / OWNER NEWSLETTER

June 2014

### What's Making News at KHRE This Month?

#### What We Have Rented This Month

*Our team have had another very busy month! During the month of May we were successful in leasing the following properties:*

Elizabeth East ..... 3BR House - \$215pw  
 Elizabeth ..... 2BR Unit - \$200pw  
 Elizabeth Park ..... 3 BR House - \$260pw  
 Elizabeth Vale ..... 3 BR House - \$280pw  
 Davoren Park ..... 3BR House - \$255pw  
 Davoren Park ..... 3BR Semi - \$215pw  
 Elizabeth North 3 BR Townhouse - \$260pw  
 Gawler East ..... 4BR House - \$450pw  
 Elizabeth Downs ..... 3BR Semi - \$215pw  
 Elizabeth Downs ..... 3BR Semi - \$215pw  
 Smithfield ..... 3BR House - \$290pw  
 Munno Para West ..... 3BR House - \$310pw  
 Gawler ..... 2BR House - \$260pw  
 Craigmore ..... 3BR House - \$275pw  
 Windsor Gardens .... 3 BR House - \$320pw

#### A Mystery Finally Solved by the Tribunal!

We recently had occasion to take a delinquent tenant to the Tribunal for late payment of rent. Despite our best efforts, it seemed the tenant was not going to pay – so off to the Tribunal we go!

One of the frustrating things about Tribunal hearings is that in these situations they always seem to want to set up payment plans with tenants to “give them another go”. There seems to be no thought to the losses the owner is incurring.

In the *good old days*, we would have such a hearing at the Tribunal, make a strong case and we would be given vacant possession of the property. This has not been the case for some time. What do we get? ‘*Payment Plans*’. And then if the tenant does not stick to the plan, we have to make another application to the Tribunal for yet another hearing to get vacant possession which our owner correctly deserves. In this particular case, it was quite evident the Tribunal Member could clearly see and agree with our case.

We fully expected to be given vacant possession for once - but once again, this was not to be. However, the Tribunal Member did explain to us that higher courts have been

coming down on the Tribunal members, saying they are “frowning” on this practice. So it seems their hands are as tied as ours!

We did get a win though. The Member gave us an order stipulating that in the event the tenant did not comply with any one of the four payment dates set up in the plan, we could simply call for the bailiff and get possession the very next day.

The good news is that the owner has full Landlord Protection Insurance in place and once the tenant is gone, will be able to claim all the lost rent. At least we now know what is impinging on the Tribunal Members who have to make these decisions.

See our other article about reviewing your insurances. Bonds get quickly eaten up and proper insurance can certainly take the pain out of a bad situation.



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## Being Lease Compliant is About Minimising Risk



Upon entering into a new lease agreement, your property manager will need to ensure that your lease complies with current legislation that affects all rental properties.

In 2014, there is a raft of compliance issues that need to be addressed before entering into a lease agreement, some of which have not affected lease agreements before.

Every property investor needs to make sure that their property is smoke alarm and water usage compliant, together with window safety devices, blind cord and pool compliance before the property is leased.

Obviously there is a cost to the property investor to ensure compliance, however the risk of non-compliance far outweighs the cost of compliance.

A large number of property investors are ignoring the need to have their property lease compliant simply because they haven't needed to do it before or they cannot see the benefit of the cost.

Failing to ensure that your property is lease compliant, not only with Residential Tenancy legislation, but by compliance legislation as detailed above, the property investor not only runs the risk of having an invalid tenancy agreement, but could also face heavy penalties. Insurance claims can also be denied if it can be proved that there were compliance issues outstanding.

Worse still, the property investor could face legal ramifications in the event of a public liability claim resulting from a non-compliance issue. As an industry, we have seen this occur following house fires in rental properties where the smoke alarms were not compliant.

Your property manager is faced with the unenviable task of informing you of these lease compliance costs, however the advice must be heeded to ensure that your property is compliant, minimising your risk of legal action and more costs in the future.

## Receiving Statements by Email Can Save You Money!

A number of property investors still continue to rely upon paper based rent statements.

A growing number of our clients are now receiving rent statements via email which is often preferred by accountants.

By having your rent statement emailed, you get your financial reporting at the same time as our funds are transferred to your nominated bank account.

Emailing rent statements avoids postage delays and saves you additional accountancy fees. Accountants prefer email statements over paper based rent statements as they can store them in PDF format for instant use upon completing your taxation return and for future reference. This saves you additional accountancy administration and filing fees.

To convert to email rent statements simply call your Property Manager and advise them of the preferred email address that you want your rent statement to be sent to and we will arrange it for you.

We do suggest that you nominate a non-work email address for your privacy and an email address that you are unlikely to change.

Start to receive your email rent statements now to save you time and money.

