



STRAIGHT TALK

PROPERTY INVESTOR /OWNER NEWSLETTER

March 2016

Negative Gearing or Negative Politicians?

There has been a lot of noise in the media these past few weeks about 'reforming' the Tax system. Politicians of both major parties are making noises about changing the rule for negative gearing on investment properties.

The last time they had a go at this was back in the mid-eighties and it turned out to be a miserable failure. Why would we think it would be any different this time around?

Even the term 'Negative Gearing' is a jargon word that simply describes the situation that arises when the expenses of running an investment property are higher than the income received.

It has long been a principle in tax law that all expenses incurred in running a business are tax-deductible against income received. Property investment is no different to any other small business. In fact, as I've often said, if you own a rental property you are in the business of providing accommodation. All costs associated with that business including interest on borrowings should be deductible.

Governments cannot meet the need for rental accommodation in Australia. Indeed, most State Governments have sold off huge numbers of their Government owned rental properties. The private sector does it much more cost effectively and efficiently.

I won't be voting for any candidate or party that wants to change the rules to the detriment of property investors!

What we have rented in February

Demand in February from tenants has been very strong. We have successfully leased the following properties:

- Salisbury3BR Town House - \$310 per week
- Gawler East 4BR House - \$450 per week
- Davoren Park 3BR House - \$290 per week
- Munno Para .. 2BR Town House - \$275 per week
- Munno Para .. 2BR Town House - \$285 per week
- Salisbury 3BR House - \$295 per week
- Clearview 5BR House - \$330per week
- Kilkenny 3BR House - \$430 per week
- Evanston Park 4 BR House - \$375 per week
- Davoren Park3BR House - \$260 per week
- Salisbury 3BR Town House - \$310 per week
- Salisbury East 3BR House - \$280per week

Please contact our office or visit our website at kevinhodges.com.au to find out how we can help you with your investment property.



/KevinHodgesResidentialPropertyInvestment



/KevinHodgesProp

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Check Your Landlord Insurance



We have found that a number of our clients have effected insurance on their investment property via their bank's insurance arm on the understanding that this policy is a landlord protection policy.

If you have such insurance, please check the policy wording as it may not cover you for loss of rent, legal liability and malicious damage. Whilst doing so check the excess in the event of a claim as a large volume of insurers have separate excesses for loss of rent, cleaning and malicious damage.

By reviewing your policy you could be saving money and anxiety in the event of a claim.

Is it Urgent?



Urgent repairs are a hot topic as the definition often means one thing to a tenant and another to a property investor. An annoyance or irritation to the tenant, for example does not constitute an emergency.

The definition of what is an urgent or emergency repair is set out in legislation and mandates not only what constitutes an emergency repair situation but also, who is responsible for arranging and paying for the repair.

Emergency repairs can be broadly defined as pertaining to a situation which immediately affects a tenant's standard of living or safety such as a blocked toilet, dangerous electrical fault, damage caused by storm, flood or fire, the failure of essential services and whether the issue is one which is life threatening.

Our emergency after-hours number is always attended for this reason.

When an emergency or urgent repair is referred to us, we will make an assessment as to whether the repair is urgent based upon the definition under The Act and will report it immediately to you with our recommendations and a request for your authorisation to appoint a contractor at that time.

Should we be unable to contact you, we are obliged to undertake emergency repairs in order to minimise risk of damage to the property and harm to third parties and their property and also to minimise your risk of compensation or other action being taken against you for the delay in affecting an urgent repair.