



STRAIGHT TALK

PROPERTY INVESTOR /OWNER NEWSLETTER

September 2016

Ensure to Insure

All too often we see the effects of an investor not having insurance on their investment property, particularly after storms.

Now is the time to check the extent of insurance cover that you have on your investment property.

Check the extent of cover. Does your policy include building, contents (in the case of a unit), legal liability, loss of rent and malicious damage?

It is wise to insure your investment in the event of a natural disaster, storm damage, defaulting tenant or fire.

Most investment unit owners are under the impression that the body corporate insures their unit. This is not the case. The body corporate insurance extends to common areas only, hence you should insure contents such as paint, window coverings and light fittings.

Irrespective of whether your investment property is a home or unit, townhouse or villa, we strongly suggest that your insurance cover includes building, legal liability of at least \$20 million and loss of rent in the event of a rent default and malicious damage at the end of a tenancy.

As your managing agent we can assist you in effecting a landlord insurance policy that suits your needs.

For a modest premium, landlord insurance cover gives you peace of mind that when things go bad, someone has your back.

What we have rented this month

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

- Salisbury - 3 BR House..... \$340 per week
- Paralowie - 3 BR House \$340 per week
- Munno Para - 3 BR T/House \$275 per week
- Glandore - 2 BR Unit \$300 per week
- Elizabeth North - 3 BR House \$320 per week
- Elizabeth North - 3 BR House \$290 per week
- Elizabeth Downs - 3 BR Unit \$240 per week
- Munno Para West - 3 BR House . \$265 per week
- Munno Para - 2 BR T/ House \$275 per week
- Smithfield Plains - 3BR House \$280 per 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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Introducing an Accountant who Loves Property Investment

I had the pleasure of meeting a new accountant a couple of weeks ago.

Andy Asiandi runs a practice called “Success Tax Professionals”.

I visited Andy at his office at Payneham to see whether we could assist any of his clients with our Property Management services. I was pleasantly surprised to hear of his enthusiasm for property as the best investment his clients could make. He also “walks the talk” by being a property investor himself.



I have always advocated that every property investor needs a strong team of professionals to get the most out of property investing. It was great to meet Andy and to share his enthusiasm!

Andy is also well versed in Self-Managed Super Funds. I have a number of clients who are using this as a way to own rental properties. It is also now possible to borrow money through a Super Fund. Naturally this has to be set up with great care due to the various Tax Office rules concerning Superannuation. You must get the correct professional advice to get it right.

If you are looking to set up a Self-Managed Super Fund, or need professional Tax advice, or are just looking for a new Accountant, I’m happy to recommend Andy to you. He can be contacted on (08) 8266-6674.

Being Lease Compliant – It’s all 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 today’s leasing environment there are 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 that they haven’t needed to do it before or, they cannot see the benefit of the cost.

By ensuring that your property is lease compliant, not only with Residential Tenancy legislation, but by compliance legislation (as detailed above), the property investor avoids the risk of having an invalid tenancy agreement, or facing heavy penalties and having any insurance claim denied in the event of a loss in the above events.

Worse still the non-compliant property investor could be liable at law in the event of a public liability claim as a result of a non-compliance loss. As an industry we have already seen this occur following house fires in rental properties where the property investor becomes personally liable should the property not be smoke alarm compliant.

Your Property Manager is faced with the unenviable task of informing you of these additional lease compliance costs, however the advice must be heeded to ensure that your property is compliant and so you minimise your risk of legal action and additional costs.