



STRAIGHT TALK

PROPERTY INVESTOR / OWNER NEWSLETTER

September 2015

What's Making News at KHRE This Month?

Do Not Panic!

I recently received a newsletter from my Financial Advisor, David Forrest with the headline above concerning the recent downturn in the world share markets.

David says: "The important point to note here, before the inevitable comparisons are made with 2008, is that **this is not** a financial crisis. With the global realisation that China is slowing as it transitions from a manufacturing based growth model, to one more akin to consumption driven growth, a number of underlying assumptions which have been used to support the market have been brought into question".

David goes on to explain what is really behind the current situation and whilst there are some risks ahead, it is not like the 2008 crisis.

I found his article a bit technical, but drew a lot of comfort from what he had to say.

It also reinforced my belief that in the long term, property investment will provide the benefits we are aiming for particularly in terms of retirement.

If you would like a copy of David's article, please email me at: kevin.hodges@kevinhodes.com.au and I'll be glad to send it to you.

What We Have Rented in the Past Month

Once again, we have had a very busy month of August and have leased the following properties:

Broadview – 2BR House	\$290 per week
Andrews Farm – 3BR House	\$270 per week
Eudunda – 3BR House	\$220 per week
Davoren Park – 3BR Semi	\$215 per week
Munno Para West – 3BR House	\$265 per week
Elizabeth – 2BR Unit	\$220 per week
Elizabeth – 3BR House	\$252 per week
Elizabeth Downs – 3BR Unit	\$240 per week

Please contact our office to find out how we can help you with your investment property.



/KevinHodgesResidentialPropertyInvestment



/KevinHodgesProp

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Routine Inspections are More Than Routine

Routine inspections are an important part of our management service that we take very seriously.

Upon giving your tenant notice of the inspection we forward them a checklist of how we want the property to be presented and an updated maintenance checklist so that they can advise of day to day maintenance issues that they encounter that normally could not be ascertained during the inspection. We also advise them that photographs will be taken for our reference and your information.

We take our inspections seriously and will note any areas of concern. When undertaking a routine inspection of your property we are not just ensuring that the tenant is keeping the property clean and tidy, but also that the property is presented in a safe condition for the tenant to reside in order to comply with legislation.

Following our inspection we will forward to you a detailed inspection report with suggestions of preventative maintenance that should be undertaken and recommendations for improvements that could be made in order to maximise the rental return on your property - and also to ensure that the tenant remains in the property for the longest possible time without you incurring a vacancy.

Please note that we are not qualified building inspectors and our inspections are visual in nature only. We strongly recommend that a pest controller undertake annual inspections for pests and termites and that a licensed builder inspect and report upon the safety of hand railings and decking and any timber flooring.

When making recommendations following an inspection we will provide you with feedback allowing you adequate time (if required) to update, renovate or improve the property, such as floor or window covering replacement or painting the property. We will generally state that the carpets are becoming worn and that you will need to budget to replace the carpets within the next 12 months or upon the next vacancy.

The routine inspection is not routine. It is a record of how your tenant is maintaining the property and a report of suggested maintenance that may be required to enhance the capital appreciation of your investment and maximise its rental return.

Don't Underestimate the Importance of Insuring Against Loss of Rent



Although we thoroughly check all references when inducting tenants and screen them for suitability for your property, it is a fact of life that things can go wrong.

This is why we recommend that you effect a landlord protection insurance policy.

Many investors (at their own peril) tend to overlook the need for loss of rent insurance or landlord protection insurance which also includes malicious damage and legal liability as policy features.

These days there are any number of Insurance Companies that offer Landlord Protection Policies but not all policies are the same. It pays to do your homework and know exactly what you are covered for before you actually need it!

For a modest premium, such a policy truly assists in protecting your investment and also your peace of mind.