

This newsletter has been designed to keep you updated on what is happening within the industry and our real estate office

FROM OUR PROPERTY  
MANAGEMENT TEAM

THE COUNTDOWN IS ON



May your holidays be happy days

Filled with love and laughter

And may each day bring joy your way

In the year that follows after!

We thank you for your trust and support in allowing us to care for your property.

**ARE YOU GOING AWAY  
ON THE HOLIDAYS?**

Managing properties is full time in caring for the tenant's needs and repair requests. If you are going away on holidays, please let us know your best contact number or a friend or relative that can assist us with any matters that may arise during this period.

**IMPORTANT:** This is not advice. Clients should not act solely on the basis of the material contained in this newsletter. Items herein are general comments only and do not constitute or convey advice per se. Every effort is made to ensure the contents are accurate at the time of publication. Clients should seek their own independent professional advice before making any decision or taking action. We take no responsibility for any subsequent action that may arise from the use of this newsletter. Published by THE PPM GROUP - [www.pppsystem.com](http://www.pppsystem.com)

# THERE ARE RULES

## PRIVATE LANDLORD FINED \$24k

It pays to have a professional property manager to care for your property and guide you through the legislation and compliance rules to protect you.

It is not a simple process of collecting rent and being nice to the tenant anymore, you have to act and conduct all your business dealings and communications in accordance with the law.

Property investors choosing to self-manage their portfolio have been given a fresh reminder of the consequences for not following the rules.

A 37 year old Meekatharra landlord has been fined \$24,000 for spending tenants' security bonds, harassing a tenant via her phone calls and text messages and taking excessive rent up-front, according to Consumer Protection Western Australia.

The landlord was found guilty of 13 contraventions of the *Residential Tenancies Act*.

This is not an isolated case. Landlords and agents across the nation who don't act in accordance with the law are being fined for acting outside of the Act.

**KNOW THE  
RULES!**



As your managing agent we know the rules and our focus is to protect you by:

Issuing the correct documentation, including prescribed agreements and forms at the commencement and end of tenancy

Issuing the correct forms and notice periods to access a property, increase the rent and terminate a tenancy

Correctly administering rent and bond receipts

Documenting and managing maintenance requests correctly

It is important (where possible) that no landlord has direct contact with a tenant to discuss tenancy matters or enter into any verbal agreements.

P.T.O>

### IN THIS ISSUE

- There Are Rules – Private Landlord Fined \$24k
- Calculating Rental Yield
- Rent Arrears Can Increase
- Properties Recently Rented



# CALCULATING RENTAL YIELD

## THE MONEY TEST WHEN PURCHASING AN INVESTMENT



When buying an investment property, one of the important figures to look at is the net return on the money you have invested, also known as the net rental yield. This should be one of the comparison considerations when acquiring your next investment.

Too low a return may mean that alternative investments should be reviewed, while a very high yield may mean there is an accompanying risk factor that is higher than normal. Areas that produce lower yields can predominately have a higher capital gain, which might be the ultimate long-term aim.

The yield is calculated by starting with the purchase price. This is the denominator. The numerator is your 'net' yearly income. To figure out the net income you take your yearly gross rent and subtract your outgoings. Outgoings for residential properties include management fees paid, advertising, insurance, council and water rates for the year, estimated repairs, maintenance and strata levies, land tax (if applicable), etc.

### NET RENTAL YIELD

Purchase \$579,000 | Annual Rent \$26,000 | Expenses \$6,580  
Net Rent \$19,420 divided by property value of \$579,000 =  
Rental Yield of 3.35%

By utilising this method you can not only look at the features of the property, but compare yield on each investment. We always suggest that you seek professional advice before making any investment.

## TALK TO THE PROPERTY EXPERTS

### BUYING, SELLING & PROPERTY MANAGEMENT

Call us if you are thinking about buying or selling or know of someone that is.

Do you own another investment property? We are here to help

### Properties Recently

#### RENTED

Keeping you updated on the local rental market

#### HOUSES

##### 31 Evans St, Mittagong

3 bed, 2 bath, 4 car \$480. pw

##### 13 Rosemary Crs, Bowral

3 bed, 2 bath, 2 car \$550. pw

##### 3 Stewart St, Renwick

4 bed, 2 bath, 2 car \$590. pw

##### 26A Leopold St, Mittagong

4 bed, 2 bath, 2 car \$610.pw

##### 16 Siemens St, Mittagong

4 bed, 2 bath, 2 Car \$650.pw

## RENT ARREARS CAN INCREASE

From past experience we have noticed that over the December holiday period some tenants can fall behind in their rental payments – some that have never been in arrears before as they can get caught up in overspending on gifts, family functions and holidays. We do understand that this can apply to landlords as well and our focus is to keep on top of arrears and be diligent in our follow-up during this period. If a tenant does fall into arrears it is important to be aware that our office must follow legislative requirements when issuing letters and notices. We will also communicate and keep you updated if this situation may arise

### GIFT SAVING TIPS

Write a list & set a price limit

Consider Secret Santa gift exchange

Buy just for the kids

Forgo gifts and organise a special function

Wait for the sales if you are not seeing family/friends at Xmas.



## Latest NEWS

December end of month payments will be disbursed on Thursday the 24<sup>th</sup> December and statements will be posted/emailed on the 4<sup>th</sup> January.

### HOLIDAY CLOSURE PERIODS,

**Our offices will be closed from 5 pm on Wednesday the 23rd Dec, 2015 and reopen at 9 am on Monday the 4th January, 2016.**

[www.mckillopproperty.com.au](http://www.mckillopproperty.com.au)

WE ARE FOCUSED ON MAXIMISING YOUR RENTAL INCOME  
AND OPTIMISING YOUR CAPITAL GROWTH

