



## PROPERTY INVESTOR

# NEWSLETTER

JUL –  
AUG 2016

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

### DO YOU OWN MULTIPLE PROPERTIES?

Consolidating your investment portfolio to a centralised agency can save you time and money.

If you have another investment property in our area that we are not managing, we invite you to contact us today to find out how we can assist you with this process.

It is simple and easy as we do everything for you.

### WHITE ANT ACTIVITY ALL HOMES ARE AT POTENTIAL RISK

They are small, pesky creatures that can cause big problems if not detected.

Our agency highly recommends that you have an annual pest inspection carried out on your property by a professional who knows what to look for.

The white ants are not fussy. There have been documented cases where white ants have been detected in brick homes and homes with capping on the stumps.

For such a minimal tax-deductible cost you will have peace of mind that your property is protected and safe.

## REDRAW AND OFFSET ACCOUNTS

A valid concern of many mortgage holders is that if they make additional repayments on their loan their savings are impacted and that they won't have any reserve funds if something unexpected occurs.

The good news is, many lenders offer redraw facilities on additional repayments made, or they give you the option of an offset account linked to your loan – which allows you to withdraw any additional money (extra repayments) as required.

Both a redraw facility and offset account help you pay off your loan faster, but they are two different features and it is important to understand how they are different...

A redraw facility allows a borrower to redraw the additional repayments made against the home loan. For example:

*Jessica has a 25 year term home loan of \$300,000, with an interest rate of 5.5%. Her monthly repayments are \$800, but Jessica elects to pay an extra \$100 a month off her loan – meaning her additional repayments total \$1,200 over the year. These additional funds are used as an emergency fund – where Jessica can draw from if needed. If Jessica continues to make an extra payment of \$100 each month, and does not use her redraw facility, she will save \$29,917 and 2 years and 6 months off the life of her loan.*

An offset account is a savings account linked to your home loan. Any amount you keep in this account is offset against your loan amount, reducing the interest paid on a daily basis. Thus, the more money in your offset account, the less interest you pay overall. For example:

*John has a 25 year term home loan for \$300,000 with an interest rate of 5.5%. He opened an offset account linked to his home loan. John received \$10,000 from his parents as gift and deposited it in his offset account. If John doesn't withdraw this amount, he will save \$27,634 and 1 year 3 months on his loan.*

The key to fully utilising this feature is to keep a good amount of money in your offset account. Consider moving all of your savings into your offset account, or ask for your salary to be directly paid into your offset account. This way you can maintain a high balance for the maximum number of days.

P.T.O.

>

# THE RIPPLE AFFECT

If you can't afford to buy into a high growth area (as you have just missed the mark this time around), you might still be able to buy into the area by checking the surrounding suburbs. This requires timing, so you need to know, which phase of the cycle the local property market is in to maximise your chances of riding the wave of growth.

## Top tips for finding areas before the ripple of growth hits

- Measure property values by comparing the median prices of adjoining suburbs;
- If there is more than a 5% variation, chances are the suburb next door will be playing catch-up;
- Closely monitor median price trends on a quarterly basis. Once you are certain the cycle has kicked off, look for properties within your budget that are as close to the growth as possible. Subscribe to property alerts through real estate portals for properties coming on to the market;
- A good rule of thumb when buying in the capital-city suburban markets is to buy within 10 km of the CBD; growth is virtually assured to ripple this far out during a cycle.

## 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

## Properties Recently Rented!

Keeping you updated on the local rental market

### HOUSES

**15 Alcorn Lane, Robertson**

4 bed, 2 bath, 1 car \$480 pw

**66 Caalong St, Robertson**

4 bed, 2 bath \$520 pw

### UNITS

**8/34 RailwayPde, Mittagong**

2 bed, 1 bath, 1 car \$300 pw

### TOWNHOUSES/DUPLEXES

**1/34 Meranie St, Welby**

5 bed, 2 bath, 2 car \$580 pw

## TENANT HISTORY CHECKS

### A valuable risk minimisation service

One of the constant issues for any landlord is how to check the previous rental history of each applicant to find the 'right tenant' for their property. Especially, when tenants can falsify their references (in some circumstances) or withhold important information.

As your managing agent one of the services that we utilise to choose the best possible tenant are 'tenant history checks'. These are national companies who have been operating for many years in the collection of personal data and have been established exclusively to monitor tenant information.

This information forms a valuable risk minimisation tool for property managers trying to locate the 'right' person for their client's valuable property.

The databases records contain positive tenant histories as well as negative to form a balanced reporting system that both encourages and rewards tenants for 'doing the right thing', while also permitting tenancy infringements and property damage to be reported for later use in application vetting.

Tenants want to avoid being listed on these databases and it can therefore be a great tool to ensure that tenants work with us in accordance with meeting their tenancy agreement obligations.

You can be confident that our agency conducts thorough reference checking to ensure that we choose the best possible tenant for your property. We understand that careful reference checking can save you literally thousands of dollars in the long term.

Tenant reference checking is just one of the many valuable services offered by our property management team.

# NEWS Updates

### Landlord Payments- Please

allow 3 working days for payments to arrive in your bank accounts, some banks are overnight but others take longer to transfer. If you would like to change your payments to Mid month 15th and end of month 30<sup>th</sup>, please let us know email:rentals@mckillopproperty.com.au

### Wingecarribee rates notices-

1<sup>st</sup> Instalment due 31/8/16  
Rate payments will be paid end of month August.

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