



## PROPERTY INVESTOR

# NEWSLETTER

SEP – OCT  
2017

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

### 2017 CLAIMING TRAVEL DEDUCTIONS

At the beginning of this year the Government announced that from 1 July, 2017 all travel deductions relating to inspecting, maintaining, or collecting rent for a rental property will be disallowed.

With all rental deductions, we always recommend that you refer to your accountant or financial advisor.

**WEALTH  
FLOWS FROM  
ENERGY AND  
IDEAS.**

### BY APPOINTMENT ONLY

A friendly reminder that if you are wanting to meet with one of our property management team members that it is important to make an appointment time as our staff are often out of the office conducting inspections and we do not want you waiting or having to return to our office.

We are always here to support and assist you.

## PROPERTY MYTHS

### If you always think property prices go up...

With so much emphasis on property in the media, it can be difficult to sort fact from fiction. But, before investing in any type of asset, including property, it is important to consider the pros and cons, and any commonly held misconceptions.

In this article we are focusing on three [3] property myths.

#### Myth 1: Prices always go up

Believing that property always goes up is understandable, especially given that prices have dramatically increased in major cities in recent years. But, like most investments, the property market demonstrates cycle patterns. That means, at times property performance can be stagnant and show little or no growth. Like many investment cycles, a boom can be followed by a bust. It is important as an investor to know your market trends and our friendly sales team are here to guide you through that process. We also believe that there is always a bargain property to buy.

#### Myth 2: All property is the same

When we think about property, we tend to think about it as one market. We generally take a macroscopic view. We hear about the performance of property and can often think that buying a property anywhere will turn out to be a good investment. This approach can lead to decisions that fail to yield the results that you expect. Within the property market are countless micro-markets. Property prices can depend on the different economies they have links to, as we have seen in mining towns, where prices reached record highs in recent years, only to be followed by a sharp decline.

Similarly, we hear general reports in the media that property prices are rising, and this general sentiment can set unrealistic expectations. For example, specific price expectations in the CBD will be very different from those in a particular region or suburb. Many tend to think that all prices in all areas will always rise. And this is where the danger lies.

#### Myth 3: Property is a sure thing

The combination of low mortgage rates and rising home values means debt levels have increased dramatically. In fact, the ratio of household debt to disposable income is recorded at 155.9%, which is a record high.

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**We are focused on maximising your rental income and optimising your capital growth**

## PROPERTY MYTHS CONTINUED...

If you cannot afford to repay a home loan due to changes in personal circumstances, such as losing your job, your entire financial future can be placed at risk. Any slumps in house prices could result in many people being unable to cover outstanding loan amounts if forced to sell.

### Take a long-term view

It is important to think about property as a long-term investment and buy within your means so you are not financially stretched, even when buying a home to live in. Explore your capacity to repay a loan with your accountant, mortgage broker or financial advisor.

And if you take on a home loan, consider buying insurance to help protect you in case your circumstances change and you are unable to meet your loan repayments.

When it comes to investing, it is important not to put all your eggs in one basket. That way you may be able to protect your money by spreading risk over different markets.

## RECENT COURT RULINGS... IMPORTANCE OF PROMPTLY RESPONDING TO MAINTENANCE

There have been two recent court rulings [published in the media] that impact the management of rental properties.

Firstly, tenants contacted their property manager with concerns about faulty power-points, which was not actioned in a timely manner, resulting in the unit catching fire. The tenants won a large compensation claim for damage of personal affects and relocation costs.

Secondly, a tenant complained about a leaking tap in the bathroom shower, which was not actioned for six months. Finally, the plumber turned up and it was not an easy fix, as damaged had been caused behind the wall cavity. The plumber fixed the issue by cutting a hole in the wall and then left the property, stating that it was a handyman or plasters role to fix the hole. Three days later and a handyman did not show up. The tenants cleaned up the mess of dust through the house to then discover that the walls and cavity were asbestos. The tenants were told not to enter the house again and a removalist was called.

Areas of immediate concern: electrical faults, leaks, dry rot, locks not working at the property, ripples in carpet, dangerous obstructions on the property, just to name a few.

## SUDOKU COFFEE BREAK

Every row & column, and 3X3 box, must contain the numbers from 1-9. Good luck!

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	5		4		3		6	
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9	7						2	1
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	9						3	
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## A Real Estate Career could set you up for life!



## Have you ever thought of a career in Real Estate?

Real Estate Sales is a challenging and rewarding career and might be good for you if you are willing to invest the time, effort and have the discipline to succeed.

Not all agencies are the same and offer little or no training. **We want you to enjoy a long and successful career and to help you achieve that we offer superior training and ongoing support, starting salary package higher than industry average.**

If keen, email resume to:  
[patrick@higginsrealestatelismore.com.au](mailto:patrick@higginsrealestatelismore.com.au)

## 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

### Our Properties Recently

#### RENTED

Keeping you updated on the local rental market

#### HOUSES

Regency Ct Goonellabah	\$350
Teven Rd Alstonville	\$410
Roy Place Richmond Hill	\$380

#### RURAL

411 Jiggi Rd Goolmangar	\$400
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#### TOWNHOUSES / UNITS

Smith Lane Wollongbar	\$340
Cathcart St Lismore	\$265
Ewing St Lismore	\$260
Marlyn PI East Lismore	\$250

### Our Properties Recently

#### SOLD

Keeping you updated on the local sales market

42 Palmvale St G'bah	\$518K
1 Coleman St Lismore	\$372K
2/11 Graeme PI G/bah	\$338K