



AUGUST 2021



### Helpful tips on investment property renovations

If you're thinking about renovating your investment property, there are a few things you need to consider.

From creating a budget to picking the right fixtures and fittings, getting the administration and project management right is key. Here, we outline some of the main things to consider when you renovate an investment property.

#### Determine a budget and the available deductions

Renovating a property could result in some larger than normal expenses for your property. Make sure you put together a budget before you get started. It's also a good idea to determine which expenses can be fully deducted in the current financial year and the other expenses that will need to be depreciated over several years.

#### Talk to the body corporate early

It can take a while to get approval on potential works from some body corporates. If your property is in an apartment building where you'll

need approvals, talk to the body corporate and put your case forward early. Include rough timelines for the renovation, your plans for the property, any safety precautions you need to consider and note when noise disruptions may occur.

#### Make a project list

You may complete this step when you're putting together your budget. Make a list of all the parts of your rental property that you want to upgrade. The general rule of thumb is to spend approximately 3 to 4 per cent of the property's value on kitchen upgrades and under 1 per cent on the bathrooms. When you're thinking of the improvements on this list, consider what will give the property "wow factor" for potential tenants. And don't forget to budget 10 to 20 per cent for contingencies.

#### Be mindful of fixtures and fittings

A few careful decisions on fixtures and fittings can make all the difference when it comes to attracting quality tenants. Leave installing new carpets until the end of the renovations to ensure everything is in good condition and fitted properly. Further, any new kitchen benchtops should be heat, scratch and stain resistant. And don't forget to include plenty of power points around the property, especially in the kitchen, living areas and bedroom.

Renovating your rental property is a great way to increase the value of your investment, attract higher rental prices and ensure you find quality tenants. Remember, a tenant wants a blank canvas to work with when they move in, so keeping everything neutral and fresh is important and will pay dividends in the future.

Government has announced a new measures of moratorium 60-day freeze on evictions to eligible Covid-impacted residential tenant who cannot meet their rental payment. Government also provides financial support for landlord who agree to provide rent relief for Covid-impacted tenant up to \$1500 per tenancy agreement or Covid-19 land tax benefit. Please engage with your accountant if you are qualified.



Hendra Wijaya  
Principal

### RECENT RENTALS

659 Anzac Parade, Maroubra 5 Bed 3 Bath 1 Parking	\$1150 pw
523/2 Lachlan Street, Waterloo 3 Bed 2 Bath 1 Parking	\$700 pw
A410/9 Kent Road, Mascot 1 Bed 1 Bath 1 Parking	\$550 pw

### FOR SALE



G01/10-12 Green Street, Maroubra  
1 Bed | 1 Bath | 1 Car  
Contact agent for price guide



6/59-65 Chester Avenue, Maroubra  
1 Bed | 1 Bath | 1 Car  
Contact agent for price guide

# What is a **Vacancy Rate** and why is it important?

The term 'Vacancy Rate' is heard quite a lot in property talk – but surprisingly few people actually know what it is or how to calculate it.

The vacancy rate of a suburb or area is the percentage of properties that are vacant, out of the total number of rental properties.

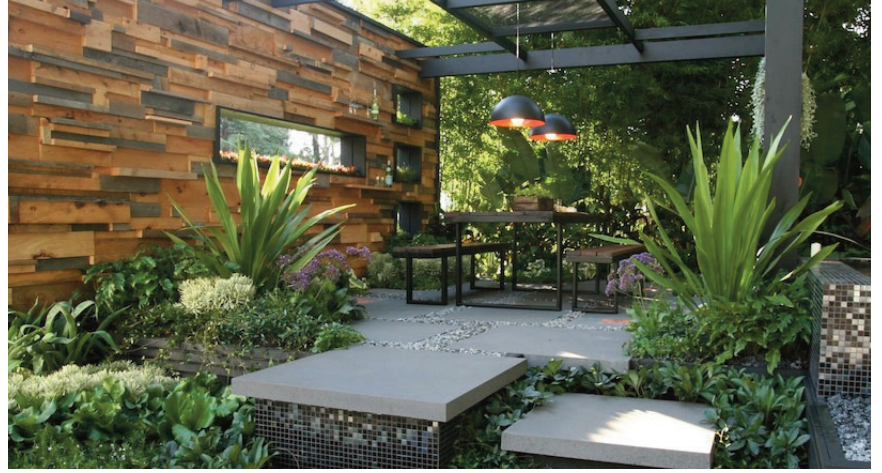
## Simple, right?

In general, the vacancy rate across many larger cities and towns would vary around 3%. This amount is regarded as a healthy market, or 'equilibrium'. This means that there are enough vacant properties for tenants to move into, but not too many to create a glut of vacancies and bring the prices down.

If we now consider the vacancy rate for an individual real estate agency, the goal is always to beat the average – that is, to strive for a vacancy rate under the industry average. This shows that the agency's processes, marketing, communication, and efficiency is ahead of the competition. Above all, it means rental money in their Landlords' pockets.



THE VACANCY RATE ACROSS MANY LARGER CITIES AND TOWNS WOULD AVERAGE AROUND 3%



## “Tenant friendly” **garden design**

Not only does a garden give a home curb appeal and create a sense of tranquillity in a backyard or courtyard, but it can be another feature that attracts prospective tenants.

While a beautiful garden can attract quality tenants, you need to make sure the garden is easy for people who don't have the greenest of thumbs. Ideally, green spaces and gardens at your rental property should be eye-catching, easy to maintain and cost-effective. In this article, we outline some tips to ensure your garden is tenant friendly.

### Keep the garden low maintenance

Tenants are more likely to look after a garden if it's easy to manage. This means you should go for low- maintenance plants that thrive in the climate where your property is located. Think hardy tropical plants in warmer areas such as Queensland and leafy trees or easy-flowering plants for cooler climates such as Melbourne. And if you haven't yet planted a garden at your property, or you're making some updates, be mindful of areas where plants and trees generally don't grow very well.

### Pick hardy plants

Tough plants are perfect for a tenant-friendly garden. These may include lilly pilly trees, magnolias, willow myrtle, bottle brush and star jasmine. If you're unsure which, hardy plants would be best for your location and garden, speak to someone at your local nursery who can help point you in the right direction.

### Create an edge to garden beds

No, not a funky or gothic edge — a literal edge. Trimming the edges of the grass can be a tough task if you're not handy with a whipper snipper. You can remove the need to trim grass edges by lining garden beds with bricks, pavers or PVC edging material. Something that looks neat and is easy to keep clean and clear is a great option.

### Prevent weeds with mulch

Weeds grow easily when there's space to fill. Prevent weeds from growing by adding a layer of mulch around your garden beds and large pots. This solution is cost-effective and makes your gardens look tidy and presentable. You could schedule regular mulching with other maintenance tasks around your property to keep the gardens looking tidy and fresh.

### Be mindful of water

Choosing plants that don't require much water is also a good option, especially in drought-prone areas. Again, talk to your local nursery and share details about your property's soil type and location to make sure your garden isn't just tenant friendly but water-wise too.

Providing a garden in your rental property is a great way to improve the appeal of your property. If you're planning some updates to your gardens or are thinking of adding one at your property, follow the tips above to make sure your garden is easy to keep green and tidy all year round.