



Brisbane Property

sales@hsbrisbaneproperty.com.au
www.hsbrisbaneproperty.com.au



HS Brisbane Property Pty Ltd

PO Box 15301
Brisbane City East QLD 4002
P (07) 3236 2488
M 0419 782 133
F (07) 3236 2599

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7 mistakes property investors make

Make your CBD investment property **work** for you by avoiding the most common landlord mistakes:

Mistake 1: Going it alone & not doing proper checks

Self-managing a property may seem like a huge money-saver but it can end up costing so much more in time and money, especially when things go wrong. Similarly proper checks are imperative, with the five biggest traps being: failing to ask for a bond; not having a proper lease in place; not completing a condition report; not fully understanding all the ins and outs of the Residential Tenancies Act; and entering the property without the proper entry notice.

Tip: don't just go with the cheapest property manager - choose one with a proven track-record of managing similar properties in that area and achieving high occupancy rates.

Mistake 2: Treating rental properties like hobbies

Your investment property is a 'business venture' - not a hobby - so treat it accordingly, with the right business people to help you along the way: accountant, various tradespeople, quantity surveyor, financial adviser and property manager.

Remember: these costs may also be tax-deductible.

Mistake 3: Doing things 'on the cheap'

Fixing and maintaining your property timely and properly ensures a) happy tenants b) happy property managers c) larger costlier problems may be avoided. 'On the cheap' usually ends up being way more expensive in the long-term!

Mistake 4: Not knowing your market

What you may 'think' your property is worth renting for, and what the market is currently paying may be wide apart. Research and know your target market, and know what's happening in the market. Be careful not to price your rent too high or too low. Also find out what tenants are wanting and prepared to pay for in terms of fittings, features & more.

Mistake 5: Not having a depreciation schedule

Ensure you are able to claim all the tax deductions possible on your property, and for this a depreciation schedule is essential - not just for new but also established properties. **Tip:** get an experienced quantity surveyor to prepare a professional depreciation schedule for your investment property as previous owners' schedules are not accepted by the Australian Tax Office.

Mistake 6: Thinking like an owner occupier

It's a trap that even the most seasoned investors can find themselves falling into. Learn to be ruthlessly objective, and be careful not to over-capitalise on renovations/refurbishments. **Example:** spending more on top-quality new tiles instead of carpet may make it look a bit 'nicer' - but will a tenant be more likely to fork out more rent for it??

Mistake 7: Having insufficient insurance

Check that you have sufficient landlords and replacement cost insurance in place - don't wait til the damage is done.

(Source: 'Top 10 Landlord mistakes', Caroline James, Australian Property Investor; Louise Moeller: Marketing, HS Brisbane Property)

Hot Property Pick of the month ...



Skyline 30 Macrossan St, CBD
194sqm of luxury; 3bedrooms
media-room 2car **\$1.35Mill**



Aurora 420 Queen St, CBD
Lasting River views; well-
designed 2bed car **\$539,000**



Felix 26 Felix St, CBD
Spacious, stunning 96sqm
2bed 2bath car **\$570,000+**

Regards,



Hannah Schuhmann
Principal

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