



CAIRNS
FRONT
DOOR
REALTY

391 SHERIDAN



Putting "Real" back into Real Estate

choosing the
ultimate
investment
property



and attracting
the **perfect tenant**
in the process

When looking into expanding your property portfolio, it is essential to develop your own investment strategy - what works for someone else may not work for you!

Look for Value

Most people will want their properties to be **high yield** – so use sites like RPData.com.au and RealEstate.com.au to get information about suburb yield and capital growth. Your Property Manager can also give you advice about the **demographic** of the suburbs they cover and what type of rental property is most popular.

Just as important as location is **timing** – check the local council newsletters and zoning studies to be in the know. E.g. is that run down park across the road going to turn into a shopping centre, or is the council planning a beautiful recreation area? This will have an impact on the price and rental value of all surrounding properties.

Also be aware that the older the property, the higher the maintenance costs will be so adjust your budget accordingly.

Add Bells & Whistles

Last but not least, you need to understand what attracts those so called 'perfect' tenants. Here are a few bells and whistles that can improve your prospects.

Aesthetics always rate highly with full time workers, and they are often prepared to pay more for the things listed below.

While a view isn't always possible, you can make the **window** attractive with modern blinds or curtains – easy to find and cheap at Target or Freedom.

A **balcony** or **outside space** and a **pool** and **gym** will appeal to hard working (and often high earning) tenants who want everything at their fingertips

Lighting can also provide the differentiating point for a property, moving it from average to spectacular. Dimmers and wall sconces create a warm, modern atmosphere, and a trip to Bunnings and a couple of hours with an electrician will do wonders, both for the property and for the end rental price.

Finally, if you are thinking of expanding your portfolio it is well worth sharing your objectives with your current Property Manger - they might just have the perfect opportunity!

SUE SAYS.....

4 financial tips for expanding your portfolio



1. Tailor your loan to your investment strategy

While this sounds like common sense, many borrowers use the same provider for every loan because of the convenience, but could be paying for loan features they don't need. Also think about interest only vs. principal and interest options. Interest only loans could work for you if you want to pay more off your own residence and realise value through capital gains for the investment property.

2. Expect the unexpected

Be aware that the rent amount may not always be enough to cover unplanned expenses like interest rate rises or new hot water systems. It is essential to have a contingency amount set aside so that when these costs come up, you can still cover your mortgage. It is also a good idea to create an additional savings plan which will allow you to expand your portfolio again in five years or make extensive additions to the current property.

3. Help your Property Manager work with you not against you

This could be a date you would like to receive funds so it lines up with your mortgage repayments, a preferred method of communication, how you would like the garden cared for or how you want the process for approving maintenance to proceed. Make sure these requirements are part of your Managing Agency Agreement.

4. Conduct a sales appraisal each year

Owning an investment property is all about ensuring the capital investment grows. The best way to find out if your investment is working for you is to have an annual sales appraisal. We can arrange this for you at no cost. Further we can provide you with ideas about what you can do to your investment to assist its maximum potential for growth.



Juliette



Sue

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While every effort has been made to ensure the accuracy and completeness of the information, no guarantee is given nor responsibility taken by Cairns Front Door Realty



Rent up or down?

Rental rates in capital cities increased by an average of \$133/week for houses & \$132 for units between August 2005 & February 2010.



Reverse the direction of your ceiling fan for winter so it pushes all the warm air back down – this will keep you cosy & reduce heating costs!



Shop online to save time and money. It's now a lot quicker and easier to search around for a bargain from the comfort of your couch, rather than traipsing from shop to shop. There are also sites like shopfree.com.au and hotdockets.com.au where you can find discount docketts as well as free offers and competitions.

Did you know...

The word "queue" is the only word in the English language that is still pronounced the same way when the last four letters are removed.

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