

# COMBINED PROPERTY RENT

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

## FROM OUR PROPERTY MANAGEMENT TEAM



### Do you need a holiday or time out?

Did you know that if you have to travel to your property or are an interstate or overseas owner – visiting your rental property can be a tax deduction as well as an opportunity to take some time out.

For detailed information on the tax benefits and to find out what you can claim, please contact your accountant or the ATO.

If you would like to inspect your property, it is important to let our office know so that we can issue the appropriate notices to the tenant to allow you access.

**IMPORTANT:** This is not advice. Clients should not act solely on the basis of the material contained in this newsletter. Items herein are general comments only and do not constitute or convey advice per se. Every effort is made to ensure the contents are accurate at the time of publication. Clients should seek their own independent professional advice before making any decision or taking action. We take no responsibility for any subsequent action that may arise from the use of this newsletter.

## What is your net rental yield return?



*When buying or owning investment property, one of the important figures to look at is the net return on the money you've invested, also known as the net rental yield.*

Many investors will take the return on their money into consideration when determining where they will invest.

Does one particular property show a better return than another? How does investing in property compare with bank interest returns?

When considering the returns on an investment property you also need to look at the long-term capital growth. The property may have a lower short-term return (income), however, provide a higher long-term return (capital growth), which can often give you a far greater opportunity for making money.

### HOW DO YOU CALCULATE YOUR RENTAL NET YIELD RETURN?

A simple example:

Purchase Price: \$623,000

Weekly Rent: \$700 X 50 weeks  
(Allow for a vacancy factor)

Gross Total Rent: \$35,000

Less Expenses: \$ 10,000  
(E.g. Maintenance, insurance, management fees, cleaning, interest costs, depreciation)

Net Rent: \$25,000

$\$25,000 / \$623,000 \times 100$

**Net rental yield return = 4.01%**

For a detailed more accurate return on your property that takes all expenses and depreciation into consideration, we recommend that you speak with your accountant or financial advisors. ■

## IN THIS ISSUE

- Calculating net yield returns
- How does 'Excessive Hardship' affect you and the tenant?
- Properties Recently Rented



## How does 'Excessive Hardship' affect you and the tenant?

In most States of Australia there are provisions under the Residential Tenancies Act to terminate a tenancy agreement based on excessive hardship.

Terminating an agreement under excessive hardship is available to the tenant and the landlord.

If either party does not mutually agree to terminate the Agreement, an application will need to be submitted to the Court/Tribunal for the Magistrate/Referee to make a decision.

Then, if the Court/Tribunal is satisfied that the party would suffer excessive hardship if the Agreement is not terminated, it has the discretion to do so.

Each claim for relief on the grounds of excessive hardship under the Act requires consideration of the particular circumstances in each case.

While the Act does not clearly define what is considered excessive hardship, the following may assist in identifying the circumstances:

- A tenant is made redundant or loses their employment and cannot afford the rent
- A tenant is injured, resulting in them being unable to use or freely move around the property – i.e. a second level

- A tenant has a mental illness that requires them to be cared for away from the property
- A landlord is receiving interest payment penalties due to late payments of rent by the tenant
- A landlord has an excessive hardship circumstance arise that requires them to return to their property.

The situations that can arise that are considered excessive hardship can be endless, and each claim would be heard on its individual circumstances.

In all of these scenarios it is important to be aware that the party requesting the Agreement to be terminated for excessive hardship must submit an adequate case and evidence to substantiate the claim. ■



## We want to delight you with our service

Our goal each day is to work towards delighting you with our professionalism and service.

If you feel that you are not receiving the attention, level of professionalism and service from any member of our team, please contact our office so that we can rectify the situation for you.

We want to be known as a company that is full of solutions, not excuses!



## Some Recently Rented Properties!

*Keeping you updated on the local rental market*

### HOUSES

4 Bedrooms, 2 Bathrooms in Paddington - \$650.00 week.

Huge. 5 Bedrooms, 2 Bathrooms in the Grange - \$600.00 week

4 Bedrooms, 1 Bathroom in The Gap - \$420.00 week.

### UNITS

Stylish 2 Bedroom, 1 Bathroom in Ascot - \$380.00 week.

### TOWNHOUSES

3 Levels, 2 Bedrooms, 2 Bathrooms in New Farm - \$520.00 week. Awesome!



## Our Business is growing and so is our Team!

This month we welcomed two new members to the Team.

Charles Koegelenberg and Maggie Harcombe.

Charles joins Justin and Joel in the property management team and Maggie joins Amy and Linda in reception and administration.

Charles and Maggie, along with the rest of the Team are here to help.

*I hope you enjoyed our newsletter.*

*If there is a particular subject you would like covered in future editions please let me know. I can be contacted on + 61 7 3366 8822 or [john@combinedpropertyrent.com.au](mailto:john@combinedpropertyrent.com.au)*

*Regards, John Patterson*

**Communicating with our landlords and tenants can be just a click away. If you are not receiving your end of month statement or general correspondence from our office by email, please contact us today to update your email address. [contactus@combinedpropertyrent.com.au](mailto:contactus@combinedpropertyrent.com.au)**