



# Tips about property management

The goal of any investment plan is to create a passive income.

Rental income is an example of passive income and has proved itself as a safe and secure way to achieve financial freedom.

You should always discuss your financial goals with your accountant or financial adviser before starting out on an investment plan. It's a really good idea to have a team around you that understands your financial goals.

Here are some tips about getting the best property management.

The aim of purchasing an investment property is for it to provide you with a vehicle for producing wealth. It should never be a worry or a problem. How do you ensure this is the case?

## Self-management

Some people believe that they can save themselves money by managing their investment property themselves. This may be true in the short term. However, in reality, do you have all the resources, knowledge and support available to do the job properly? Managing the property yourself may prove to be a false economy, but if you have the time and inclination, the choice is available to you. You will need to:

- advertise your property for rent
- conduct inspections
- choose the tenants
- choose the tenancy period
- enter into a written residential tenancy agreement
- arrange payment of the security bond
- receive and deposit the security bond
- provide a property condition report
- provide tenants with documentation prescribed in your state
- ensure the property meets legal requirements, for example, ensure smoke alarms are installed
- conduct inspections
- resolve tenancy issues
- maintain the property on the inside and outside and respond to tenants' queries and emergency repairs
- invoice for service charges such as water rates (if applicable)
- ensure the property is insured, especially landlord insurance
- chase outstanding rent.

**Hint:** Look at renting out your property and managing it yourself as running a small business and your tenants as your customers.

To find out if you're eligible for the FHOG and how to apply visit these government resources - [www.firsthome.gov.au](http://www.firsthome.gov.au)

## Appointing a property manager

If the idea of dealing with tenants is not for you, consider engaging a professional property manager.

They must be:

registered real estate sales representatives operating under the supervision of a licensed real estate agent who is in charge of the agency.

Consider the following factors when choosing a property manager:

- their experience in property management. Ask about their current portfolio and the types of properties they manage
- their approach to managing your property, for example, the frequency of inspections, and how they advertise for and choose the right tenant
- the property manager's manner in dealing with people
- how they collect rent and pay accounts such as water and council rates
- what and how often they report to you, especially providing you with financial statements
- whether they would appear in court on your behalf in any disputes with tenants
- the fees charged and what they include.

**Hint:** As soon as you settle on your investment property, arrange for an insurance policy to ensure you are covered should something happen to the property.

If your property is strata-titled, the building may be covered by the body corporate insurance policy.

Landlord insurance will cover you for loss of rent, rent default and tenant theft, property damage, household contents and public liability. The policy is inexpensive to take out and no property investor should be without it.

# How Horizon Property Alliance can help

The team at Horizon Property Alliance possesses an in-depth understanding of the property market. They bring a powerful combination of experience and professionalism to their clients.

Our mantra is about customer service.

We work with you and your financial advisors or will introduce you to highly skilled experts who will nurture you through the process. It's your choice.

We start by spending time with you to understand your financial goals and personal dreams. We choose the best property to suit your circumstances and educate you on the whole process.



## Get in touch

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