

June 2023

# Landlord

NEWSLETTER

**WHAT  
LANDLORDS  
SHOULD  
KNOW**

**HOUSING MARKET**



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# What Do Your Strata Levies Include? QLD

## Firstly, it's important to understand what Body Corporate levies are.

Paying levies or contributions is a fundamental necessity of living in a strata scheme. Macwell can take the stress away and pay them on your behalf to make the process easier. When sharing a building and common property with multiple owners it is only fair that all contribute to the upkeep and the running of the Body Corporate.

As a landlord in a strata scheme, you will receive contribution notices outlining amounts you are required to pay and what funds they contribute to. The notice commonly has up to three funds listed:

1. Administrative Fund
2. Sinking Fund
3. Insurance Contributions

You might be thinking, what does this mean? Where does my money actually go?

The simple answer is into your Body Corporate bank account. Whilst SSKB facilitates this, the levies are not SSKB fees. Our fees are only a small portion of your levies. Let's go into more detail on this.

## What do Strata Levies cover?

Strata levies cover expenses incurred in maintaining and managing strata properties. These expenses generally include:

1. Maintaining and repairing all things inside and outside of the strata building that are not the responsibility of a landlord.
2. Upkeep of common areas such as, gardens and lobbies. This can also include fees paid to cleaners, gardeners, pool and window cleaners.
3. Regular inspection costs to ensure the safety of the building and its infrastructure is up to standard eg. fire alarms, lifts, water pumps, fire doors.
4. Management and professional fees paid to strata managers, accountants, building managers.
5. Residential strata insurance to cover loss or damage to common areas, personal injury and liability.
6. Power and water costs to supply common areas and shared facilities. Occasionally internet, phone or gas expenses are also incurred.



## What does the Administrative Fund cover?

Every Body Corporate is required to have an administrative fund if it is registered under the standard schemes module.

Your administrative fund contributions cover:

1. The day to day running costs of the Body Corporate,
2. The general maintenance of common property
3. Body Corporate assets. This includes repairs and maintenance, caretaking fees, lift maintenance contracts, insurance and other service providers such as strata managers.

## What does the Sinking Fund cover?

Every financial year, Body Corporate Committees will prepare a sinking fund budget.

This is to ensure the sinking fund has sufficient finances to provide necessary and reasonable spending for the financial year for major capital works eg. painting. It is also necessary to ensure an amount is reserved to cover likely future spending for approximately 9 years after the current financial year. By building up funds this reduces the likelihood of having to ask lot owners to make a large, one-off payment via a special levy. However, this doesn't totally remove the possibility of this occurring. The overall purpose of the fund is to ensure the Body Corporate has 'savings' and does not need to impose significant levies on owners each time a repair or replacement is needed.

A proposed sinking fund budget must be attached with the AGM notice when it is distributed to lot owners every year. Most Committees will engage a professional report writer to produce this forecast.



[https://sskb.com.au/what\\_do\\_strata\\_levies\\_include\\_qld/?utm\\_source=SSKB+Owners&utm\\_campaign=19f7cd4ef2-](https://sskb.com.au/what_do_strata_levies_include_qld/?utm_source=SSKB+Owners&utm_campaign=19f7cd4ef2-)

[EMAIL\\_CAMPAIGN\\_2023\\_05\\_11\\_11\\_07&utm\\_medium=email&utm\\_term=0\\_19f7cd4ef2-%5BLIST\\_EMAIL\\_ID%5D](https://sskb.com.au/what_do_strata_levies_include_qld/?utm_source=SSKB+Owners&utm_campaign=19f7cd4ef2-)

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# 'A great time' for investors, so where are they?

*With skyrocketing rents and eye-wateringly low vacancy rates, it's not a great time to be a renter. But it could be a superb time to be a property investor.*

Tenant demand is high, rental prices are on the rise, properties are at low risk of sitting empty, rental yields are solid, and thanks to recent falls in purchasing prices, it's a buyer's market in many areas.

Yet investors have been noticeably absent from the party. Macwell can help you with your ideal nest egg.

## How do you read the market?

The value of investor lending for housing in February was down 32.6% over the year, according to Australian Bureau of Statistics data. Overall lending for housing was down 30.9%.

It's important to note that the lack of investors isn't the sole cause of our housing shortage; the blame falls more squarely on governments and a lack of construction (the number of dwelling approvals in February 2023 was down 31.1% from the year before). But investor presence helps to ease the crisis.

PropTrack economist Angus Moore says interest rates have been the biggest deterrent, with investors smashed by reduced borrowing capacity and higher mortgage repayments like everyone else.

## Opportunity for investors to cash in

The time could be now, experts say, with capital city vacancy rates still falling and rental prices still rising, and while housing supply is low and population growth is high.

A vacancy rate of 3% is considered optimal as a market balance between tenants and landlords, but capital cities registered a rate of just 1.43% in March 2023, down 55% from March 2020 and down 0.66% from March 2022, according to PropTrack data.

Overseas arrivals are expected to squeeze the market tighter, with 303,700 people moving to our shores in the year ending 30 September 2022, according to the ABS — and a higher proportion of them than the average population are likely to seek rental accommodation.

Meanwhile, advertised rental prices on realestate.com.au rose 2% nationally over the first quarter of 2023 to a median of \$500 per week, an increase of 11.1% over the past year and the fastest rate of rent growth since well before the pandemic.



# Tenancy agreements

A tenancy agreement (also known as a lease) is a legally binding, written agreement between a tenant and a property manager/landlord. An agreement must be used even if it is between family or friends. A tenant without a written agreement still has legal protection. A tenant must be given the tenancy agreement before paying any money or being committed to the tenancy. Macwell handles all of this on for you.

## General tenancy agreement (Form 18a)

A written agreement must always be used when renting, even if the person renting is family or a friend. It is a legally binding written contract that outlines the legal rights and responsibilities of a tenant and landlord.

It is the property manager/landlords responsibility to organise the agreement and give a copy to the tenant before they pay any money or commit to the tenancy.

### A tenancy agreement must include:

- the name and address of the tenant and property manager/owner
- the start and end date of the agreement (or state that it is periodic)
- how the tenant should pay rent and how much is to be paid
- contact details for nominated repairers
- standard terms (what the tenant and the property manager/owner can and cannot do)
- any special terms (these should be agreed in advance, e.g. who is responsible for pool maintenance)



## Signing the agreement

The Landlord must provide the agreement to the tenant on or before the day the tenant occupies the property under the agreement. The tenant must then sign the agreement and return it to the property manager/owner within 5 days.

The tenant should be sent a copy within 14 days of the property manager/landlord receiving the original.

The tenant must also be given a copy of the Pocket guide for tenants – houses and units (Form 17a).

The Pocket guide for tenants - house and units (Form 17a) is for tenants who live in houses, flats, units, townhouses and houseboats. It includes information the tenant will need while renting and explains their rights and responsibilities under the law. This handy pocket guide covers the basics of renting, outlining a tenant's rights and responsibilities. This is for tenants who live in a house, unit, townhouse, or self-contained flat. It must be given to tenants by the property manager/owner before they sign a tenancy agreement or rent the property.



# Where Land Prices Rose and Fell Across South East Queensland

**The price of land continues to climb despite sales sitting below long term averages.**

The price of land has fallen by \$293,000 in one South East Queensland council region, but rose at twice the rate of inflation in others as interest rates and cost of living hit home. The price of land has fallen by \$293,000 in one South East Queensland council region, but rose at twice the rate of inflation in others as interest rates and cost of living hit home.

The median price of a plot in South East Queensland hit \$345,000 in the first three months of 2023, the Oliver Hume Quarterly Market Insights report, out Friday, found – a 12.1 per cent rise compared to the same time last year, up by \$37,700. But there were vast differences on the ground with dramatic annual falls of -33 per cent in Brisbane and -15.1 per cent on the Gold Coast, and a double digit pace in Moreton Bay (+14.9 per cent) and Ipswich (+14.3 per cent).

Brisbane's median land lot price went from \$888,000 in Q1 2022 to \$595,000 in Q1 2023, a difference of \$293,000, the report found.

That saw Brisbane LGA drop down to become the second most expensive place to buy land in SEQ, with prices now 68.9 per cent higher than five years ago. The Gold Coast, which also saw a double digit fall, dropping -15.1 per cent in the past year, is now the most expensive place to buy land in South East Queensland. The median price of a new block there was \$645,000 in the first quarter 2023, a figure that's 102 per cent higher than it was five years ago.



## The QLD Suburbs Where it's Almost Impossible to Find a Rental

**Brisbane's rental vacancy rate has more than halved since the start of the pandemic.**

The number of properties available to rent in Brisbane has more than halved since the start of the pandemic as the rental crisis worsens, new figures reveal.

PropTrack's Rental Vacancy Rate report for February, released today, reveals the city's vacancy rate is now the lowest on record at 1.3 per cent – plummeting a whopping 55 per cent since March 2020.

Getting a rental on Brisbane's northside is almost impossible, with the suburbs of Strathpine, Nundah, and Sandgate recording the tightest markets, all with vacancy rates of less than 0.9 per cent.

Demand for rental properties was strongest in Sunnybank in February, with the vacancy rate shrinking nearly five per cent to 1.8 per cent, followed by Rocklea and Mount Gravatt.

PropTrack senior economist Paul Ryan said house rentals in Brisbane lasted an average 14 days on realestate.com.au, but that number was fewer in certain suburbs like Strathpine where the vacancy rate was 0.75 per cent. In regional Queensland, the vacancy rate is slightly higher at 1.64 per cent, with the Burnett, Tablelands, and Darling Downs regions the worst for prospective renters. Central Queensland's Bowen Basin and the Cairns region saw the biggest fall in rental vacancy rates in the regions.



# Living in the property

All parties should be aware of their rights and responsibilities so they can make informed renting choices and help avoid problems during the tenancy.

## Entry to the property

When a tenant is renting a property or room, it is their home. The property manager/owner may need to enter for an inspection, repair or a viewing, but it is important that the tenant's privacy is respected. Know where you stand regarding [entry to the property](#).

The property manager/owner can only enter the property for a valid reason and if the correct notice has been given using the [Entry notice](#) (Form 9).

Entry must be between 8am and 6pm Monday to Saturday.

Entry is only permitted outside these hours, on a Sunday or public holiday if the tenant agrees.

General inspections

The property manager/owner must specify a time, or 2-hour window, for a general inspection and must enter the property within that time.

This timeframe does not apply to other people (e.g. tradesperson or a property valuer).

When an entry notice is not required

- In an emergency
- If the property manager/owner believes entry is necessary to protect the property from damage about to happen
- If the tenant verbally agrees with the entry, and
- To carry out site maintenance in a caravan park (if specified in the tenancy agreement)

## Fixtures and structural changes

Getting approval. The tenant can only attach a fixture, or make a structural change, if the property manager/owner agrees.

Requests for approval should be in writing and should describe the change and if the fixture will be removed. It can be included as a special term in the tenancy agreement.

Any written agreement must:

- detail the type of fixture to be attached/installed
- include any agreed terms
- specify if the tenant can remove the fixture
- if removal is agreed specify when and how it is to be done
- if there is damage during removal specify how it will be repaired and if compensation will be paid
- if removal is not agreed specify compensation to the tenant for any improvement made to the property

## Routine inspections

Routine inspections are carried out to ensure the property is well cared for by the tenant and to check if there are any repair, maintenance or health and safety issues. The first routine inspection can be carried out at any time after the tenancy agreement has commenced, providing that the property manager/owner has provided a minimum 7 days' notice for entry, using an [Entry notice](#) (Form 9).

A routine inspection is not a housework inspection; the person inspecting the property should appreciate that people are living there. However, the tenant should have the property in good condition on the day of inspection and a list of items to consider is set out below.

As part of the maintenance inspection inside and outside the rental property, property managers/owners may also:

- check for any water leaks, evidence of pests, damage or deterioration to the property
- ensure any inclusions and property fixtures are working
- look at any future maintenance items that may need to be addressed.

Timeframes for routine inspections

Routine inspections cannot be carried out more than once every 3 months (unless the tenant agrees in writing).

The tenant must be given a minimum of 7 days' notice for entry, using an [Entry notice](#) (Form 9).

Entry can be at a specific time or a property manager/owner can give a 2-hour window (e.g. entry to occur between 9-11 am).

# 4512/2 Carraway Street Kelvin Grove Qld 4059

This sensational apartment is perfectly positioned just outside the Brisbane CBD, in the "Village Centre" as part of popular Kelvin Grove. Only walking distance to Queensland University of Technology Kelvin Grove Campus (QUT), cafes, restaurants, a supermarket and pharmacy, and close by transport options for daily commuting.

Boasting a clever and unique design with an abundance of natural light, this contemporary residence is perfect for those who enjoy a feeling of space without compromising on ultra convenient lifestyle living.

Two generously oversized bedrooms lie within, each boasting their own peaceful outlook thoughtfully positioned over two levels. The result is a level of autonomy and privacy for everyone in the home, which is often sought but rarely found.

Expanding on the extensive benefits of living here, this superb, resort-style building also provides residents exclusive access to 25m swimming pool, fully equipped gym, Sauna, Quiet gardens and Barbeque facilities all within the secure complex.

The ideal template and location for those who love to be in the centre of it all - This is a rare and desirable opportunity to make your dream inner-city home a reality!

Some other features include :

- City Glimpses and walking distance to almost everything
- Modern kitchen with quality appliances and ample storage space
- Stylish Ensuite & main bathroom with dual access
- Air-conditioning in Living room + Main bedroom for comfort year round
- Brand new carpets in both bedrooms and hallways. Space saver laundry
- Secure car accommodation for one vehicle, with private lift
- Intercom system to front entry
- A stone's throw to Brisbane CBD, 15km to Brisbane Airport, just steps away from everything locals need.

Opportunities like this do not last long - Enquire today!

"Information contained on any marketing material, website or other portal should not be relied upon and you should make your own enquiries and seek your own independent advice with respect to any property advertised or the information about the property."

Disclaimer:

Compulsory prescribed no price marketing statement 'This property is being sold without a price and therefore a list of sales may be available but a price guide can not be provided. The website may have filtered the property into a price bracket for website functionality purposes.'





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property and keep  
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**3**

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watch your nest  
egg grow

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