

October 2023

Landlord

NEWSLETTER

**WHAT
LANDLORDS
SHOULD
KNOW**



macwell.com.au

Australia vs the rest of the world: How do our rental laws stack up?

It's been a wild ride for property investors over the past 6 years - from a cutoff of interest-only loans to threats of a negative gearing ban, to aggressive interest rate hikes, high property prices... and now, a spotlight on Australia's rental laws.

Ultra-low vacancy rates, high rent prices, strong demand, and a rising population have put rental markets across the country into a pressure cooker environment, and some are suggesting tighter rental laws could be partly to blame.

That's because these tighter rental laws only dissuade people from investing in property.



One of the most attractive advantages of being a property investor is control – you have full control over how you use and improve the asset. Tighter rental laws (those that favour tenants) reduce the amount of control investors have over their property - like the ones Victoria rolled out in 2021 and that Brisbane brought into effect this year.

They also increase the cost to run a rental property thereby reducing investment returns.

For example, calls to bring in rent freezes and controls have been used in other countries without much success.... in fact, sometimes they even make the situation worse.

As soon as there is a rent freeze and the return on investment starts falling – in some cases into the negative – landlords will cut back on what they consider discretionary spending. This can affect spending on maintenance because all other outlays are fixed. Houses are then allowed to fall into disrepair, leading to landlords selling up or withdrawing properties from the long-term rental market. While freezing rents would appear to be a simple method to increase rental housing affordability, the unintended consequences of any such move will have a long-term negative impact on the total availability of rental housing stock, reducing the quality of housing and increasing the black market in rental housing.

Whilst tighter rental laws have reduced investor demand (and therefore the number of rental properties available), I think it's only been at the margin so far. But any further regulation would most likely have a material impact on rental supply.

Tenants must be protected, but a healthy rental market is equally if not more important.

https://propertyupdate.com.au/australia-vs-the-rest-of-the-world-how-do-our-rental-laws-stack-up/?mailchimp=true&utm_source=Michael%27s+Daily+Commentary&utm_campaign=be4cccc56b-mailchimp-daily&utm_medium=email&utm_term=0_8ac08e5c4d-be4cccc56b-593971685

So what are Australia's rental laws...?



Rent increases

- How often a landlord can increase rent depends on what type of tenancy agreement you have - fixed or periodic - and also what state you're in. It can't be done during a fixed tenancy unless an increase is already written into your tenancy agreement.
- Rent increases can only occur once in a 6 or 12-month period, depending on which state you're in.
- Rental laws in almost all jurisdictions do not limit the amount by which rent can be increased, but landlords are generally required to explain how the rise was calculated.

Landlord access

- In most states and territories, a landlord must give between 7 and 14 days' notice if they want to enter a rental property. In Tasmania, only 24 hours is required.

Evictions

- No grounds evictions are either banned or are due to be banned in most states.

Pets

- In Victoria and Queensland, a landlord cannot unreasonably refuse a tenant's request to keep a pet.
- In NSW, landlords can refuse to allow tenants to keep an animal without providing a reason and apply a blanket no-pet rule when listing rentals.



<https://propertyupdate.com.au/australia-vs-the-rest-of-the-world-how-do-our-rental-laws-stack-up/>

mailchimp=true&utm_source=Michael%27s+Daily+Commentary&utm_campaign=be4cccc56b-mailchimp-daily&utm_medium=email&utm_term=0_8ac08e5c4d-be4cccc56b-593971685

RENT LAWS IN THE UK

Rent laws in the UK are similar to Australia and also differ depending on whether you're in England, Wales, Scotland, or Northern Ireland.

Typically, landlords can only increase rent on fixed-term agreements if the tenant agrees, and can only increase rent for tenants on periodic agreements once per year - increases also must be in line with the local market.

Landlords have to give 24-28 hours' notice to access their property and have to follow an official process in order to evict a tenant. When it comes to pets, tenants are generally able to have them on the property unless the tenancy agreements forbid it.



RENT LAWS IN THE US

Like Australia, rental laws in the US vary from state to state.

Some states have adopted part or all of the Uniform Residential Landlord and Tenant Act which states that a landlord is obligated to carry out repairs and provide at least 72 hours' notice if they want to inspect the property.

For evictions, landlords can only evict tenants if there has been a serious breach, and likewise, tenants can terminate their lease if the landlord hasn't met their obligations.

Rent control exists in some parts of the US - in New York, for example, the NYC Rent Guideline Board decides each year how much the price of rent for rent-stabilised units can increase.

For the remainder of apartments on the private market, landlords can decide what a fair increase is when the lease agreement ends. Rules about whether or not pets are allowed also differ by state.

https://propertyupdate.com.au/australia-vs-the-rest-of-the-world-how-do-our-rental-laws-stack-up/?mailchimp=true&utm_source=Michael%27s+Daily+Commentary&utm_campaign=be4cccc56b-mailchimp-daily&utm_medium=email&utm_term=0_8ac08e5c4d-be4cccc56b-593971685

A final note for investors



Rent rules in Australia might put some investors off investing in the market thanks to less control over their own investment property, but it's clear that our laws aren't out of kilter with the rest of the world.

In fact, in some cases, Australia's rental laws are looser, and give more control to landlords than in markets elsewhere. And as Australia's rules tighten still, now, more than ever, it's important to have a professional property manager in your corner.



https://propertyupdate.com.au/australia-vs-the-rest-of-the-world-how-do-our-rental-laws-stack-up/?mailchimp=true&utm_source=Michael%27s+Daily+Commentary&utm_campaign=be4cccc56b-mailchimp-daily&utm_medium=email&utm_term=0_8ac08e5c4d-be4cccc56b-593971685

The Significance of Comparative Market Analysis (CMA)

In the world of real estate, landlords play a crucial role as property owners and managers. Whether you own a single rental property or a portfolio of units, making informed decisions about pricing and strategy is essential. This is where Comparative Market Analysis (CMA) comes into play. This page explores the importance of CMA specifically for landlords and how it aids in maximizing the value of their rental properties.

Understanding Comparative Market Analysis (CMA):

What is CMA? Comparative Market Analysis (CMA) is a systematic evaluation of similar properties in a specific location to determine their market value. For landlords, CMA involves analysing rental properties with comparable features, such as size, location, amenities, and condition, to establish an appropriate rental price.

Importance of CMA for Landlords:

- 1. Accurate Rent Pricing:** Setting the right rental price is critical to attracting quality tenants while ensuring the property generates sufficient income. CMA helps landlords identify the optimal rent range based on the current market conditions and the rental rates of similar properties.
- 2. Attracting Quality Tenants:** A well-conducted CMA helps landlords offer competitive rental rates that appeal to prospective tenants. An accurately priced property is more likely to attract responsible and long-term tenants who recognize the value they're receiving.
- 3. Minimizing Vacancy Rates:** Properties that are priced too high might experience prolonged vacancy periods, leading to financial losses for landlords. By utilizing CMA to set competitive rents, landlords can minimize vacancy rates and ensure a steady stream of rental income.
- 4. Justifying Rent Increases:** If landlords plan to increase the rent for an existing tenant or a new lease, CMA provides valuable data to support the adjustment. Demonstrating that the proposed increase is in line with market trends can help landlords communicate the reasoning to tenants effectively.
- 5. Navigating Market Fluctuations:** The rental market can experience fluctuations due to economic conditions, seasonality, and local trends. Regularly conducting CMA allows landlords to adapt their pricing strategy to these changes, optimizing their rental income.
- 6. Investment Decisions:** For landlords considering purchasing additional properties, CMA offers insights into the potential rental income of comparable properties in the area. It assists in making informed investment decisions that align with financial goals.
- 7. Strengthening Negotiations:** Having a well-researched CMA report on hand empowers landlords in negotiations with tenants. It showcases that the rent is set fairly based on market data, helping to mitigate disputes and build trust.
- 8. Leveraging Professional Expertise:** Landlords who work with property management professionals can benefit from their expertise in conducting CMAs. Property managers have access to comprehensive market data and tools that enhance the accuracy of the analysis.

In the landlord's journey, accurate information is the cornerstone of success. Comparative Market Analysis (CMA) equips landlords with the insights needed to make educated decisions about rental pricing, attracting tenants, and optimizing rental income. By leveraging CMA's data-driven approach, landlords can confidently navigate the rental market, maximize property value, and create a more profitable and sustainable rental business.

Introducing Propic for Streamlined Maintenance

At Macwell Property we are continuously seeking ways to provide you with exceptional service that makes your experience as a landlord effortless and rewarding.

Introducing Propic for Streamlined Maintenance

To that end, we're excited to introduce you to Propic, an innovative platform designed to simplify the maintenance request-to-completion process for everyone involved—landlords, tradespeople, and tenants alike.

Here's how it works:

Detailed Reporting: Tenants can submit maintenance requests in a comprehensive manner, ensuring all necessary information is captured from the start.

Prompt Notifications: As soon as a request is made, you will receive both an SMS and an email, allowing you to approve or reject the request instantly.

Transparency and Control: You can track the status of each maintenance request in real-time, offering complete transparency and control over the process.

We're Still Here For You:

While we believe that Propic will bring numerous benefits, we want to assure you that our dedicated team remains just a phone call or email away. You're always welcome to reach out



Exclusive Summer Air-Conditioning Service Offer With Capital Electrical

As we approach the warmer months, we understand the importance of ensuring that your property's air-conditioning units are in optimal condition. That's why we've partnered with Capital Electrical to offer you a special Summer Ready Air-Conditioning Service.

Why Now?

- High Demand: Air-conditioning units tend to break down on the hottest days and during the holiday season when technicians and parts are in high demand.
- Peace of Mind: Avoid the stress and inconvenience of emergency repairs by being proactive.

Special Offer Details

- Standard Service: \$100+GST for the first unit
- Strip Clean & Service: \$200+GST for the first unit
- Add-on Bonus: Special pricing for additional units

What's Included?

- Filter clean
- System gas pressure check
- Pest inspection and barrier spray for the outdoor unit
- Cooling function system check

Recommendation

If the basic service reveals excessive mould, the technician will provide evidence and proceed with a complete strip clean.

We highly recommend this service to ensure your property's air-conditioning units are summer-ready and to avoid any potential issues during the peak season.

STANDARD SERVICE: \$100+GST FIRST UNIT	STRIP CLEAN & SERVICE: \$200+GST FIRST UNIT
<ul style="list-style-type: none">• Filter clean• System gas pressure check• Pest inspection and barrier spray of outdoor unit• Cooling function system check	<ul style="list-style-type: none">• Filter clean• System gas pressure check• Pest inspection and barrier spray of outdoor unit• Cooling function system check• Complete indoor unit strip clean, removing mould and fungus
✓ ADD-ON BONUS: Additional units ONLY \$50+GST*	✓ ADD-ON BONUS: Additional units ONLY \$125+GST*

Contact Capital Electrical to book in

Email: info@capitalelectric.com.au

Phone: 1300 516 021

<https://www.capitalelectric.com.au/>

JUST SOLD

13-17 Prince of Wales Court, Mundoolun

The property achieved an exception result after a strategic buyer marketing campaign.

4,072 Web views

78 Email and phone enquiries

14 Inspections

12 Written offers

\$179,000 added through buyer competition

Would you like to know what it sold for?

This high calibre property possesses stunning visual appeal, creating a resort style feeling which offers a stylish and relaxed entertainers lifestyle. Tucked away in a quiet cul de sac in a popular and desirable estate, this could soon be your own dream home situated in a slice of paradise.

Features include

- Sweeping 4230m2 allotment with both drive through and side access to perfectly curated open expanses of the grounds
- Stunning gourmet kitchen with butlers pantry + quality stone finishes and Euro appliances which allow you to cook up a storm, integrated with line of site to both internal and external spaces
- Sumptuous Master Suite with parents retreat, a designer walk in robe, and stylish ensuite
- Spectacular World Class undercover entertainment area with it's own outdoor kitchen for kicking back or hosting amazing events with family and friends
- Spacious family living areas, with large integrated Lounge, Dining, and Games rooms, plus separate Living area and a dedicated Study
- Secure garage parking for up to 3 cars, including drive-through access to rear with additional 2 bay 6m x 9m powered shed
- Serene 10 seater covered outdoor Spa with timber deck, and separate Sauna with outdoor shower to decompress in style
- Sub Tropical fruit, citrus & nut trees, established raised vegetable beds, a chicken coup & your own dam
- Still close to excellent local schools, a large shopping precincts, restaurants, cafes, parks, recreational facilities and access to major arterial roads
- Simply too much to list here ...

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.'





**GET STARTED WITH STRESS
FREE PROPERTY MANAGEMENT**

1

Create a
management plan

2

We manage your
property and keep
you in the loop

3

Sit back, relax and
watch your nest
egg grow

2/125 Old Cleveland Rd
Capalaba QLD 4157

07 3180 3209

service@macwell.com.au

macwell.com.au