

September 2023

Landlord

NEWSLETTER

**WHAT
LANDLORDS
SHOULD
KNOW**



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Understanding Interest Rates and Mortgages

When it comes to purchasing a home, one of the most significant financial decisions you'll make is choosing a mortgage. A crucial factor in this decision is the interest rate, which plays a pivotal role in determining your monthly payments and the overall cost of your mortgage. This information page aims to help you understand the relationship between interest rates and mortgages and how they can impact your financial situation.



Interest Rates: The Basics

What is an Interest Rate? An interest rate is the cost of borrowing money, expressed as a percentage. It is essentially the fee that lenders charge for allowing you to use their funds. When you take out a mortgage, you're borrowing a substantial amount of money to buy a home, and the interest rate is the amount you'll pay on top of the principal amount over the life of the loan.

Types of Interest Rates:

Fixed Interest Rate: With a fixed interest rate, your rate remains constant throughout the life of the loan. This offers predictability, as your monthly payments won't change. Fixed-rate mortgages are a popular choice for individuals who want stable payments and plan to stay in their homes for an extended period.

Variable (Adjustable) Interest Rate: A variable interest rate, also known as an adjustable interest rate, can change over time based on market conditions. Your monthly payments might increase or decrease, which can introduce more risk but might also provide opportunities for lower rates initially.

Mortgages and Interest Rates: The Connection

How Interest Rates Affect Your Mortgage: The interest rate on your mortgage has a direct impact on your monthly mortgage payments. Higher interest rates lead to higher monthly payments, while lower rates result in more affordable payments. It's essential to find a balance between an interest rate that fits your budget and the overall cost of the loan.

Total Interest Paid: The interest rate also influences the total amount of interest you'll pay over the life of the mortgage. Even a small difference in interest rates can add up to significant savings or expenses over the long term. Comparing interest rates can help you make an informed decision about the most cost-effective option.

Factors Influencing Interest Rates: Interest rates are influenced by a variety of factors, including:

- **Economic Conditions:** Rates tend to rise when the economy is doing well and fall during economic downturns.
- **Inflation:** Higher inflation may lead to higher interest rates to maintain the purchasing power of borrowed money.
- **Central Bank Policies:** Decisions made by central banks can impact short-term interest rates.
- **Credit Score:** Your creditworthiness plays a significant role in the interest rate you're offered. Better credit scores often lead to lower rates.
- **Loan Term:** Shorter-term loans may have lower rates compared to longer-term loans.

Choosing the Right Mortgage:

When selecting a mortgage, it's crucial to consider both the interest rate and the type of rate that aligns with your financial goals and circumstances. Take into account how long you plan to stay in the home, your risk tolerance, and your budget. Shopping around for different lenders and mortgage products can also help you secure the most favourable interest rate.

In conclusion, interest rates are a fundamental aspect of mortgages that can significantly impact your financial commitment when purchasing a home. Understanding the different types of interest rates and their effects on your monthly payments and total costs will empower you to make informed decisions that suit your long-term financial goals.

Please know Macwell Property & It's staff are not qualified to provide legal or financial advice & the reader should always get their own independent advice.

Domestic Violence and Tenancy in Queensland: Rights, Protections, and Support

Domestic violence is a grave and pervasive issue that affects individuals and families across Queensland. Recognizing the need to protect victims and provide support, Queensland has enacted specific laws and regulations to address domestic violence within the context of renting or tenancy agreements. This page delves into the crucial aspects of domestic violence in tenancies within Queensland, outlining the rights, protections, and support available for tenants facing such distressing circumstances.

Domestic violence, also known as family violence, encompasses a range of behaviors aimed at gaining control or power over a person within an intimate or familial relationship. It includes physical, emotional, psychological, financial, and sexual abuse, and can occur within various domestic relationships, such as between spouses, partners, family members, or housemates.



Rights of Tenants Experiencing Domestic Violence

- Domestic Violence Clauses:** Queensland's Residential Tenancies and Rooming Accommodation Act 2008 includes provisions to address domestic violence. Tenants experiencing domestic violence can apply to the Queensland Civil and Administrative Tribunal (QCAT) for an urgent hearing to modify their tenancy agreement under certain circumstances.
- Confidentiality:** Landlords are obligated to keep any information provided by tenants about domestic violence confidential, ensuring the privacy and safety of victims.
- Changing Locks:** Tenants may have the right to change locks or security codes to protect themselves and their dependents from abusive co-residents, subject to specific conditions.
- Termination and Rent:** Tenants facing domestic violence may be entitled to end their tenancy with reduced notice periods, which can provide them with the flexibility to leave unsafe situations promptly.
- Documentation:** To access these provisions, tenants may need to provide evidence of domestic violence, such as a Domestic Violence Protection Order or a court-issued order.

Protections for Tenants

- No Discrimination:** Landlords are prohibited from unreasonably discriminating against tenants based on their experience of domestic violence. This includes actions like eviction or refusing to renew a lease due to domestic violence.
- Temporary Changes:** Tenants may be allowed to make temporary changes to their tenancy, such as altering locks, changing contact information, or adding additional tenants for safety reasons.

Support and Resources

Tenants facing domestic violence in Queensland have access to a range of support services, including:

- Domestic Violence Support Services:** Queensland offers various organizations and hotlines providing immediate assistance, advice, and support to victims of domestic violence.
- Legal Aid:** Legal aid services can help tenants understand their rights and navigate legal processes related to domestic violence and tenancy.
- Community Organizations:** Several community organizations and advocacy groups can provide practical assistance, referrals, and emotional support to victims.

Queensland's commitment to addressing domestic violence within tenancy agreements is a significant step toward creating a safer and more supportive environment for victims. Understanding the rights and protections available under Queensland's specific laws and regulations is crucial for tenants facing domestic violence. By providing these legal provisions and support mechanisms, Queensland aims to ensure that victims can escape abusive situations while maintaining the stability of their housing. If you or someone you know is experiencing domestic violence in a tenancy situation, seek assistance from relevant support services and consider consulting a legal professional for guidance tailored to your specific circumstances.

Distinguishing Between Emergency and Non-Emergency Maintenance: Prioritizing Property Care

Maintaining a property is essential to ensure its safety, functionality, and aesthetic appeal. When issues arise, it's important to differentiate between emergency and non-emergency maintenance to address them promptly and effectively. This page outlines the key differences between emergency and non-emergency maintenance, their respective examples, and why timely response is crucial in both cases.

Emergency Maintenance: Responding to Immediate Hazards

Emergency maintenance refers to urgent and critical repairs that require immediate attention to prevent injury, further damage to the property, or disruption to daily living.

Examples of Emergency Maintenance:

- **Water Leaks:** Sudden and substantial water leaks that can cause flooding, structural damage, or electrical hazards.
- **Gas Leaks:** Any sign of a gas leak, such as a strong odour, should be treated as an emergency due to the risk of explosion or poisoning.
- **Heating or Cooling Failure:** Extreme weather conditions can make heating or cooling issues an emergency, especially for vulnerable individuals like the elderly or infants.
- **Electrical Problems:** Electrical issues that pose fire hazards, such as sparking outlets or exposed wires.
- **Broken Locks:** Security breaches caused by broken locks or compromised entry points.
- **Sewer Blockages:** Blocked sewage systems that can lead to sanitation issues and health hazards.

Importance of Prompt Response: Responding quickly to emergency maintenance is crucial for preventing injury, minimizing damage, and ensuring the safety and well-being of occupants. Property owners, managers, and tenants should have clear communication channels to report and address emergency issues immediately.

Non-Emergency Maintenance: Preserving Property Functionality

Non-emergency maintenance involves repairs and maintenance tasks that are not immediately hazardous but are necessary to maintain the property's proper functioning and overall condition.

Examples of Non-Emergency Maintenance:

- **Minor Plumbing Issues:** Dripping faucets, slow-draining sinks, or running toilets.
- **Cosmetic Repairs:** Minor aesthetic issues like chipped paint, scuffed floors, or loose tiles.
- **Appliance Malfunctions:** Non-urgent problems with appliances like a malfunctioning dishwasher or refrigerator.
- **Landscaping and Lawn Care:** Routine tasks such as mowing the lawn, trimming bushes, and maintaining the garden.
- **Routine Inspections:** Periodic checks to ensure all systems are functioning correctly and identify potential future issues.



Importance of Timely Response: While non-emergency issues might not pose immediate risks, addressing them in a timely manner prevents them from escalating into larger problems. Neglecting non-emergency maintenance can lead to reduced property value, increased repair costs, and tenant dissatisfaction.

Understanding the distinction between emergency and non-emergency maintenance is essential for property owners, managers, and tenants. Swift and appropriate action in response to emergencies can prevent accidents and minimize damage, ensuring the safety of occupants. Equally important is addressing non-emergency maintenance promptly to preserve the property's functionality, appearance, and overall value. By establishing clear communication and prioritization protocols, property stakeholders can ensure that both emergency and non-emergency maintenance needs are met effectively.

Understanding the Purpose of Rental Bonds in Tenancy Agreements

A rental bond, commonly known as a security deposit, is a crucial element of tenancy agreements that serves to protect both landlords and tenants.

It provides financial security and helps ensure responsible behaviour during the tenancy period. This page provides an overview of what a bond is, its purpose, how it is used, and the rights and responsibilities of both parties involved.

What is a Rental Bond?

A rental bond is a sum of money paid by the tenant to the landlord at the beginning of a tenancy agreement. The bond acts as a form of security for the landlord, serving as a safeguard against potential damages, unpaid rent, or breaches of the tenancy agreement.

Purpose of the Rental Bond:

- 1. Property Protection:** The primary purpose of a rental bond is to protect the landlord against any damages that might occur during the tenant's occupancy. It provides financial compensation for repairs and maintenance required beyond normal wear and tear.
- 2. Unpaid Rent:** In cases where tenants fail to pay rent as agreed upon in the tenancy agreement, the bond can be used to cover the outstanding rent.
- 3. Breaches of Agreement:** If the tenant breaches any terms of the tenancy agreement, such as causing excessive noise, violating pet policies, or subletting without permission, the bond can be used to address these violations.
- 4. Cleaning Costs:** The bond can be used to cover costs associated with cleaning the property to the required standards at the end of the tenancy.

How is the Rental Bond Used?

The rental bond is typically held in a separate account by a relevant government agency or in QLD it is the RTA. It is not part of the landlord's regular funds. The bond is returned to the tenant at the end of the tenancy, provided that there are no issues requiring deductions. If there are deductions, both parties need to agree on the amount and purpose of each deduction. In case of disagreement, mediation or legal recourse may be necessary to resolve the matter.

Tenant's Rights and Responsibilities:

Tenants have the right to know the conditions under which the bond can be used and the reasons for any deductions. They also have the responsibility to maintain the property in good condition and adhere to the terms of the tenancy agreement to avoid unnecessary deductions.

Landlord's Rights and Responsibilities:

Landlords have the right to use the bond for legitimate purposes such as repairs, cleaning, or unpaid rent. However, they are also responsible for providing tenants with a detailed inspection report and supporting evidence for any deductions made from the bond.

A rental bond is a crucial component of tenancy agreements that benefits both landlords and tenants. It safeguards the property's condition, ensures tenants fulfill their obligations, and provides financial security for the landlord. Open communication and a clear understanding of the bond's purpose and usage can help foster a positive landlord-tenant relationship and contribute to a successful tenancy experience.

Selling an Investment Property with a Tenant Under a Fixed-Term Lease: A Guide for Landlords

Selling an investment property while it is occupied by a tenant with a fixed-term lease requires careful planning and consideration to ensure a smooth transition for all parties involved. This situation introduces unique challenges, as you must balance your responsibilities as a landlord with your desire to sell the property. This page outlines the steps to take when selling an investment property with a tenant under a fixed-term lease and offers insights on how to navigate this process effectively.

- 1. Review Lease Agreement:** Carefully review the terms of the tenant's fixed-term lease agreement. Take note of the lease duration, termination clause, and any provisions related to selling the property. Familiarise yourself with the notice period required for non-renewal or termination.
- 2. Open Communication:** Open and honest communication is key. As soon as you decide to sell, inform your tenant about your intentions. Provide them with an understanding of the process and assure them that their rights will be respected throughout the sale.
- 3. Understand Tenant Rights:** Tenants under a fixed-term lease have the right to remain in the property until the lease expires, even if ownership changes. Their lease agreement remains valid, and their rights are protected by law.
- 4. Discuss Options:** Engage in a conversation with your tenant about the sale. Discuss options such as:
Allowing showings to potential buyers while respecting the tenant's privacy and schedule.
Offering incentives, such as rent reductions, for their cooperation during the sale process.
Exploring the possibility of selling the property to an investor who intends to honour the existing lease.
- 5. Cooperation During Showings:** If your tenant agrees to allow showings, work together to establish a schedule that minimally disrupts their routine. Provide advance notice for showings and respect their privacy by coordinating visits at reasonable hours.
- 6. Provide Incentives:** Consider offering incentives to your tenant for their cooperation, such as covering moving costs or providing a discount on rent. This can foster goodwill and make the transition smoother.
- 7. Explore Lease Termination:** If your tenant is willing to vacate before the lease expires, discuss lease termination options. You might need to compensate them for the inconvenience.
- 8. Market the Property Strategically:** When marketing the property, highlight its potential as an investment opportunity to attract buyers who may be interested in maintaining a tenancy. This could appeal to investors seeking an income-generating property.
- 9. Consult Legal Counsel:** Consult with a conveyancer familiar with local landlord-tenant laws to ensure you follow the correct procedures and adhere to all legal obligations during the sale.
- 10. Buyer Communication:** When negotiating with potential buyers, communicate the presence of a tenant and the terms of their lease. This transparency ensures that buyers are well-informed before making an offer.

Selling an investment property with a tenant under a fixed-term lease requires a delicate balance between landlord and tenant rights. Open communication, respectful cooperation, and adherence to legal obligations are crucial. By considering your tenant's perspective and working collaboratively, you can navigate the sale process while maintaining a positive landlord-tenant relationship and ensuring a successful transition for all parties involved.

In times where demand from investors are low, it may be more beneficial to hold on to the property & wait to sell when you have vacant possession.

Feel free to call us for free advice or a free appraisals.



Sold This Year



30 Linda Street Birkdale

- 105 Enquiries
- 18 Buyer Inspections
- 4 Offers
- 16 Days List to Contract
- \$725,000



23 Kunden Street Thornside

- 97 Enquiries
- 22 Buyer Inspections
- 4 Offers
- 9 Days List to Contract
- \$695,000



4 Conondale Place Capalaba

- 112 Enquiries
- 14 Buyer Inspections
- 7 Offers
- 9 Days List to Contract
- \$775,000



26 Nereid Street Capalaba

- 43 Enquiries
- 70 Buyer Inspections
- 8 Offers pre Auction
- 22 Days List to Contract
- \$660,000



22 Mooroondu Road Thornside

- 31 Enquiries
- 59 Buyer Inspections
- 4 Offers pre Auction
- 24 Days List to Contract
- \$825,000



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