

Portfolio

June 2011

PROPERTY
MANAGEMENT
NEWS

Noisy tenants could be a thing of the past!

Party time – student parties, 21sts, late-night barbecues, free-for-all parties that get out of control . . . Landlords had better beware of tenants who like to party on a regular basis, particularly if they have received numerous complaints from neighbours about the noise.

In a landmark ruling, a magistrate has found a landlord to be in breach of a noise-abatement order. The landlords, owners of more than 100 rental properties, have been fined for the actions of their rowdy, partying tenants.

In the past, landlords have been able to ignore complaints from other residents about noisy neighbours and pass it back to the tenants or ask the tenants to keep it down, with no fear of reprisal. However, in a rare move a magistrate has decided that enough is enough and served the noise-abatement order on the landlord, rather than the tenants.

This is great news for the neighbours, the Whittlams (a 71 year old mother and 41 year old son who lived below the unit in question), who claimed they suffered five years of noisy, transient partying tenants who allegedly shouted,

sang at night, slammed doors, played soccer at 2am, swore and played loud music on a regular basis. But the news is not so good news for landlords who may now have to wear the costs of unruly tenants.

Anyone breaching a noise-abatement order can face fines of up to \$5500 as well as charges of contempt of court that could lead to jail terms.

The magistrate found that the landlords were responsible because they could in fact control who they rented their properties to, and could also renovate the property to make it less noisy.

Colin Grace, of Grace Lawyers, whose firm represented the Whittlams, says this was a landmark decision. "It means if a landlord has been told about a problem with their tenants but does nothing about it they effectively 'adopt' the problem and are responsible for it."

Looking on the bright side, there are always plenty of good, quiet tenants who are desperate to find good accommodation!



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cooper
Real Estate

What you can and cannot claim in your tax returns for your rental property.

Tax time can often be confusing for landlords. Below is a list of claimable and non-claimable items:

- Capital works deductions – extensions, alterations and structural improvements can be claimed but not the land itself as this is subject to capital gains tax.
 - Some depreciating assets can attract a tax deduction such as curtains, blinds, dishwashers, fridges, stoves, televisions and hot water systems. (The tax office has compiled a full list of depreciating assets on their website.)
 - Repairs such as replacing guttering due to storm damage or repairing electrical equipment. Maintenance such as painting, oiling, cleaning or maintaining plumbing are all deductible. Check the ATO website as there are certain time frames in which these claims can be made. Also, please note these are only claimable during the period that the property is actually rented out.
 - Interest on a loan for capital improvements is tax deductible but only for that portion used for improving the property.
 - Travel to and from your rental property for inspections is tax deductible as long as this is the sole purpose of your trip.
 - Holiday lettings are tax deductible unless they are used by you or your friends free of charge. This will need to be declared as a non-deductible period on your tax return.
 - Borrowing expenses of over \$100 are tax deductible and should be spread over a five year period or over the term of the loan. These include stamp duty on the mortgage (but not on the transfer of the property title); loan establishment fees; title search fees; costs for preparing and filing mortgage documents; mortgage broker fees; valuation fees; and lenders mortgage insurance.
 - Legal expenses are not claimable on the purchase or sale of your property such as solicitors' fees but you can claim the cost of preparing a lease agreement or evicting a non-paying tenant.
 - Other smaller items that are deductible include advertising costs; body corporate fees that apply; council rates including sewerage and water; gardening and lawn-mowing costs; insurance (such as landlord insurance); pest control; property agent fees or commissions; office supplies; phone; and water charges.
- It is important to keep accurate records of:
- Any rental income you receive;
 - Any deductible expenses you pay;
 - Proof of ownership of the property;
 - Purchasing costs;
 - Sale costs.



Natural disasters and the tax man

Did you know that the Australian Taxation Office has offered assistance to people affected by natural disasters? The ATO will assist by making special arrangements for those who are unable to meet their tax obligations, such as:

- Speeding up the refund process.
- Allowing you extra time to pay debts without interest charges.
- Allowing you extra time to meet BAS and other lodgement obligations without penalties.
- Estimate your tax if your documents were destroyed in the disaster.
- Assist you to claim hardship concessions.

For more information visit the website www.ato.gov.au or call on 1800 806 218.

For Sale



6 Lancaster Way, **Melton West**
\$269,000

SOMETHING DIFFERENT

Positioned in West Melton this home is a great investment or leap into the property market. Once you step through the front door the first thing that hits you is the vaulted ceilings the second thing is the 3 bedrooms that all have built in robes and a study the third thing is the great pergola area the fourth thing is that in the sold climate you have 2 forms of heating to warm you up including a coonara, the fifth thing is this amazing location that provides a close proximity to public transport, Woodgrove Shopping Centre and Schools of all levels, the last thing that hits you is a great feeling of space, and oh yeah a great price.



73 First Avenue, **Melton South**
\$265,000

Walk To The Train

Living this close to the train station there is no need for a car. Here you can walk to the shops, walk to the station, walk to schools of all levels including Victoria University. The house itself offers 3 bedrooms a central bathroom great lounge/ dining space and renovated kitchen with electric appliances. To complete the package there is extra large single carport, pergola and garden shed and having low maintenance gardens this is perfect for the first home buyer or investor.