

HIDDEN HOTSPOTS14 SUBURBS TO MAKE
MAXIMUM PROFIT**FINANCE**HOW TO FINANCE A MAJOR
RENOVATION PROJECT**CASE STUDY**HOW DANIEL PAIN BUILT HIS \$1.6 M
PORTFOLIO SAFELY AND QUICKLY**DATA**MOST COMPREHENSIVE PROPERTY
DATA, FULLY RESEARCHED

your investment

property

March 2015

yourinvestmentpropertymag.com.au

Australia's leading property investment magazine

\$9.95 (GST incl.)

TOP 80 SUBURBS

TO MAKE RENO AND FLIP PROFITS*Plus*

- 9 deadly sins of renovating for profit
- Renovation game plan for low-income earners
- 13 tips for making big reno profits in this market

**REAL LIFE**

Michelle Lewis reveals:
How I made \$50,000
profit in just 6 weeks **p38**

GAME CHANGERS

How to make money in
a changing market **p52**

DEAL BREAKERS

5 deal breakers that
could harm your
investment **p64**

TAX

**Your ultimate
guide** to negative
gearing **p72**





Your legal questions answered

Despina Priala reveals whether or not forgetful landlords should be worried about going to court



Q I recently became a landlord for the first time and was chatting to a friend of a friend who is also an investor. She was telling me she had been extremely busy over the last few months, and forgot to address a maintenance request for her investment property. This resulted in her ending up in court because the tenant had injured himself after falling down the stairs. Her story has made me nervous about being a landlord. Is it really that easy to end up in court, just for forgetting about one maintenance request? I am a busy person myself and a beginner investor who's still finding their feet.

A Ending up in court because of being a forgetful landlord sounds a bit far-fetched and would certainly put anyone off from wanting to purchase an investment property and becoming a landlord. But is it that simple? Usually there are many hoops to jump through before a matter is before the courts. However, it will be interesting to explore the 'dos and don'ts' of being a landlord to perhaps avoid such an unpleasant situation.

The relationship of landlord and tenant is generally governed by state legislation. As a landlord, there are certain statutory obligations that must be complied with, particularly if you want to avoid disputes and unnecessary expense. These include respecting the rights of the tenant to quiet enjoyment of the property, complying with all health and safety laws, keeping the property in a good state of repair and providing reasonable security with locks in good

working order and supplying keys for each lock.

As a landlord, you are responsible for ensuring the property is fit to live in and in a good state of repair. The tenant is to notify you of any maintenance or repairs needed, preferably in writing so as to avoid any disputes or discrepancies.

If a landlord is aware or is notified of a maintenance issue, they need to organise the repairs within a reasonable time. If they do not, the tenant can issue the landlord with a Notice to Remedy Breach (Form 11) in Queensland and the landlord has seven days to fix the problem. If they ignore the notice or choose not to fix the problem, or in this case simply 'forget' to address the issue, then this will have repercussions. But not before the tenant has jumped through some more hoops. In Queensland, if the repairs are still not fixed by the landlord, the tenant can lodge a Dispute Resolution

Request with the Residential Tenancy Authority.

If this does not resolve the matter, the tenant can then apply to the Queensland Civil and Administrative Tribunal (commonly referred to as QCAT) for the matter to be determined and orders made.* If the parties have not been through a dispute resolution process already, they will be required to do so before the matter is heard before an adjudicator.

Owning an investment property means taking on a huge responsibility. Some people do not have the time to self-manage investment properties and engage a suitable letting agent to manage the property for them for a fee.

The moral of the story here is that any notice from your tenant should never be ignored and should be dealt with as quickly as possible to avoid complications, additional expense and possible litigation. Ending up in court for forgetting to address a maintenance issue does not of itself happen overnight. But if left indefinitely, it can happen.

Be mindful landlords, tenants have rights and they will use them if required. Be sure to put in place proper checks and balances so that a notice to address a repair or maintenance issue is not overlooked.

Happy letting!

*The equivalent tribunals for the other states and territories include: ACT Civil and Administrative Tribunal, NSW Civil and Administrative Tribunal, Northern Territory Magistrates Court, South Australia Magistrates Court, Magistrates Court of Tasmania, Victorian Civil and Administrative Tribunal and the Magistrates Court of Western Australia.



The legal expert

Despina Priala is principal of Priala Legal.