Your shot of property news

tcmstrata
Linking people and property

tcmrentals
Linking people and property

Four Types of Property Maintenance

Although the days may still feel long and dark, there is now only one month until spring begins. This is traditionally a time when savvy investors turn their attention to the condition of their investment properties and how they can be improved to meet the needs of a marketplace becoming inundated with new apartments.

“Repairs and maintenance” is often used as an umbrella term for anything that needs doing to a property, but there are actually four quite different categories involved. For any investor who’s serious about maximising their return, all four types of expenses should be regularly considered.

The first type of expense falls into the obvious repair category. These occur when something goes wrong as a reactive response. An example would be a blocked pipe, a broken-down oven or a roof that suddenly starts leaking. Repairs don’t improve the value of a property; they’re just the bare minimum required to maintain the property in an adequate condition.

“If a landlord only attends to items in the first category, over time the property will be worth less”

The second type is called seasonal maintenance. These are items which ideally should be regularly addressed to ensure the number of repairs in the previous category is kept to a minimum. Gutter clearing, garden pruning, painting to prevent cracking and deterioration, checking of the roof tiles, and regular pest control all fall into this category.

The next type is called investment maintenance. This is the planned replacement of any item in the property that depreciates in value, including carpets, blinds, ovens, hot water systems, insect screens and the like. Planned maintenance negates even more repairs that would otherwise fall into the first category and enables a good level of control over the standard of the property and the cost of maintenance.

Lastly are capital works. This is any new element that’s introduced into the property. An example might be adding a dishwasher, a new sprinkler system to enable tenants to look after the garden, or installing an air-conditioning system. This type of expense is likely to actually increase the value of the property as well as the rental return.
If a landlord only attends to items in the first category, over time the property will be worth less and the rental return will effectively fall. With careful consideration of all four categories, the property can achieve more rent, a better quality of tenant, and the value of the property is likely to increase. And with the tax breaks available on property related expenses, there’s every good reason to do so.