



Well, it's that time of the year again. For the staff at KGHurst it means a big tidy-up before we close for the festive season. Seiko already is on her way to visit her widowed mother in Japan. It is time to commemorate her father's passing, as required within the Shino faith.

Other staff will celebrate with family and or friends.

Our office will close December 21. The office will re-open on Monday January 4, although Lyn and Denis are hoping for a few extra days.

Having said that, 2016 awaits and the obligations for next year are now in the melting pot.

It is time to plan annual inspections. Obviously we need the co-operation of the tenants who are entitled to the legal notice and in general terms. that is not a problem.

So...when was the last time you had a peak into your property???

I know it is not always practical for an owner to visit his investment and in such circumstances, we will do our best to report to the owner.

However, if you are able to find the time, Lyn will be happy to organize a time suitable to you and the tenant. It will give you an opportunity to see what might be needed to be done in order to keep your property well maintained.

A well-maintained property means a good return.

#### *Direct Debit:*

It has been a long time in coming, but we expect that all new tenancies from next January will pay their rent by direct debit.

This will not affect our property owners. However, the process should diminish any late payers.

Theoretically, tenants agree to

pay their rent in advance. But in reality, many tend to pay on the due date.

Earlier this year we did a survey of our existing tenants who were asked if they would prefer to be part of the direct debit system. Many of them reacted quite positively. As a result this option will be offered to them as well as our new tenants.

#### **A REMINDER!!**

**OUR OFFICE WILL CLOSE  
MONDAY, DECEMBER 21  
AT 5 PM**

**IT WILL RE-OPEN MON-  
DAY, JANUARY 4 AT  
8.30AM**

## *Times are changing at Macquarie Park:*

Some of our owners have received a letter from an organisation called Macquarie Corporation with regard to possible development on HERRING ROAD.

Let me start at the beginning. Once I became aware of this letter I rang Macquarie Corporation to ask questions - the first one was to ask if Macquarie Bank had any involvement to which I was told NO.

Macquarie Corporation is a company owned by Moits, the construction and earth moving company. This subsidiary company is interested to be involved in acquiring development sites on Herring Road. So the first property owners they have approached are in blocks 173 and 175 Herring Road. But in the long term they want to be part of the development on Herring Road from Waterloo Road to Epping Road with 18 storey buildings!

The current exercise is a bit like putting your finger in the water to see what interest there is from property owners.

First, most of the properties are Strata Titled and so each unit would have to be bought individually now. However after July 2016 (I think) when the new Strata Legislation takes effect - Macquarie Corporation would need only 70% of owners to agree to sell and the remaining 30% could be forced to sell.

From my investigation the deal is: Macquarie Corporation would buy your unit at whatever the market price is OR the property owner could swap their current unit for a similar sized unit in the new development. Macquarie Corporation would agree to pay the owner market rent for the construction time - eg approximately 2 years.

We are a long way short of anything happening immediately, but come the introduction of the new legislation then I think buying activity could start to happen.

Macquarie Corporation would want an option on each unit in the block and then they would put in a Development Application to Ryde Council to build an 18 storey building.

One of the conditions is a requirement that the development must provide retail on the ground floor and commercial office space on the first and/or second level.

There is a long way to go - but I just wanted to let you know what's on the horizon. As I receive information I will certainly pass it on to you and if you receive information please let me know.

## *Smoking continues to be a major issue in units:*

You may or may not have heard or read about the property owner who was ordered by the Tribunal to pay his tenant damages of \$11,681 because his tenant claimed that the property she was renting was not habitable.

The problem was that an elderly unwell tenant living in the flat down stairs was a chain smoker and that the "very strong smell of toxic cigarette smoke was permeating" the unit above.

The owner of the offending apartment was reluctant to evict his tenant because of her ill health.

The Owners Corporation declined to intervene, suggesting that the owner of the victimised property take action against the owner of the offending property.

However the tenant and her child moved out because the smoke

was affecting both her health and that of her child.

It was the Landlord's responsibility to provide premises that were fit for habitation.

The Landlord appealed against the decision for compensation but the appeal was dismissed.

This is a very important issue and if we are ever in this situation we would have terminate the tenancy of the offending tenant.

Unfortunately, the Law at times has no compassion.

## *Landlord Insurance:*

I know I harp on this topic but I cannot emphasise the importance of having Landlord Insurance.

Last week we had a tenant who damaged a kitchen bench top. It is not possible to repair the bench top - the only solution is to replace it at a cost of \$2200.

Thank goodness our owner had Landlord insurance!

Insurance is less than \$300 a year. It is possible to rationalize and think that I would still be better off just saving the money, rather than giving it to an insurance company.

But the above owner's claim was a mere \$2200. What if the tenant had burnt out the whole kitchen?? How many years at \$288 would it take to save \$20,000???

**Hoarding** seems to be the new occupation for some tenants. Last week I did an inspection with the owner of her 3 bedroom unit in Epping. All four occupants slept in the master bedroom because there was so much "stuff" in bedrooms 2 and 3.

My greater concern is the possibility of a fire.

In this particular case we have given the tenant until the end of February to have a clear out, or else