

***What's happening in sales:***

There has been much on sales in the media over the last couple of months. Sometimes they even get it right!!

The sales world always slows down over the holiday period. However, sales began to slow down in mid November and in some suburbs the rot set in as early as October.

It may seem a buyers' market, but vendors don't want to 'give my property away'.

We have listed 3 properties this month and the attitude of the vendors varies. One unit is very well presented and has been renovated. There was some discussion on the asking price. The vendor listened and was prepared to accept our suggestion. An offer has been made and we are hopeful of settlement. Two other properties have vendors with a very different attitude.

I went to take photos and found 2 dripping taps; a blind was held in place with pink tape and the bathroom....it was just bad news.

When these problems were raised it was suggested that a more reasonable price would be a good idea, the owner told us that there were 2 bedroom units with asking prices over \$600,000. (The curse of the internet). But a similar unit in the same block in better condition and with AC is \$20,000 less, so a sale will be difficult.

Who knows what will happen.

***Inspection Reports : Agents are not experts:***

*Realcover, our insurer, recently sent us the following piece of news. Although it offers us counsel in the area of liability, I thought our owners should be aware of our liability in regard to property management.*

Realcover has seen a number of claims regarding the adequacy of issues noted in inspection reports. For example, the decking of an owner's property requires expensive repair and/or demolition and the owner alleges the Property Manager should have picked up on the defects during the routine inspection of the area a lot earlier or even before the event of a structural collapse.

Realcover recommends regular inspections be carried out during the course of the tenancy and of course your written report detailing our findings must be sent every time to the owner. Never rely on giving verbal advice or instructions.

But the key issue is that Real Estate Agents are not engineers, builders, plumbers or experts of any kind and liability must be placed back to owners when they refuse to invest in repairs and/or maintenance.

Consequently you will see in future correspondence the following disclaimer that we have been advised to include.

*This Tenancy Inspection Report is a visual one only carried out by KGHurst. It does not include the moving of furniture, lifting of floor coverings, inspecting the interiors of roof spaces or under flooring or inside cupboards or tenants goods or other belongings.*

*The staff of KGHurst are not qualified to assess the structural aspects of areas such as staircases, decking and balconies, or ensure that plumbing, electrical or gas fixture or fittings, smoke alarms, swimming pool safety barriers comply and operate in accordance with applicable building/council codes and/or laws and regulations.*

*KGHurst recommends that all owners have regular inspections carried out by suitably qualified, licensed and insured contractors and experts in the appropriate areas where necessary.*

*KGHurst also recommends that all owners should have adequate insurance, including Landlord's Insurance.*

## **Herring Road Development:**

I said last month that we would keep you in the loop.

Lyn and I went to the invitation only meeting along with a number of owners.

Moits, the earth moving company, have moved into the property development arena. It was at their invitation that the owners of 171 and 173 Herring Road came to the meeting.

At this point I have to confess that we are not owners. We simply represented an owner, who could not make it.

The combined site occupies an area of 2536m<sup>2</sup>.

The new zoning will allow a building height of 65m...that's quite a tall building and probably twice the height of the recently completed unit blocks.

The company rep. had lots of information about their proposed development which would provide between 95 & 110 apartments, as well as some 1600m<sup>2</sup> of commercial space on the ground floor.

Although most of the attendees seemed quite fascinated by the proposed plans, including the estimated budget, I wanted to know the bottom line.

The company was waiting for the area to be gazetted and following that all owners would be offered



These are the 2 blocks that Moits want to develop.

\$1million per unit.

An owner would be expected to sign a 2 year option from the gazetted date.

The rep. emphasised that the company would hope for a period of less than 2 years, after all it was in their best interest to have the proposal up and going as soon as possible.

It was an interesting meeting, especially from this vocal observer's point of view.

What amused me was the amount of interest shown in the actual development, especially the potential

21% profit the company hoped to make.

I suspect that some of the owners saw only more \$\$\$ that they could demand on top of their \$1M!!!

What happens now?

I gather letters will be sent to the various owners with the offer in writing. However, it will mean that all will have to agree. The rep. said if there is not a general agreement, the company would walk away and persue other developments which they were considering.

One thing is clear: this won't happen over night!!!

A week after the meeting, a letter arrived from Ryde Council.

It was letting us know that AMP (owners of Macquarie Centre) had submitted a development application for the property.

Among other things, the development included 4 towers, ranging in height from 90m to 120m; almost twice the height of the Moit's proposal. It would seem that there will be another Chatswood but with no road changes or improvements for traffic flow.

If you are interested to find more information go to:  
<http://www.ryde.nsw.gov.au/haveyoursay/macquariecentre>.

This website might of particular interest to our overseas clients.



Just 3 of the 4 proposed towers.