

Macquarie Park - and the gossip continues...

The heat and demand have increased for the Cottonwood Crescent, Peachtree Road, Lachlan Avenue and Herring Road area. Developers are pushing hard for individual owners to agree to sell. From what I understand, a developer will organise a meeting of building owners and indicate that if the owners agree for the building to be bought by one developer then the price achieved per unit will be much higher. That is one strategy that seems not to be successful.

However in many instances the developer wants each individual owner to enter into an Option Agreement for a period of anything up to 3 years which covers the time it will take to get a Development Application through Ryde Council for the existing block of units to be demolished and the new construction to commence.

The developer pays each property owner an Option fee (usually a nominal amount of money) but the whole block cannot be sold to any other developer in this negotiated period.

However any time in this agreed period of time, the developer can change his (or her)

mind and walk away from the agreed deal and other than the option fee held by the individual property owner, everything has to start again.

Every unit owner wants the maximum price possible for his property and the suggestion of big dollars if the unit block is sold as one entity entices individual owners, without understanding the ramifications of entering into an Option Agreement. This is another strategy.

Lyn has been working with one developer who will buy one unit at a time and take over the tenant. Settlement would occur in 90 days - just a straightforward sale. The only cost involved for the property owner is his/her legal costs.

We have a number of our property owners taking this course of action and if you would like further information just give Lyn a ring (9858 6104).

I think there might be some truth (given the Macquarie situation) in the old adage: a bird in the hand...

Denis and I are waiting for a developer to make us an offer we can't refuse: rather than expecting a higher offer, if we wait long enough...in the bush!!!

Property Management:

Letting enquiry has been slow over the last 4 weeks and there is a number of properties available for tenants to choose from. Lower priced rents up to \$400 pw are letting more quickly.

We are finding some families are enquiring about renting 1 bedroom units. This has to be a sign that higher rents are out of reach for some people.

Houses are much slower to rent particularly in the \$550 pw category.

Seasonally winter is a slower time for rental even though we have not hit the real cold winter yet.

Steph is particularly busy with renovation work racing to be completed by 30 June.

Direct Debit : all new tenants are now required to pay rent by direct debit and we are encouraging existing tenants to make the change. This should eliminate the chasing time for slow payers.

Routine inspections are well under way and you will receive your report electronically if we have your email address. Failing that you will receive the hard copy by mail.

If you have an email address or changed your email address and or mobile number please let us know.

Sales News:-

A Tale of Two Houses:

Three months ago we were asked to sell a 2 bedroom unit in Fontenoy Road, Macquarie Park.

It was owner-occupied and had been very tastefully renovated: a great kitchen and a beautiful bathroom. The bedrooms had built-ins; the living room was a good size. It presented so very well and the asking price was reasonable...perhaps at the top of the market.

So why did it take so long to sell?

I think the answer has to be: aspect.

For some it was too dark. For some it failed the northerly aspect test.

It was almost sold twice and both potentials fell through.

Finally an offer of \$650,000 was made and accepted. I really think that was a very good offer and just about what the unit was worth.

It had been a long and torturous

journey, but one in which the owner really did well...in the long run.

In Taranto Road, Marsfield an owner decided he needed to sell his rented townhouse. We had managed and maintained the property for several years and the present tenants were most reluctant to move. They were almost obstructionist. We had difficulty in gaining access. Finally Denis was allowed to take internal photos only under the supervision of the tenant.

The property was advertised on the Thursday and an offer of \$745,000 was made before the prospects had viewed the property.

Lyn insisted they should have a look at what they wanted to buy. This they did, but they did not change their minds.

Contracts were exchanged within 10 days of its being advertised.

In spite of its being in Marsfield, it seems to be a popular area for non-gardeners who want a 'house'.

Taranto Road seems to be in

vogue for new owners and for tenants.

Denis is preparing another townhouse for the market which might sell before you receive this newsletter. We will have another townhouse in the same street within the next month.

On the other hand... my sad news continues at Yara Avenue, Rozelle.

It is hard to believe that this one bedroom unit has no appeal, yet 7500 lookers have viewed our ad on *realestate.com* AND the price has been reduced from an unrealistic \$715,000 to the present \$650,000.

At the latest reduction I could manage just one looker who made a verbal offer of \$620,000 because, as he rightly said, it really is dark. It is the same problem we had at Fontenoy Road.

Without written confirmation he could change his mind.

However, as a long term investment this would be good value.

Rent Increases:

There are always rent increases to be done. But they are painstakingly slow, simply because they are one of the few jobs left in our office that have to be done manually.

One of our owners asked me what would happen if the notice was not received or the tenant denied receiving his notice.

So I replied in a way that eased her mind.

It occurred to me that others might want to ask the same question. So the following is more or less what I wrote.

First we must give 60 days notice of a rent increase. We also have to add

four working days for postage. However, since the new postage rates have been introduced, we now allow seven working days for postage.

At the same time the notice is posted I email the tenant. If he/she has no email I send a brief text. It seems our tenants have one or the other.

Both notices are archived in our data base and the hard copy is entered in our mail book.

It would be difficult for a tenant to deny having received at least one of our methods of communication.

But some do try!!!