

Property Management:-

Very little has changed in the last month in Property Management. However properties continue to be slow to rent and the asking rent is a key factor. We currently have a 2 bedroom townhouse with a large courtyard in Marsfield that has been repainted and had vinyl floor planks put down in the living room. The property looks excellent but with an asking rent of \$500 pw no one was coming to Open House inspections including Saturday.

The rent has been dropped to \$480 pw and today I had 4 groups of prospective tenants at the Open House so hopefully Monday will see at least one Tenancy Application.

In conversations with other agents, reducing rents has been the main topic.

There is currently a 2.1 vacancy factor in September for our area of Sydney which is the highest we have had since December last year.

Why is this happening you might ask - certainly many tenants are buying their own properties. Because of high rents many choose to move further out of Sydney and commute to work.

Strata problems:-

As many of the units we manage are 40 years old plus, a common problem is shower trays that need to be replaced.

This is a Strata expense and can take a couple of weeks to be done. Tenants ask for rent compensation from the Property owner because of the inconvenience and most owners agree to it.

However if this goes on for too long then the owner can make a claim from the Strata insurance.

Currently we manage a unit in Manly where balcony rails are being replaced. There have been major issues with the Owners Corporation and the contractor and this particular tenant has not had the use of his balcony since mid April. The compensation claimed is substantial and so we have suggested that the owner makes a claim against the Strata insurance for loss of rent.

We do not know when this issue will be resolved.

Routine Inspections:-

Our Insurance Company Realcover has suggested that we make you aware of the issues that we are not liable for as a result of a Routine or Annual inspection.

The title Property Manager infers that we know everything about your property. In reality we are Tenancy Managers.

However you will note that on your Routine or Annual inspec-

tion report we make the following Disclaimer:

This tenancy inspection report is a visual one carried out by K G Hurst (NSW) Pty Ltd to assess the manner in which the tenant is maintaining your property.

As your Property Manager, our role is to manage the tenancy, we are not qualified to assess the structural aspects of areas including but not limited to staircases, decking and balconies or to ensure that plumbing, electrical or gas fixtures or fittings, glass windows, doors and balustrades, smoke alarms, asbestos, swimming pool safety barriers (and associated fittings) comply and operate in accordance with applicable building / council, codes and/or laws and regulations.

The inspection does not include the moving of furniture, lifting of floor coverings, inspecting the interiors of roof spaces, under flooring, inside cupboards, tenants goods or other belongings

K G Hurst (NSW) Pty Ltd recommends that all property owners have regular inspections carried out by suitably qualified, licensed and insured contractors and experts in the appropriate areas when necessary.

K G Hurst (NSW) Pty Ltd also recommends that all property owners hold adequate insurance, including LANDLORDS insurance.

What's the Sales news:-

Let me begin with a recent anecdote.

You might recall that we had an auction on a block of land in Eastwood.

I had to submit an auction plan to the Trustee and Guardian and I won the submission.

The property was sold at auction for \$1M+ at the end of July.

Lyn and I were on holidays during September. When we returned there was no communication on the above sale. So I wrote to the Trustee solicitor. I asked had the property been settled. But after 2 weeks there had been no response.

Coincidentally the purchaser sent me an email. When I replied I asked had he settled on the land. Yes, he had settled but there was a problem.

Based on the information I was given, I had advertised the size of land as 600m². The purchaser had a survey done and it showed that the land was 592m².

So what was the problem? Just 8m²

Not worth worrying about; not until you start to think about a design for the land.

And here's the rub!!!

Ryde Council has ruled that 600m² is the determining figure for the size of a house. Under 600 the maximum size for a dwelling is 330m² over 600 the dwelling can be up to 380m².

I didn't like to ask him how the problem was solved. Perhaps he was compensated.

Meanwhile our Trust Account still holds \$100K, waiting for the vendor or his solicitor to claim the deposit.

Now to more current matters...

ATTENTION INVESTORS!!!

I have a one bedroom unit in Eastwood. It has new paint and carpet. The kitchen is only a few years old.

But what an investment. It is a 5 minute stroll to Eastwood station.

Ideal for a first home buyer or for a generous parent who wants to help an offspring.



Plenty of light; almost new stove.



A useful built-in & ensuite

Its auction date is November 19 at 11am. The vendors are hoping for around \$490 +. It would rent for about \$420.

Meadowbank is on the high side in a well maintained complex. Because it is on the top floor it looks over roof tops to a tree landscape.



It has 2 bedrooms, the main with a built-in.



It has new carpet and paintwork and it has 2 balconies...bargain!!



It too will go to auction on 19th November at 12pm, with hopeful sale price of \$520-540.

The downside to both properties is that they have share laundries. But tenants don't seem to mind too much, probably because they think they will rent just for a short time, so a share laundry can be tolerated.



A good airy bathroom too.