

Landlord Insurance:-

It is some time since we last reminded you of the importance of Landlord Insurance.

So I thought I would bring it to your attention once again.

We have recommended a company called EBM. The recommendation is made because of quality of their cover and in case you were wondering, we receive no commission.

This week a letter passed over my desk from EBM. The letter set out some of the company's changes to their policy cover.

Pet Damage: cover up to \$65,000. Apparently 63% of households have at least one pet. Many owners are reluctant to allow pets. But with this kind of cover & its extent a reconsideration might be worth while.

Accidental Damage: This too has been increased to \$65,000

Malicious Damage: 'New for old' replacement.

Drug Lab Cleanup: Damage from hydroponic gardens; meth lab cooking as well as repairs and cleanup resulting from the damage.

It probably doesn't happen too often in units, but cooking happens more easily in a stand-alone house.

I've just finished a Gary Disher novel that explored the drug trade in the Mornington Peninsula. It really opened my eyes.

If we can help with insurance, please call us.

Property Management:

When your property is up for reletting, I believe you have the right to be involved in the selection of your new tenant.

Apart from checking references, we statistically assess if the tenant is financially able to afford the rent. The ideal situation is that the tenant should not be paying more than 33% of his/her salary in rent.

We also need a copy of the potential tenant's bank statement. In many instances people have more than one bank account and they are sending money overseas so it helps us to understand the full financial situation.

We have to ignore personal references - who would ever give anyone a bad personal reference.

One of the main points in tenancy reference checking is for us to ask for a copy of the prospective tenant's previous tenant ledger. With Property Management software being so good today the ledger will tell us if this potential tenant has ever been late paying rent, or if he/she has had reminder letters regarding outstanding issues.

However if a tenant prospect has been renting privately (possibly paying the land lord cash) reference checking is considerably more difficult.

When I introduce a potential tenant to the property owner, I always go through the result of the

various areas we have checked.

It's then up to our property owner to decide if he/she wants to rent to this particular applicant.

There have been instances where I have suggested not to rent to a particular tenant but the property owner has decided to give this particular tenant "a go".

Vacancy details:

Each week we look at the rental vacancy statistics in our immediate area. As at Friday February 10 they were:

Eastwood : 10 x 2 bedroom units and 4 x 1 bedroom units

Epping : 5 x 2 bedroom units

Macquarie Park : 23 x 2 bedroom units

Marsfield : 10 x 2 bedroom townhouses and 4 x 2 bedroom units

Meadowbank : 13 x 2 bedroom units

West Ryde : 12 x 1 bedroom units and 10 x 2 bedroom units

These vacancy numbers don't take into account brand new products coming into the market..

I guess the big question is: "will there be an oversupply" of rental property in our area? Initially YES but not for an extended period.

There will always be a demand for the rental property we look after. This good middle ground property is affordable and represents good value for money - the transport is good, the retail is excellent, the schools are good and the area is safe.

It is said that 'clothes maketh the man'. Perhaps that is true. But I want to say that 'furniture maketh the property'.

What a difference a furniture can make. I haven't had to furnish a property for some time. But in the last couple of months, for various reasons, I have had to dress some properties. I don't usually press an owner to furnish his/her vacant property. It probably is a passing comment because I know that it is not a cheap option.

Recently I was asked to dress up an apartment to rent. I think I mentioned it in the last newsletter. It is 2 bedroom almost literally on Balmoral Beach. The photos on our website drew a lot of enquiries and it was rented on its first open house.



Following that success I was asked to do the same in preparation to sell a 2 bedroom unit in Macquarie Park.

The furniture moved in on the Thursday and I sold it on its first open house, with some negotiation, for \$850,000.

I am not suggesting that every 2 bedroom unit in this area would be sold, and sold so easily, for this extraordinary price.

The market in Macquarie Park is so volatile and yes, several units have been sold to developers for close to \$900,000. But the average investor could not afford to pay that kind of money. Yet it was an investor who bought the property.

So did the furniture make a difference? I don't know; it certainly enhanced the look of the unit. In fact it looked quite stunning.



That brings me to the next property that will go to auction at the end of March.



We have managed a 560m² house in Beecroft for over 20 years and circumstances have decided the absentee owner to sell this unloved house on a 1200m² block, surrounded by a bushland setting.

It has an access road at the end of York Street.

It has 4 double bedrooms upstairs and an attic play room. The parents' retreat has its own balcony; a walkin robe and an ensuite with a large spa bath.

Downstairs it is an entertainer's dream, but it is desolate. So the owner has agreed to furnish the house. I will furnish the ground floor and only the parents' retreat on the first floor.

It has a pool, of course; a double garage with workshop; a double car

port and room for 2 more cars.

The furniture will not arrive until the end of the month. But I promise to include some photos next month.

I guess you might wonder what sort of cost is involved. Well I can tell you that to furnish a 2 bedroom unit with quality furnishings is less than \$4000 for 6 weeks.

Can I assure you of an instant sale? No, I could not. In this case I think it happened to be done at the right time and the right investor came along.

If only history would repeat itself in Beecroft.

The auction is March 25, at 11.30 on site. You are all welcome.