



MARCH, 2018

NEWSLETTER

### Rent increases:-

It's time to start on rent increases. It is a labour-intensive and slow process because, as I have said on other occasions, no computer programme can assess each property as a unique item. Programmes are controlled by statistics and formulae. Unfortunately there is no way software can deal with the differences.

Two units in the same block: one has a new kitchen, the other is in original condition. As a result there could be a \$20 difference in the rent. But a computer would not be able to discern the difference.

So each property must be assessed before an increase is decided upon.

Having said that, given the present climate, it is risky to increase a rent unreasonably.

As a property owner, I know as well as you that outgoings increase with regular monotony. But as we also know, tenants are not very sympathetic. Some are quite philosophical about a reasonable increase. But a high increase will raise an objection.

An agent wrote to a young couple renting in Epping, that there would be a rent increase of 10%. So if he was paying \$500 a week the rent would increase to \$550. That is a big hike!!

Naturally the husband objected and a compromise was reached.

At present in Epping there are two groups: the brand new and the more established units. These total

some 145 units. The new units are on the market for \$630 and up. The older units rent for around \$450. A renovated unit might rent for \$485.

In Eastwood, where there are just 2 blocks that are near completion, the range is \$410 to \$440. We have a newly renovated property at \$480.

I suspect young couples are entranced by the glamour of a new home and are prepared to pay \$660 for the pleasure of it.

It is not surprising that there are economists who say couples in the 20-30 age bracket will probably never own a home.

My goal is to increase the majority of rents by \$15 p.w. Some will be higher, depending on the property's present rent.

Macquarie Park continues to grow and the sound of earth-moving machinery can be heard within several developments, mainly in Waterloo Road.

The complex that has been built on the old, or not so old, hotel site is near completion. The landscapers have moved in so residents won't be too far behind.

Another development has been announced for the corner of Epping and Herring Roads; opposite the new complex. It too will be another high rise. Once completed the two complexes will stand like pillars that lead to Macquarie Park.

However, during the week we received letters from Ryde Council to advise that a development application had been made.

But this was not to build another block of units on the corner of Cottonwood Crescent and Lachlan Avenue!!

The developer wants to build a 15 storey boarding house, containing 774 rooms, but would allow for 826 beds. There would be space for only 35 cars, but 156 motorbikes.

Even if only a quarter of the residents own a car I wonder where the other 165 cars would park???

You can of course object. You have till the end of March to state your case.

### REAL ESTATE AGENTS, AUCTIONEERS, PROPERTY MANAGERS

K.G. Hurst (NSW) P/L ABN 85 002 990 203

Suite 3, Level 2, 38 Rowe St, Eastwood. PO Box 150, Eastwood 2122.

Telephone: (02) 9858 3888 Facsimile: (02) 9858 3701 E-mail: info@kghurst.com.au

Website: www.kghurst.com.au Facebook: KG Hurst Real Estate Twitter: @kghrealestate

# K.G.Hurst