



newsletter

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I sincerely hope we don't come across as conceited while sharing our excitement about the new offices at Maitland.

We are very proud of the final result and have received wonderful feedback about its contemporary appeal.

The truth is that it represents a substantial investment, which reflects our continued belief in the Hunter region and Maitland area specifically. Hopefully you might be able to call into our 'office warming' barbeque Saturday morning 5th November. I want to acknowledge the fine effort of Graph Builders, Jackson Teece Architects and also our own Cassandra Lantry, who has overseen the project for us from planning to end.

We have also appreciated the very positive feedback in relation to our new website; in particular prospective tenants who are finding the map search facility most useful. It helps them get a feel for the location of a property and a 'look' at it at the same time. This is particularly helpful for people coming from outside the area. The overriding objective in building this

unique feature into the site was to further enhance the marketing of your property and hence continue to attract the best quality tenants.

The market has steadied a little; while we still lease most properties fairly rapidly there is perhaps not the same volume of applicants. For example a property that may have attracted \$420 just a month ago may be peaking at \$400 now; not in all cases but there is just a little more sensitivity. We will watch as the State Government's stamp duty move for first home buyers impacts and what occurs with interest rates. With rents still generally robust, there may be a little more enthusiasm by investors post the expected short term spurt by first home buyers. We can also hope infrastructure spending in the region and tangible effects from mining in the Hunter will continue to provide flow on impetus to the rental market; that is despite the definite existence of a two speed economy. Australian Property Investor magazine (September 2011) put Newcastle in the 'muscle town' category for these reasons, referring to the area rather than the city per se.

What we are also experiencing at present is a concerted effort from builders and developers to push rents up. We understand their motives; they wish to make yields on their prospective stock as attractive as possible to buoy prices. We are of course keen to ensure owners achieve the best yield also but the fact is when you push at the margins you are operating at the tip of the risk when the market fluctuates, particularly in terms of tenancing the property quickly and attaining the best of tenants. We are very conscious of ensuring the maximum long term yields for owners and that means taking into account all factors associated with the investment property. As we explain to these third parties, it is very much an individual thing as owners circumstances vary. Some are more risk averse while others will take the chance of longer vacancy in order to achieve more rent; then again some owners just cannot afford the vacancy...and so on. That's why for us the key is understanding the individual needs of owners."

Regards, *Leah*



The new two storey office building

Maitland office nears completion

We are about to occupy our new offices at East Maitland ahead of time thanks to a great effort by everyone involved in the project.

You're invited to our office warming barbeque...

Please feel free to call in between 9am and 1pm Saturday 5th November to our barbeque/sausage sizzle. We are putting it on to say thanks to our neighbours for their cooperation and patience; also for the builders and others involved. There'll be a chance for you to take a sticky beak if you feel inclined, just drop in and say hello; the address is 1/19 Mitchell Drive East Maitland.

Not sure if you've seen reports on this but we can verify that it is happening.

A little while back some tenants moved into their newly leased premises at Aberglasslyn, only to find they had no water. When they went searching for the water meter they couldn't find it; that was because it had been stolen! Hunter Water weren't surprised at all when we contacted them; as we have heard in recent times, a number of the older style meters have been stolen, for the copper they contain.

Property Manager Danielle Lavers



Danielle is responsible for leasing and managing our portfolio of industrial, retail and commercial properties, which are located from inner Newcastle to the west of Maitland. Prior to joining us in mid June Danielle spent four years in retail and commercial property management, working for some major companies in Brisbane and most recently in Albury / Wodonga. Asked about her experiences Danielle reminisced with a smile about dealing with fire evacuations, gas leaks and one memorable occasion when she had to climb onto and across a roof, while wearing a skirt. "You quickly learn some things" said Dan "but there's always another unexpected waiting for you."

The commercial property market

As usual with commercial, the market varies given the diversity of industry sectors involved and according to the different demographics across the region.

What is apparent at present is some impact from the downturn in the retail sector and flow on effect to other commercial enterprises. This has resulted in a softening in demand for premises when they become vacant. In fact some tenants are affected to the point where they are seeking out cheaper premises in order to relocate and reduce overheads. Danielle and Cass suggest this is something that needs to be borne in mind by owners when it comes time for lease renewals; it may be wiser to consider reduced terms in order to maintain the tenancy than risk having a vacant property in the prevailing market.

The much talked about two speed economy is witnessed in the commercial property sector; with industrial holding firm and reflecting derived demand through association with the mining sector. In some areas that may flow over a little to the surrounding businesses but not so in other centres. Perhaps it is fair to say that in general it is a tenant's market ...and they are making the most of it.

If you are thinking about taking the step into commercial property, watch out for future newsletters/eBulletins for a feature on the differences between residential and commercial property leasing; and you can always chat with Danielle and/or Cass.

And what about being female in commercial property?

In this day and age it shouldn't be a factor you wouldn't think, however we thought we'd ask the question anyway... "Have you sensed at any time you were being treated differently by an owner or tenant/prospective tenant because you are female?"

"Absolutely" said Danielle... "being a female often means being looked down upon especially when dealing in a predominately industrial market. In Albury/Wodonga I had the 'old school' owners completely bypass me and try to speak to my superior because he was a male and they didn't trust a female to discuss their commercial matters. It was always enjoyable hearing the surprise in their voices when you could answer their questions or give them information they were looking for."

Cass replied "I certainly have... I have been asked a number of times talking to prospective tenants if I even knew what a square metre was... It seemed to be a way of beating their chest during negotiations. But it is good being under estimated."

Cass takes on new challenges



After more than 5 years as Commercial Property Manager Cassandra Lantry has assumed other responsibilities within the company, including for the last year planning and overseeing the redevelopment of the East Maitland offices. It's been a busy 12 months or so with Cass gaining her real estate License, being a finalist in the REI Awards for Excellence and now working through a Master of Business program at the University of Newcastle. Cass also wears the title of Communications Manager, which has seen her involved with the development of our recently launched new website. Cass still works with Danielle as required, particularly in reviewing and planning our commercial operations.

MOULD

Probably most of us over the years have lived with some degree of mould in the home. However, what was seen as a mere nuisance now has to be viewed more seriously. Our approach is to deal with each case on the facts and usually a dose of common sense, early intervention plus some preventative measures solves the problem; at least to the point where it is manageable. Please note that like many issues it can become quite complex with detail but below are some key points.

You can access further information about this subject on our website. As a client of Leah Jay, you have exclusive access to material that we think may be of use or interest to you. Visit www.leahjay.com.au and under 'Our Owners' you will find 'Useful Information'; you need to enter the following details – username: investinfo and password: lj1994

Can a tenant break a lease because of mould? In short yes, if the premises are deemed uninhabitable; this is usually determined via a report from a professional or perhaps medical documentation from the tenant. The Tribunal may grant a rent reduction and are empowered to award up to \$15000 in damages to tenants. They will take into account whether the owner knew of the problem before the tenancy commenced.

What are your responsibilities as an owner? In effect to ensure the premises are in a habitable condition and to attend to the problem. We advise tenants that they have to play their part and provide suggestions as to how they can deal with minor cases and to prevent it but if it escalates we may need to call in experts and have the issue treated. So mild cases can be treated relatively easily but it is imperative to address any underlying or causal factors.

How does mould enter the home? People are exposed to different types of mould every day and these encounters are the most common ways mould spores enter the house; by attaching to clothing and shoes, pets and even shopping bags. Mould spores can also enter the house through open doors and window, ventilation and air conditioning.

Where does it grow? The mould spore needs four key elements, nutrients, water, oxygen and favourable temperatures. Hence it is commonly found in the kitchen or bathroom but can also be found underneath or behind fridges, around air conditioning units and under carpeting that may have been wet at some stage.

Can mould cause health problems? Normally only when there has been a mould infestation, symptoms can be immediate or delayed depending on the exposure. Those with sensitive skin or prone to allergies are more likely to experience early symptoms such as hay fever, sneezing, runny nose, red and itchy eyes and skin rashes. Severe reactions can cause asthmatics to have asthma attacks.

How do I get rid of it? If mould is a problem due to a water leak or some other fault you must first identify and fix the underlying problem. If it's just a small area of surface mould and is not caused by a leak it can be removed with most home cleaning sprays and a scrubbing brush. Note that bleach does not kill mould.

Please note: As at 19/09/2011, this newsletter is intended as general news and not as advice, as each individual's situation will vary depending on specific circumstances relating to that individual. You should seek professional advice as it relates to your own circumstances.