

McFarlane Property Management

Rental Roundup

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Dear Owner

The response to our first newsletter was particularly positive with most comments centering on the need to stay informed. Please feel free to communicate any ideas, questions and/or issues that you feel should be addressed for owners

WELCOME MONICA!

We are extremely pleased to have Ms Monica Djodan join us as our part time assistant. At the time of our January newsletter we were in the middle of an extensive recruiting process. It proved very fruitful with Monica's eventual appointment in February. Monica has an impressive background in commercial property management with Colliers Jardine Sydney. She is a country girl at heart so has happily settled at Caves Beach with husband Tony and their two young children Olivia and Samuel.

URGENT REPAIRS - WHO PAYS?

In one case a tenant decided not to bother calling in the electrician to make an urgent repair to what he thought was a simple piece of fuse box rewiring. The 'home handyman' caused a more serious malfunction which required a visit from the power authorities. The tenant had to pay for what normally would have been the responsibility of the landlord.

Clause 16 of the residential Tenancy Agreement outlines items that constitute urgent repairs. These include a blocked or broken lavatory system. Where the blockage has been caused by tree

roots, fatigue and such like it is the landlord's responsibility to have the line excavated and replaced with minimum inconvenience to the tenant. If a plumber establishes that the blockage has been caused by the tenant's misuse by having put foreign items into the system, it is fair and reasonable that the tenant pick up the repair bill.

Other items under Clause 13 include serious roof leaks, dangerous electrical faults, flooding, burst water service or other appliances. The cost of repair can become the responsibility of the tenant if it can be shown that the problem has arisen because of tenant misuse or interference.

THE RENTAL MARKET

Quarterly figures released last week by the Real Estate Institute suggest average rents for three bedroom houses in the Newcastle region have been stable over the twelve months to the end of March 1995 (\$160 pw). Average rents for two bedroom units have risen 3.7% for the same period according to the figures (currently \$140 pw). If you have use for the REI figures in detail please let us know. While these figures give us some guide to the market activity it is wise to be careful when interpreting such data and to be clear on all underlying detail.

Our records show that rents have remained relatively stable since July last year. Our vacancy factor has steadied at around 3% since the January rush and it currently takes about two weeks on average to rent a property which compares more than favourably with industry figures.



SOMETHING FOR NOTHING FROM THE TAX OFFICE!

Another financial year has almost ended. You will find enclosed a guide from the Australian Taxation Office titled 'Income Tax and Rental Properties'. It's far from comprehensive but we thought you may find it handy, even if you have professional assistance in preparing your returns. We must say the tax office was extremely prompt and helpful when we approached them with our idea of sending each of our owners a booklet.

Note: Records relating to your rental property should be kept for 5 years.

BANKING YOUR CHEQUE

Some owners have us deposit their monthly cheques. It is a service that we happily provide but we ask that those owners provide us with deposit books to save valuable time. If it would be advantageous for you to have the same service, let us know.

On the subject of cheques, don't forget yours could be somewhat less in May because of final rates instalments.

Cheers

Leah Jay

