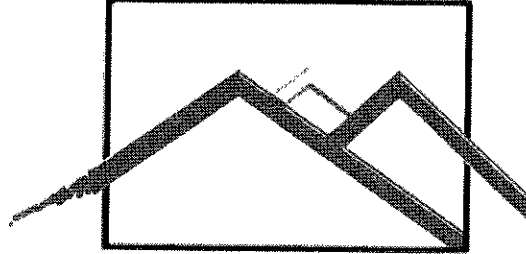
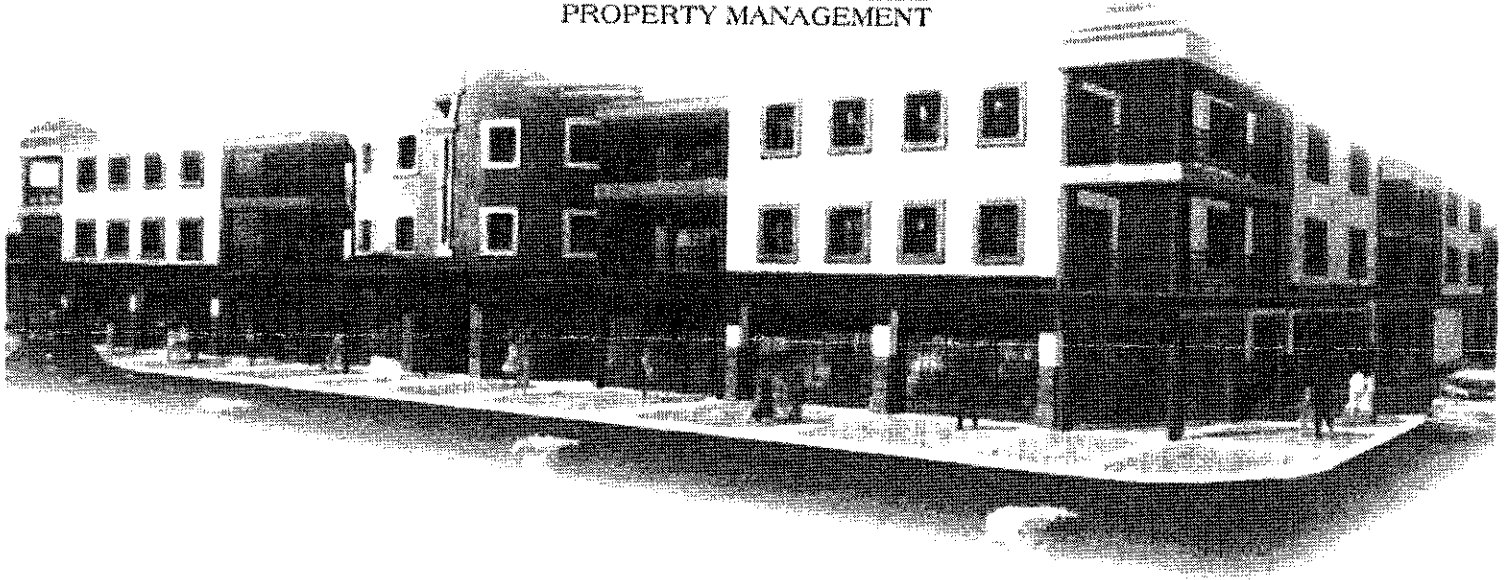


LEAH JAY



PROPERTY MANAGEMENT



RENTAL ROUNDUP

NEWSLETTER ▶ Volume 5 ▶ Issue 2 August 1999 ▶

▶ ***For Your Convenience***

That's why we established the Owners' Line, however we find that many owners still use our general office number. I'm not suggesting for one moment that we're in any way tardy answering those, we respond as quickly as possible to all clients but these can get very busy. We have separate lines to ensure you have access and signal to us that an owner is calling. The number is only provided to owners, so in case you don't have it in your records (02) 49 654815.

▶ ***The Growing Method of Communication - Email***

A growing number of owners are obtaining access to the Internet and using email to communicate. It is a very speedy and convenient way of communicating. Sure you have to be shown how but it's relatively simple to grasp. Like many

things I guess, soon it'll be a case of having to use it to keep up! Figures recently released by the H.V.R.F. show the Hunter region being way ahead of the national average for computer ownership and Internet access. The day is not too far off when we'll be able to email all monthly statements. At the moment we will settle for your email address if you have one. Send a quick note to leahjay@jaypm.com.au

▶ ***Free Advice - On buying***

If you are thinking of investing further in residential property, we're happy to help. So too if a member of the family or friend is after some free advice. Our attitude is that if we can help people make a better decision, it'll pay off in the long run for the investor and for our business.

If you've got a property in mind and would like some objective advice, give me a call.

Important issues include location, potential rent/returns, growth and specific features of the property.

▶ ***And if you do plan to sell!***

How about giving me a call first. I'd like to let our other owners know about the opportunity. It may be that some are considering further investments. Besides, it's another avenue for you to pursue.

The other point I'd make is that you are guaranteed that we will be objective and totally honest in our dealings. We are not in the business of 'pressuring' owners to sell.

▶ ***Insurance***

We're also not in the insurance game! But it is our responsibility to let you

WINNER

of the Real Estate Institute Award for Excellence

know that there are new forms of insurance available to property owners. These can provide cover for a variety of circumstances, including loss of rent and malicious damage. To meet the growing needs of the Real Estate Industry, REI Insurance Brokers has developed a policy for owners to protect their investment against malicious damage by the tenant and rent default. Property investors are conscious of the fact that their property represents a significant investment and as such they need to take a fairly critical approach to insuring those assets.

We enclose a brochure as an example of the coverage available. Landlord Property One Insurance Plan has an annual premium of \$230. Give me a call if you want to know more.

▶ ***A Reminder***

To make a note in your diary and perhaps make allowances in your budgeting; the due dates for the payment of council rate instalments are 30/11/1999, 28/2/2000 & 31/5/2000.

▶ ***The Market***

Mid year is traditionally stable without being overly tight. This year has been slightly different with the average turn around for a vacant property stretching out from 2 to 3 weeks. We expect the market to pick up slightly as spring is just around

the corner. Our vacancy factor has hovered under 2% all year, with average turn around from 10 to 14 days.

REI figures* show that vacancy rates for Newcastle are consistently lower than other regions of the state, except for areas of Sydney and the Central Coast. The latter's rate is usually slightly lower while Sydney's figures are very similar to here.

% vacancy rates January to July 1999

	Nctle	Syd	C Coast	W'gong
Range	2.1 - 3.0	1.8 - 2.4	1.0 - 2.9	2.2 - 4.9
Average	2.5	2.2	1.7	3.0

Other areas of the Hunter are usually significantly higher.

(*Residential Property Management Survey Results July 1999).

▶ ***The GST Perspective***

It's not our role here to either condemn or applaud the GST. Much depends on your circumstances but the reality is that it is with us. We are not about to understate its impact but rather put into perspective the extra costs for investors. It may not be as dramatic as you thought. We supply the attached summary as an example. The selected property cost \$180,000, returns \$205 per week rent, with 100% borrowings at 7% and the investor on top tax rate.

It would seem that not even the GST could take the shine off property as the number 1 investment, even more so if rumoured cuts

in capital gains tax eventuates. We'll keep you posted. We're still intent on organizing a Q & A session on the GST with an expert, it's apparent those in the field are still developing their expertise!

▶ ***Well Done Amy!***

You've probably realized by now we take great pride in our staff. They are wonderful people and excellent at their job. So when one achieves, as Amy has done recently, we like to tell people. Amy's dedication and attitude at work has obviously carried over to her property management studies at TAFE. She achieved straight AAA's in every subject last semester. She's not just a cheery voice.

▶ ***Dial 'M' for.....***

We'd love to share with you our amazing experiences in relation to a would be tenant who became the focus of police attention in a recent tragic case but that will have to wait until after the law has taken its course. Part of the reason we're keen to share the story is that it reflects very well on our tenant selection and screening process. Although we were keen to let the property, we were very pleased it was one application we refused. Stay tuned.

▶ ***Leah***

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PLEASE NOTE: As at August 1999, the above is intended as general news and not 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.

LEAH JAY PROPERTY MANAGEMENT ▶ Rental Roundup