

McFarlane Property Management

# Rental Roundup

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## The Taxman's Knocking!

### Dear Owner

**Y**ou'd be very interested in the comments made by Allan Histon, the assistant tax commissioner (see the article 'Charity, gifts, rental claims face new tax probe', Gerard McManus, Sun Herald 16/6/96).

Mr Histon suggests the Tax Office will be cracking down on rental-deduction claims, which are worth \$8 billion a year! The Assistant Commissioner specifically mentioned claiming the installation of items such as new hot water systems and new fences on properties after renting them for only a couple of months. These, he suggests, are not repairs but capital renovations. Mr Histon also points to 'tricks' such as claiming the cost of air fares several times a year to inspect properties which are actually holiday homes rented to family and friends for a few weeks of the year.

Whether the rumblings from the tax office need to be heeded is between you and your accountant *but* on the other side of the coin it's imperative not to miss out on legitimate claims. Mr Histon and his colleagues are not going to check for you!

## Important - Rent Payments In Advance

Some owners become confused in relation to this matter.

**The Landlord and Tenant Act states that 'a tenant cannot be required to pay any rent before the end of the previous period for which the rent was paid'.** This provision is particularly important where the rent is to be paid on a *weekly* basis and the tenant makes an initial payment of two weeks rent in advance. Tenants cannot be required to make another payment of rent one week into the tenancy.

## The Changing Suburbs!

Some suburbs remain in very good demand - beachside Cooks Hill, Bar Beach, Merewether and The Junction particularly, but also Hamilton. Naturally, factors such as whether the property is a house or unit, the number of bedrooms and condition are vital. Good quality properties in Lambton and Waratah are doing well. Mayfield retains its traditional characteristics and is often one of the last areas to rent, largely because of the number of properties available. Other suburbs like Adamstown and Broadmeadow appear relatively stable and while not as 'trendy' as Hamilton, nonetheless offer solid and consistent returns.

Lately we've been wondering whether the predicted transformation of Carrington is beginning to happen. Properties have been taken up relatively quickly and by a different type of clientele. We've also noticed similar, though more subtle, change with Wickham and Islington. Is it coincidence or a sign of times to come? We'll keep you posted - or you might like to let us know your thoughts! Meanwhile ....

## The Market Generally

... has continued to be fairly strong. Vacancy factors have fluctuated slightly around 2-3% in the last quarter with average turnaround remaining at about two weeks.

## We're In Training!

... as much as we can but it's extremely difficult! Allow us please to share our frustration with you. We've now enrolled in three REIA training seminars, on such matters as Trust Accounting, Effective Advertising Methods and Tenant



Selection, only to be informed later they had to be cancelled due to lack of numbers! To our way of thinking, it is absolutely imperative to keep abreast of changes and developments in order to maintain, indeed to improve, our service to you. It amazes us that not too many others share the same belief. But we are persistent; we have purchased the seminar papers where possible to use for internal training and we continue to search for alternative courses (even if it means travelling further afield).

There was however a very good course held recently by the REI of NSW. It was presented by Mr Ray Collins, the former chairperson of the Residential Tenancies Tribunal and was titled '*Everything you've wanted to know about how to win at the Residential Tenancies Tribunal...but were afraid to ask!*' We'll pass on some of Mr Collins' words of wisdom in future newsletters.

## Just One More Thing

You may notice the name Morplea Pty Ltd on some documents, including cheques, in the near future. We're undergoing some minor restructuring but in reality the ownership and most importantly management of McFarlane Property Management remains the same.

Adios

Leah Jay