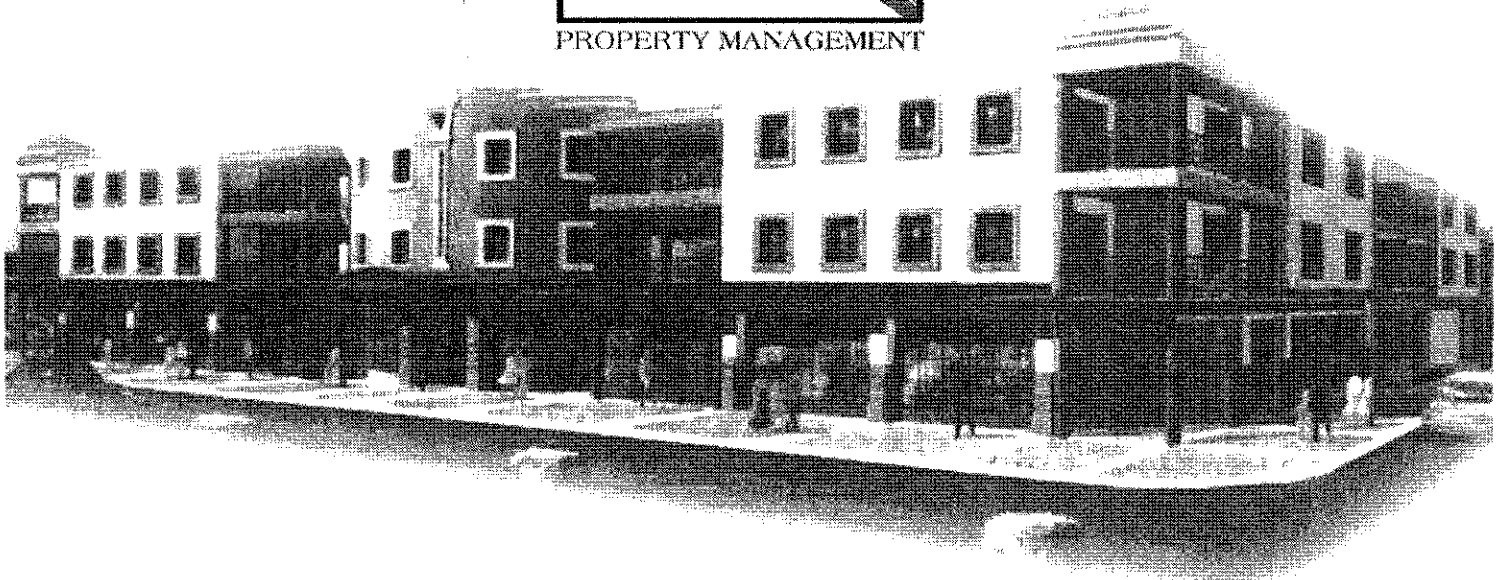
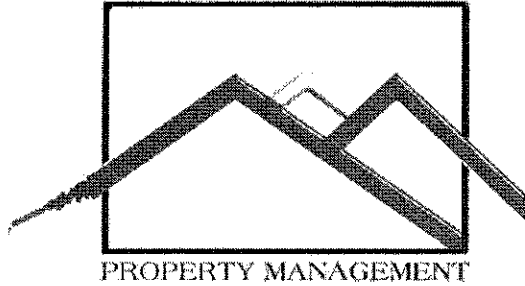


# LEAH JAY



## RENTAL ROUNDUP

NEWSLETTER ▶ Volume 5 ▶ Issue 3 November 1999 ▶

### ▶ 1999 Market in Review

The year started off very strongly as far as the market was concerned, with records for lettings being created in '99. Things slowed a little towards Easter and since then it's fluctuated, quite significantly at times.

As interest rates have dropped in recent times, purchasing has become a more attractive option to those who might otherwise have rented. The effect of this is to reduce our pool of potential tenants, which of course impacts directly on demand for rental properties. Also more investors enter the market which increases the selection of rental property available.

You might also be aware of the ongoing development in inner Newcastle. Many of these have been sizeable apartment blocks, many available for rent, which creates further market pressures.

November began very quietly but gradually built as the month progressed to the point where we just established another record for lettings. At this point things look relatively solid as we approach Christmas but of course we will encounter the traditional university migration, which makes for a hectic time, as many vacate

prior to the Christmas break.

And then of course we'll do it all over again the year 2000.

### ▶ Please Take Heed

It may surprise you to know that a sizeable portion of our time and effort is spent protecting owners from themselves! Let's be blunt, some owners are breaching the Residential Tenancies Act when it comes to the privacy of their tenants and putting themselves at legal risk. Thankfully it's only a small number, with most appreciating that while it may be inconvenient and not to our liking at times, the law is just that.

Don't worry folks, there are instances, where we are frustrated by regulations that paint the law as an ass.

However, it is not unreasonable that a tenant has a basic right to privacy. It is how that translates in practice that is essential to understand.

The Residential Tenancy Act states that the landlord must make sure, they, or anybody else on their behalf do not interrupt the tenant's reasonable peace,

comfort and quiet enjoyment of the premises.

We may enter the premises only in the following circumstances.

- To show the premises to prospective tenants on a reasonable number of occasions if the tenant gets **reasonable** notice on each occasion. You may rightly ask what is **reasonable**?

This access is only permitted during the **final 14 days** of the tenancy and we generally find that tenants at that time understand the need for regular access.

- If the tenant agrees
- In an emergency
- If there is good reason to believe the premises have been abandoned.
- To show the property to prospective buyers – again there is a reference to a reasonable number of occasions and notice. What is reasonable is to be determined by both parties but the Tribunal can settle any dispute. Access to show buyers can occur at any stage during the tenancy.
- To carry out a general inspection if the tenant is given at least **7 days notice**. There can be no more than **4 inspections** in any **12-month period**.

- To carry out necessary repairs if the tenant is given at least **2 day's** prior notice. The repairs must be necessary and must not simply be improvements or renovations. For urgent repairs no notice is necessary.

Note that unless the tenant agrees, access is not permitted on Sundays, public holidays or outside the hours of 8am to 8pm.

### ► **So what are Urgent Repairs?**

An urgent repair is any work needed to fix:

- A burst water service
- A blocked or broken lavatory system
- A serious roof leak
- A gas leak
- A dangerous electrical fault
- Flooding or serious flood damage
- Serious storm or fire damage
- A failure or breakdown of the gas, electrical or water supply
- A failure or breakdowns of any essential service for hot water, cooking, heating or laundering.
- Any fault or damage that causes the premises to be unsafe or not secure.

### ► **Y2K – OK!**

Well, we are very close to finding out just how much havoc is to be wreaked by the much talked about millennium bug.

As the countdown to the New Year goes on, no doubt many fingers are being crossed.

Even in our case, despite assurances and reassurances from 'bug' controllers, we can't help feeling a little nervous as the year ticks over. We have been told though that all is OK! We'll know on New Year's day.

### ► **A Year Already!**

November sees twelve months gone since we moved into our current offices in Tudor Street. It doesn't usually take long for the excitement of a move into new premises to fade but we still appreciate the space and comfort. Generally the move has paid off with greater expansion provided by the location. It's also been great to see many of our owner's drop in for a look and to say hello. We've also found it possible to introduce better systems and service because of the much-improved facilities.

### ► **We're In Training**

Nothing unusual about that as the staff is regularly involved in seminars or conferences designed to keep us abreast of relevant issues and develop skills in different aspects of property management. It's amazing the range of topics and degree of analysis that occurs.

Alana recently attended a seminar in Sydney on 'Negotiating Skills' where some techniques were prescribed which can be applied when dealing with tenants, particularly those who become less than approachable.

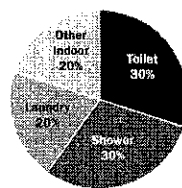
Michelle put a day into "How to Show A Property" yes I know, the obvious response is, how many ways are there to show a property. It is actually critical and there are many obvious rights and wrongs. There are also finer points, which surface at sessions like these.

Each may be small components of our business but improvements, however small ones, in each of these areas can add up to much more effective management of your investment property.

### ► **Drips Cost Money**

You've no doubt heard it said that copious amounts of water are wasted in Australia. It has been reported that on average, every family wastes the equivalent of an Olympic pool of water each year (Property Management Journal Oct/Nov 1999 pg. 19)

And where does most of the water go. Three areas account for 80% of all water used inside the home.



#### **Kitchen**

Washing Up	20 litres
Pre 1990 Dishwasher	45 litres
Post 1990 Dishwasher	25 litres
Waste Disposal	10 litres

#### **Laundry (per wash)**

Front Loader	120 litres
Top Loader	180 litres
By Hand	40 litres

#### **Bathroom**

Showering	5 litres
Brush teeth	6 litres
8 Minute Shower	120 litres

Bath	170 litres
Flushing Toilet	10 litres

You can see the potential for saving without the wastage that occurs from dripping taps!

### ► **The ATO Still Prowling**

Word is that the Australian Taxation Office is going to continue its focus on rental properties this financial year. There are apparently two problems that they regularly encounter when conducting their audits. The problems are generally for the taxpayer of course!

#### **Obtaining a value for the building.**

Any deductions claimed for construction costs must be based on the actual costs incurred or when you are genuinely unable to determine actual costs then on an estimate by a quantity surveyor or other suitably qualified person.

#### **Depreciation & Valuation of Assets**

It's been common in the past for investors to buy properties without specifying a reasonable valuation on depreciable assets in the sale agreement. Values have generally been applied arbitrarily, a practice the ATO now frowns on. They want taxpayers to understand they must arrive at a reasonable cost, preferably at the time of purchase and in agreement with the vendor. The estimate must not be based on the current replacement price of the item.

Your accountant can explain of course but the message is that these are two of the areas you have to be aware of.

### ► **Happy Holidays!**

And hopefully safe for you and your family. Please note that we will close only on the public holidays over Christmas and New Year. That is Saturday 25<sup>th</sup>, Mon 27<sup>th</sup>, Tues 28<sup>th</sup>, Friday (from midday) 31<sup>st</sup> Saturday 1<sup>st</sup> January and Monday 3<sup>rd</sup> January 2000.

I take this chance to thank you again for trusting your property with us and look forward to working for you in 2000.

Merry Christmas & Happy New Year!

*Leah Jay*

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**LEAH JAY PROPERTY MANAGEMENT** ► *Rental Roundup*