



Property Management News

August 2017

What the term “fair wear and tear” actually means when it comes to making allowances for tenants?



Some landlords question us when we tell them that we are required by law to make an allowance for fair wear and tear in their property. Unlike what you may think, this is by no means an excuse to let tenants get away with damaging your property.

The fact is, the older a property becomes and the less it is maintained, the more it will be subjected to natural wear and tear. A home is to be lived in, so you have to expect a reasonable amount of wear and tear to things like floor coverings, walls, doors and window furnishings. The same applies to your own home.

There is a trap that many people fall into however when it comes to wear and tear – complacency. The more things become worn, the harder it will be attract the best tenants. This can often lead to a domino effect whereby the wear and tear becomes exponentially worse as time goes by.

Knowing that it's much easier to keep a well maintained home in great condition than it is to maintain a home in poor condition, there is a general rule of thumb in property management that a rental property should have minor refurbishments completed every seven to ten years. This could involve a fresh coat of paint, new floor coverings (or sanding and polishing of existing floor boards) and new window furnishings. In other words, around the seven year mark, the property has been exposed to seven years worth of “fair wear and tear”, meaning it is most likely starting to look a bit long in the tooth. Do nothing, and by the ten year mark, you may have a poorly presented property on your hands that you are unable to find quality house-proud tenants for.

Our best advice is to plan ahead by putting a bit of money aside each year if possible so that when it comes time to give the property some love, you will have the funds set aside for it (remember, money you spend on your investment property is tax deductible). By improving your property, you will have a far better chance of attracting and keeping good quality tenants who are not only house proud, but are also prepared to pay a premium for a premium home.



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Researching the area in which you plan to invest is paramount to maximising your return

Some of the questions you might ask a professional property manager include:

1. What type of property has the highest demand in the market?
2. Which properties see the lowest turnover of tenants?
3. Which times of year see the highest enquiry rates?
4. What is the demographic of the majority of tenant enquiries?
5. What are the key property attributes they are looking for?

It's important to know this information when either investing or considering renovations so you can make better decisions as to where, when and how you invest your money.

For example, 2 bedroom units might have the highest demand and lease the fastest in a given area, however they might also have the highest turnover of tenants, which in turn creates more vacancies and potentially additional wear and tear on your property.

If you're planning to purchase an investment property or renovate, have a chat with our property management team who are in a position to give you the best tips on what features local tenants value most, the best yielding properties, average tenancy tenures, and the best time to bring your property to market.



One of the more common questions we are asked by property investors, especially first time investors, is, "How do you select a tenant for my property?"

Some express concern that we may choose someone unsuitable or that they may not have any say in it whatsoever. Rest assured we don't just put anyone in your property. We have a very thorough tenant selection process in place, as outlined below.

All prospective tenants who apply for a property with our company are required to complete a detailed application form and provide employment and rental references together with solid points of identification, such as a driver's license and passport. We will not process any application that fails to meet these criteria.

All applications are checked thoroughly. This includes making checks against several credit checking agencies and tenancy tribunal records to determine the prospective tenant's credit history.

Once our detailed screening processes have been completed, we contact you to advise the outcome. You have the freedom to be involved as much as you wish in the final selection process, however we have found that most landlords prefer to leave that process in our capable hands.

R&W

We are More than half way through the year and we are proud to say it has been a great year for R&W. We have been hitting all targets and delivering results for our clients.



Hendra Wijaya
Principal

Recent Rentals

- 12/10 Evans Avenue, Eastlakes
2 Bed 1 Bath 1 Car \$490 pw
- 2406/3 Carlton Street, Chippendale
2 Bed 1 Bath 1 Car - \$920 pw
- 004C/1 Muller Lane, Mascot
3 Bed 2 Bath 2 Car - \$960 pw
- 303C/1 Muller Lane, Mascot
3 Bed 2 Bath 2 Car - \$1000 pw

Recent Sales



9/14/1 Bruce Bennetts Pl, Maroubra
Bed 2 Bath 2 Car 1
\$1,060,000



4/225-227 King St, Mascot
Bed 3 Bath 2 Car 2
\$1,040,000



511/140 Maroubra Rd, Maroubra
Bed 2 Bath 2 Car 1
\$965,000

The best reputation in real estate

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