



Investor Newsletter

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"Patience in the present, faith in the future, and joy in the doing." (George Perera, MD)



Local Area / Team News

Construction Starts at Greenslopes Shops - Construction on streetscape improvements for the Greenslopes Convenience Centre on Logan Road and Chatsworth Road will start in February. Through the Greenslopes Suburban Centre Improvement Project (SCIP), Brisbane City Council is working with property owners and the local community to breathe life back into this important community hub. Council is spending \$2.25 million dollars on the project including a contribution by business owners.

Stones Corner Refresh Project - Brisbane City Council is breathing new life into Stones Corner through a revitalisation project, designed to rejuvenate one of Brisbane's most loved precincts. Stones Corner is recognised as one of Brisbane's iconic locations and in particular the Logan Road precinct has a long history as a shopping hub and popular gathering place for the local community.

The Stones Corner refresh project will see streetscape improvements such as new street furniture, footpath maintenance and replanted garden beds adorn the Logan Road shopping precinct. The refresh project will also include a new community inspired landmark artwork for the entrance to the precinct, to welcome visitors and provide an iconic pointer unique to Stones Corner. Acclaimed artist Scott Redford will undertake the artwork to create an innovative piece, which will promote the Stones Corner shopping precinct and create a strong gateway into the area.

Comparative Market Analysis - Over recent months we have introduced the provision of a written Comparative Market Analysis to all our Landlord clients when a rent review is scheduled. This report provides you with photos and short details of properties that are either similar to yours or are in close proximity that have been let in the preceding few months. We are glad to report that the feedback has been very positive, so keep a lookout for your report and don't hesitate to contact Louise should you wish to discuss the contents.

Professional Development - Louise and four of our team members will be attending the Leading Property Managers of Australia Annual Conference in April. This provides us with an opportunity to learn new skills, refresh our existing procedures, and become reinvigorated with the industry about which we are so passionate. We'll share the latest and greatest innovations in Property Management with you in our next quarterly Investor Newsletter.



Latest Median Rent Statistics

Residential Tenancies Authority statistics show that the median rent for 3 bedroom houses let in Brisbane during the quarter to 31st December 2011 was \$395 per week. This reflects an increase of **3.95%** from the same quarter in 2010. Likewise, the median rent for 2 bedroom units across Brisbane during the last quarter was \$380 per week – an increase of **4.11%** from the same quarter in the previous year. **The average rent for properties under the management of LGPM has increased by 4.82% over the previous 12 months.**

Looking at suburbs within our core market area, we find that these statistics vary somewhat. The average rent increases for 2 and 3 bedroom houses in the inner south-eastern suburbs was just over 5%, and 2 and 3 bedroom units around 2.6%.

Some of the best performing areas for 2011 were Greenslopes, Holland Park and Tarragindi where the median rents increased by up to 10% and Highgate Hill, South Brisbane and West End which have experienced a surge in new unit developments. What should be borne in mind is that these statistics are based on new Rental Bonds being lodged with the RTA, and does not factor in rent increases for existing tenancies.

The statistics are further blurred when periods of vacancy are factored in. The most recent vacancy rates provided by the Office of Economic & Statistical Research show that, overall, Brisbane had a vacancy rate of 3%, with the inner suburbs slightly lower at 2.7%. The vacancy rates at Louise Griffin Property Management have been **less than 1% since July 2011**, and as at January 31st 2012 **our vacancy rate was 0%** – a statistic of which we are very proud.

The above statistics are just some of the factors we take into account when establishing a list price for your property and when conducting rent reviews.

What is Fair Wear and Tear?

This would have to be the most frequently asked question by Lessors, Tenants and Property Managers alike, and the most debated issue when it comes to the final inspection of properties and Bond Refunds to Tenants.

The Residential Tenancies and Rooming Accommodation Act does not define the term “fair wear and tear”, but Standard Term 37 of the General Tenancy Agreement (Form 18a) signed by the tenant states “At the end of the tenancy, the tenant must leave the premises, as far as possible, in the same condition they were in at the start of the tenancy, fair wear and tear excepted. Examples of what may be fair wear and tear – wear that happens during normal use and changes that happen with ageing”

In the case *Griffin* (not LGPM!) *v Grini*, the Deputy President of QCAT provides some definition below:-

The phrase “wear and tear” has been common in leases and tenancy agreements for centuries. In general, the ordinary meaning of the phrase is concerned with the consequences of ordinary, not extraordinary damage. In the case of “wear”, this might mean, for example, fading paint work on internal and external walls caused by sunlight over time; “tear” refers to disrepair caused by a tenant through unintentional action or through the normal incident of a tenant’s occupation. Depending on the specifics of the obligations outlined in a tenancy agreement, this might include the accidental ripping of an aged, worn fly screen. In summary, fair wear and tear, in the context of a residential tenancy, refers to damage or disrepair caused or resulting from ordinary use.

Bill Randall, Magistrate, in the former Small Claims Tribunal was always one to deal with matters with a very practical outlook and was of the opinion that “fair wear and tear” should be assessed on the basis of “normal use” by a “normal household” – not use by a “fastidious” person, or similarly a “careless” person.

At Louise Griffin Property Management we acknowledge that items deteriorate with normal use and age, and apply practical judgment using common sense. Wear and tear on a brand new house after it has been lived in for two years is totally different to the wear and tear expected at a 10 year old property that has been lived in for five years.

Compare a chip or cut in the vinyl kitchen floor caused by a piece of cutlery being dropped, to a tear in the vinyl caused by a fridge being removed. Likewise, a newly polished floor will suffer surface scratches from normal living practices, but a gouge in a polished floor caused by furniture being dragged across it can be a different matter altogether.

We are also mindful that “wear and tear” should not be confused with cleanliness. Old and worn items can often still be cleaned!

Mould – Whose Responsibility Is It?

It may seem like a trivial issue, but the RTA has been inundated with calls relating to this issue over recent months. We have experienced unusually high rainfall in Brisbane over the past twelve months or so, and as we have just reached the end of a very hot and humid summer, mould has become a major concern for both Lessors and Tenants alike.

Mould and mildew are types of fungi which can be found both indoors and outdoors. They can grow almost anywhere there is water, high humidity or damp conditions. Mould can result from dampness in a roof cavity caused by a roof leak, a slow leak behind a shower wall, or perhaps from a bathroom not being ventilated of steam after showering.

Mould can be harmful to Tenants and Lessors. Air-borne mould spores can be breathed in when mould is disturbed when cleaning it or even by scraping along it or touching it. Mould can get onto your skin if touched and possibly cause skin irritation.

Tenants can become allergic to mould and exposure may cause or worsen asthma symptoms, hay fever or other allergies. The most common symptoms of mould exposure are a cough, congestion, runny nose and trouble breathing. In the event we are advised any of the above have occurred, we will notify you immediately. Symptoms generally disappear after the mould contamination has been removed.

The Residential and Tenancies Rooming Accommodation Act does not specifically identify “responsibility” for mould issues, so addressing mould problems can become a negotiation process. Generally speaking, if the mould is a result of wear and tear or a property fault, it is the Lessor’s responsibility to clean the mould and make any necessary repairs to maintain the property and keep it in good repair throughout the tenancy. If the tenant has caused the problem, for example by not keeping a bathroom ventilated, they would be responsible for the removal of the mould and repair of any resultant damage.

Under the terms of their Tenancy Agreement, Tenants are required to notify us, the Agent, of any serious/extensive mould problem, and we are required to notify you immediately should this occur. Arrangements should then be made to have the mould removed and the cause identified and rectified. Generally, small areas of mould can be cleaned using traditional methods, however more extensive infestations may require the services of a professional mould abatement company.

Mould is one of the conditions the LGPM team are always on the alert for when conducting our quarterly routine inspections at your property. We have made it a practice to remind tenants of how they can help prevent mould issues arising.

If you’d like a copy of our Fact Sheet showing ways to help minimize mould at your property email Shelley at reception@louisegriffin.com.au or give her a call on 3397 5877.

In Next Issue – The Bond Refund Process – it’s not as easy as it sounds!

Office Activity This Month

ACTIVITY : Number of:	LAST MONTH	THIS MONTH
Prospective Tenants inspecting available Properties	192	184
Tenancy Applications Received	72	58
Properties Rented including Lease Renewals	69	60
Hits / enquiries on our website	28,297/1276	14,738/503



Leased Recently

Our occupancy rate as at 31st January, 2012 was **100%**

Houses:

Address	Property Description	Days Vacant	Rent Change
Tranters Ave Norman Park	3 bedroom, deck with views \$410	3	↑\$10
Burlington St East Brisbane	2 brm workers cottage \$380	3	↑\$35
Hunter Street Greenslopes	3 bed, 2 bath study, pool \$740	10	New To Market
Moncrief Road Cannon Hill	3 yr old, 4 bed, 2 bath, 2 l'up \$610	Nil	Nil
Tiber Street Coorparoo	3 bed, 1 bathroom \$365	4	Nil

Units:

Address	Property Description	Days Vacant	Rent Change
Roseglen St Greenslopes	2 brm, 1 bthrm, carport \$300	4	↑\$30
Flora Street Greenslopes	2 brm, l/up garage, balcony \$320	9	↑\$15
Barton Road Hawthorne	Band new 2brm, ens, lux unit \$480	13	New To Market
Cornwall St Coorparoo	Renovated 1 brm, 1 lockup \$300	5	↑\$10
Gordon Street Greenslopes	2 bdrm, 1 bath, single l'up \$310	5	Nil



Calendar of Events

March 2012 to May 2012

Listed below are dates we would like to make you aware of coming up over coming months.

Thursday, 1 st March	End of Month Accounting	
Monday, 2 nd April	End of Month Accounting	
Friday, 6 th April	GOOD FRIDAY	Office Closed
Saturday, 7 th April	EASTER SATURDAY	Office Closed
Monday, 9 th April	EASTER MONDAY	Office Closed
Wednesday, 25 th April	ANZAC DAY	Office Closed
Tuesday, 1 st May	End of Month Accounting	
Monday, 7 th May	LABOUR DAY	Office Closed



Contact Us

We have listed our contact details below so you can update your records and for easy contact with our office.

As it is important to us that we are available to you, if you would like to meet with a particular team member we recommend you contact our office via email or phone and arrange an appointment. We find this works well as it minimizes inconvenience to you.

Daylight Saving Time is still in effect in the eastern states, **with the exception of Queensland** - until Sunday 3rd April. Please take this into account when contacting our office.

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