

Damage or fair wear and tear?

Words by Selina Randall, property management support service

Who is responsible for damage in tenancy?

When things break, or are damaged during a tenancy, it can be tricky for a property manager to work out who is responsible for rectifying the problem, especially at the end of the tenancy. If you find yourself in the situation of trying to figure out who is responsible, it basically comes down to two factors; what kind of damage it is and how did it occur.

Intentional or neglect

Any damage that is a result of an intentional act or negligent behaviour on the part of the tenant is a tenant's responsibility. The tenant has a responsibility to inform the agent immediately and seek advice on how to proceed with the repairs or replacement.

Third party damage

Any damage caused by a third party not directly connected to the tenant or anyone else living in the premises is not the responsibility of the tenant. This would include damage from someone the tenant did not invite into the premises or by an event outside of their control e.g. a break-in or storm damage.

What is "fair wear and tear"

It's a common scenario in the day of a property manager – tenant vacates, owners get upset and claims what they see is damage to their property. Tenant claims the "property is better than when they moved in" and gets equally as upset,



believing the damage is simply 'fair wear and tear'. The property manager is left to work out what is damage and what is fair wear and tear! The term 'fair wear and tear' is somewhat vague and open to interpretation, hence understandable that disagreements arise.

'Fair wear and tear' basically means the normal deterioration from ordinary, everyday use, taking into account factors such as exposure to elements, age (time) and day-to-day living.

How does an agent determine fair wear and tear?

The Entry Condition Report – hopefully complete with detailed photos – will be very useful for avoiding or settling disputes over fair wear and tear. Hopefully this report being well completed and signed by all parties will prevent a potential bond dispute from arising.

Some landlords have unrealistic expectations that their property will remain in exactly the same condition at the end of the lease as when tenants first move in. Whilst, some tenants have as equal unrealistic expectations with regards to how they are returning the property and what is considered 'fair wear and tear'.

will occur over time, in all homes and landlords should expect a level of wear and tear on their rental property while it is being lived in. Whilst the property is the owner's "house" it has been the tenants "home" and as such they have "lived" there.

Many owners rely on the agent's detailed routine inspection reports to keeping them updated on the condition of the property and ensuring it is maintained to a fair standard, addressing any issues in a timely manner. If an owner has not seen the property for an amount of time and has not been made aware of any gradual deterioration, then it is understandable where their frustration comes from at the end of a tenancy.

Common sense is a wonderful thing when attempting to determine the grey areas and any issues around wear and tear should be discussed between tenant and the property manager to attempt to come to a conclusion before taking the matter further.

Effective negotiation and communication are two of the most important skills we have as property managers. Using those skills to come to an agreement where everyone walks away feeling satisfied, and avoiding the outcome having to be determined by the Tribunal, surely has to be a win win situation.

Words by Selinda Randall, 2017, Article derived from: Reiq Journal – April 2017 edition



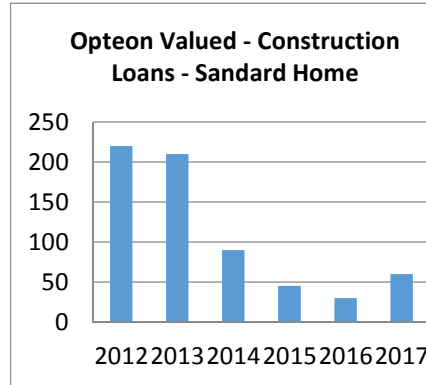
Construction – The market to watch

The year is off to a positive start and none more so than the residential construction aspect of the market. With land now competitively priced, new display homes finished, active marketing campaigns and extremely competitive build contracts, this is the most positive we believe the residential construction industry has been for some years.



Using our internal database we tracked how many 'On Completion' valuations we completed for the first quarter of every year – 1st of January to the 31st of March. These are standard dwelling constructions and do not count Renovations, Unit

Constructions, Multi Dwelling Constructions etc.



We note that most of the new homes we are currently valuing have land priced between \$120,000 to \$170,000 and total packages (land and build) ranging from \$380,000 to \$480,000. This range appears to be the most preferred in the market. The gap between established homes and new homes should continue to lessen as the year progresses. In the previous year's affordable established homes that were listed under build costs have had negative impacts on our local building industry.

It will be an interesting year. What has been a tough climate to be a Property Valuer is changing again and the Residential Team at Opteon welcome this positive market shift with open arms.

Article is derived by Opteon Property Group – April 2017 Newsletter



Reminder

End of financial year is coming up. If you wish for maintenance items to be paid and carried out this year, these items will need to be arranged in May so Payment can happen in June.

Around MACKAY

BLUE WATER TRAIL

See highlights of Mackay's diverse cityscape along the Bluewater Trail

The Bluewater Trail is approximately 20 kilometres in length, linking key attractions, including the picturesque Mackay Regional Botanical Gardens and the Bluewater Lagoon to Mackay's natural features, the Pioneer River and Town Beach. A feature along the trail is the inclusion of six public art installations, each uniquely representing a piece of Mackay's history and diversity.



What's ON...



MOTHERS DAY CLASSIC

Walk for breast cancer research

When: Sunday 14th May 2017

Distance: 4km Walk, 5km Walk, 5km Run

Where: Mackay Regional Botanical Gardens, Lagoon Street Mackay

Online entries close: 11.59pm Wednesday 10 May 2017 (EST)

On the day entries: Available on Sunday 14 May 2017 (event day) at Mackay Regional Botanic Gardens from 7:00am.