

Fair wear and tear

As an owner, I'm sure you have heard this phase on many an occasion.

*"We are required to allow the tenant fair wear and tear"
- straight from the mouth of your property manager.*

While this does appear as an excuse to let the tenant get away with damaging your property, there is a way, as an owner you can prepare for this. Rule of thumb is that a rental property should have a minor refurbishment every seven to ten years. This could mean paint, floor coverings and window furnishings.

Now, I know properties can go much longer without this, however, as time progresses minor damage or "fair wear and tear" gets exponentially worse.

What this means is that, at say, the seven year mark, there is seven years worth of "fair wear and tear" and the property is most likely starting to look a bit long in the tooth.

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So unfortunately your property manager has to give a little more grace to each tenant as the years roll on.

As the property starts to loose its appearance, letting it to quality tenants becomes harder, and less quality tenants are now more than likely to have an increased "fair wear and tear" component. See this domino effect now in place?

By the 10 year mark you have a badly presented property that you are unable to find quality house proud tenants for.

Be prepared, this is a very normal cycle for an investment property. Put a little bit of money away each year so that when it gets to the stage where "fair wear and tear" is now well beyond acceptable, you now have the funds to freshen the property up, increase the rent and attract good quality tenants to your property.